July 24, 2026

To,
BSE Limited
Listing Dept. / Dept. of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Security Code: 542484
Security ID: ARVINDFASN

To,
National Stock Exchange of India Limited
Listing Dept., Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051

Symbol: ARVINDFASN

Dear Sir/Madam,

Subject: Submission of Integrated Annual Report for the Financial Year 2025-26.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Integrated Annual Report of the Company for the Financial Year 2025-26 along with the Notice convening the Annual General Meeting scheduled to be held on Wednesday, August 19, 2026 at 02:30 P.M. (IST) through Video Conference ("VC")/ Other Audio Visual Means ("OAVM").

The above is also available on the website of the Company at www.arvindfashions.com.

Thanking you,

Yours faithfully,

For Arvind Fashions Limited

LIPI JHA Digitally signed by LIPI JHA Date: 2026.07.24 21:10:57 +05'30'

Lipi Jha
Company Secretary

Encl.: As above

Arvind Fashions

Building the Future of Fashion

Integrated Annual Report **2025-26**

Table of Contents

About this Report

This third Integrated Annual Report of Arvind Fashions Limited ("Arvind Fashions", "AFL" or "the Company") presents a comprehensive overview of the Company's strategy, business model, governance, performance and long-term value creation journey for the Financial Year ended March 31, 2026.

Fashion is an industry shaped by changing consumer aspirations, evolving lifestyles and continuous innovation. As one of India's leading lifestyle companies with a portfolio of iconic global and homegrown brands, Arvind Fashions continues to build enduring consumer franchises through disciplined execution, strong brand stewardship, operational excellence and responsible business practices. This Report explains how these capabilities come together to create sustainable value for customers, employees, partners, shareholders and society.

Prepared using the principles of integrated reporting, the Report demonstrates the interdependence between our strategy, governance, financial performance and the six capitals that underpin long-term value creation. It reflects not only what we achieved during FY 2025-26, but also how we are strengthening the foundations for the future.

Reporting Period and Scope

This Report covers the Financial Year from April 1, 2025 to March 31, 2026 and includes material financial and non-financial information relating to Arvind Fashions Limited, its subsidiaries and joint ventures, unless stated otherwise. Comparative financial information relates to the previous financial year, wherever applicable

Reporting Frameworks

This Integrated Annual Report has been prepared in accordance with the applicable provisions of:

- Companies Act, 2013 and the Rules thereunder
- Indian Accounting Standards (Ind AS)
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India
- Principles of the International Integrated Reporting (IR) Framework

The Report also incorporates applicable statutory, governance and sustainability disclosures required under prevailing regulations.

Materiality

The contents of this Report are guided by matters that are considered material to Arvind Fashions' ability to create value over the short, medium and long term. These include the strategic priorities, operating environment, opportunities, risks, stakeholder expectations and business capabilities that significantly influence the Company's performance and future prospects.

Forward-looking Statements

This Report contains certain forward-looking statements concerning the Company's future business prospects, growth strategy, operational performance and financial outlook. These statements are based on management's current expectations, assumptions and estimates and are therefore subject to risks and uncertainties that may cause actual outcomes to differ materially from those expressed or implied. The Company undertakes no obligation to publicly update or revise these forward-looking statements except as required under applicable law.

Stakeholder Feedback

We believe integrated reporting is an evolving journey and value feedback from all our stakeholders. Your suggestions help us enhance the quality, relevance and transparency of our disclosures.

Investor Relations

investor.relations@arvindfashions.com

https://www.arvindfashions.com/

Download the digital version of this Report from www.arvindfashions.com

About Arvind Fashions

Fashion is one of the most powerful expressions of identity, aspiration and lifestyle. As India's consumer landscape evolves, brands that combine global appeal with deep local relevance are best positioned to create enduring value.

Arvind Fashions Limited is one of India's leading lifestyle companies, bringing together a portfolio of iconic global and homegrown brands that span premium, mid-premium and youth fashion segments. Through U.S. Polo Assn., Tommy Hilfiger, Calvin Klein, Arrow and Flying Machine, the Company serves millions of consumers across categories, occasions and generations.

Over the years, Arvind Fashions has evolved from a branded apparel business into a consumer-first fashion platform built on strong brand stewardship, deep consumer understanding, operational excellence and disciplined capital allocation. Our integrated capabilities across brand management, product development, sourcing, retail, digital commerce, supply chain and analytics enable us to respond with agility to changing consumer preferences while delivering sustainable, profitable growth.

Today, our brands reach consumers through an extensive omnichannel ecosystem comprising exclusive brand outlets, large format stores, multi-brand outlets, our own digital platforms and leading online marketplaces. This integrated presence enables us to deepen consumer relationships, strengthen brand experience and create a seamless shopping journey across every touchpoint.

As India enters a new phase of premiumisation and organised retail growth, Arvind Fashions is well positioned to capture the opportunities ahead. Guided by a portfolio of strong brands, a disciplined operating model and a relentless focus on consumers, we continue to build an organisation designed for long-term value creation.

KEY HIGHLIGHTS

Key Operational Numbers
As of March 31, 2026

32+
Years of retail experience

9500+
MBOs and Shop in shops across department stores

475+
Cities and towns

1,025
EBOs count comprising 13.37 lakh sq. ft.

5
Core brands

10+
Warehouses

100+
Suppliers

7500+
Employees

Key Financial Numbers
For FY 2026

₹5,266 crores
Revenue from operations
14% growth year-on-year

54.4%
Gross margins
up by 91 bps

₹745 crores
EBITDA
17% year-on-year

₹285 crores
Profit Before Tax (before code on wages impact)
26.7% growth year-on-year

23%+
Milestone ROCE achieved

₹2500+ crores
Milestone NSV achieved by USPA

During FY 2026

~1.43 lakh sq. ft.
Net sq. ft. area addition

~5 %
Energy consumed from renewable sources

BRAND PORTFOLIO

U.S. POLO ASSN. SINCE 1890 | TOMMY HILFIGER | Calvin Klein | ARROW USA·1851 | FLYING MACHINE

The Vision

Building the Future of Fashion

Driving Transformation & Scale at Arvind Fashions Limited

Our Mission Statement

At Arvind Fashions Limited, we are not just in fashion, we are building its future. We use technology to power every part of fashion: design, content, go-to-market, and supply chain. We move at the speed of culture, delivering inclusive style and immersive brand experiences for our consumers at all touchpoints, creating the most loved brands.

Our high-performance, meritocratic culture rewards bold ideas and sharp execution. For our teams, it's a platform to lead. For our stakeholders, it's a platform of lasting value. We don't adapt to change; we build the future.

Our Values

to drive sustainable profitable growth

Integrity Always

We do what's right, not what's easy

Disruptive Innovation

We challenge the status quo to create value, for today and tomorrow

Consumer Obsession

We put our consumers at the heart of everything we do

Excellence in Execution

We hold ourselves to the highest standards, every day, in every detail

High Performance, High Trust

We perform with accountability and lead with trust

One Team, One Mission

We win together, with aligned goals and zero silos

Care: Diversity & Inclusivity

We lead with respect and empathy; thrive by embracing diverse perspectives and creating space for every voice

Chairman's Reflections

Dear Shareholders,

Fashion has always been a mirror of its time. Today, that mirror reflects a new India: young, confident, digitally connected and increasingly expressive about the brands it chooses.

Across the country, consumers are redefining fashion from a category of need to a powerful expression of identity and aspiration. They are discovering trends faster, embracing premium experiences, seeking authenticity, and expecting brands to reflect not only how they look, but who they are.

For India's fashion industry, this represents one of the most significant structural opportunities of our time, but it also raises the bar.

The future will not belong simply to the companies with the largest presence or the widest reach, it will belong to those that build enduring brands, understand consumers deeply, invest patiently in distinctive capabilities, embrace technology with purpose, and grow with financial discipline.

At Arvind Fashions, this is the future we are building.

The theme of this year's Integrated Report, Building the Future of Fashion, reflects both our ambition and our conviction. It represents our commitment to building a company that is more consumer-led, more agile, more technology-enabled and better positioned to create enduring value for all stakeholders.

Over the past several years, we have made a series of deliberate strategic choices to prepare the Company for this future. We sharpened our portfolio around a focused set of powerful brands, strengthened our balance sheet, deepened our direct relationship with consumers, enhanced capital efficiency and continued investing in capabilities that will define long-term competitiveness. These choices were designed to build a stronger institution.

FY26 reflects the growing strength of that foundation.

Our Company delivered revenue from operations of ₹5,266 crore, representing growth of 14% over the previous year. EBITDA grew 17% to ₹745 crore, while profit before tax increased to ₹285 crore (before Code on Wages). Return on Capital Employed crossed an important milestone of 23%, reflecting the quality of our growth and the increasing discipline with which we deploy capital.

The more important story is that Arvind Fashions continues to become a stronger business, one with sharper strategic focus, healthier economics, stronger brands and an operating model capable of sustaining long-term value creation. Brands remain our most valuable assets.

In an increasingly fragmented and competitive marketplace, enduring brands are built through trust, consistency and relevance. They earn their place not simply through product, but through the experiences they create and the relationships they build with consumers over time.

Our portfolio of globally admired and homegrown brands places Arvind Fashions in a unique position within India's premium and lifestyle fashion market. Together, these brands allow us to participate across multiple consumer segments, occasions and aspirations, while maintaining the strategic focus necessary to build long-term brand equity.

As India continues its premiumisation journey, we believe this portfolio provides a meaningful platform for sustained growth.

Technology will be another defining force in the future of fashion. AI, advanced analytics and digital ecosystems are reshaping how fashion companies understand consumers, create products, manage supply chains and deliver personalised experiences. Technology will not replace creativity, the essence of fashion will always remain human, but it will increasingly determine the speed, intelligence and precision with which businesses compete.

Equally, sustainability is becoming inseparable from long-term competitiveness. Consumers, investors and society increasingly expect businesses to create value responsibly. This extends beyond environmental stewardship to encompass governance, ethical business practices, responsible sourcing, inclusion and the resilience of the ecosystems in which companies operate.

At Arvind Fashions, we view sustainability as an integral part of building a business that is resilient, relevant and trusted for the long term.

The external environment will undoubtedly continue to evolve. Geopolitical developments, changing trade dynamics, inflationary pressures, technological disruption and shifting consumer expectations will continue to test businesses across industries.

Experience teaches us that enduring institutions are not built by responding to change alone. They are built by anticipating it, adapting to it and having the conviction to invest ahead of it.

This philosophy has guided the Arvind Group for decades and continues to guide Arvind Fashions today.

FY26 also marked an important leadership transition for the Company. I welcome Amisha Jain as Managing Director and CEO. Her deep understanding of brands, consumers, retail and business transformation, combined with her strong execution capability, positions the Company well for its next phase of growth.

My role is to help build an institution that creates enduring value across generations, an institution recognised not only for the strength of its brands, but for the trust it earns; not only for profitable growth, but for responsible growth; and not only for adapting to change, but for helping shape the future of Indian fashion.

Our people remain central to this aspiration. Across our stores, design studios, sourcing teams, warehouses, offices and partner ecosystem, thousands of individuals bring our brands to life every day. Their passion, creativity, resilience and commitment are the foundation of everything we have achieved. On behalf of the Board, I extend my sincere gratitude to every member of the Arvind Fashions family for their contribution.

Looking ahead, our confidence is anchored not in short-term market cycles but in long-term structural fundamentals. India's fashion market continues to offer one of the most compelling consumer opportunities globally, and we believe Arvind Fashions is exceptionally well positioned to participate in that growth.

We will continue strengthening our brands, investing in future-ready capabilities, maintaining disciplined capital allocation, upholding the highest standards of governance and creating sustainable value for all our stakeholders.

The future of fashion will belong to companies that combine creativity with discipline, ambition with responsibility, and innovation with trust. We are committed to building exactly that.

On behalf of the Board, I thank our shareholders, customers, employees, brand partners, franchisees, suppliers and every stakeholder for your continued trust and confidence.

Together, we are not simply participating in the future of fashion, we are helping build it.

Sanjay S. Lalbhai
Chairman
Arvind Fashions Limited

Managing Director & CEO's Message

Building Capability.
Delivering Performance.

"

Dear Shareholders,

It is a privilege to write to you for the first time as Managing Director and CEO of Arvind Fashions Limited. Over the past nine months, I have spent time across our business – with our teams, in our stores, and with the consumers, partners and franchisees who bring our brands to life every day. What I found reinforced a conviction I now hold deeply: Arvind Fashions is not simply a well-run company. It is a company in the early stages of becoming genuinely great.

FY26 – A YEAR OF QUALITY GROWTH

14% Revenue growth

Broad-based and profitable

ROCE 23%+
Return on Capital Employed

Up materially year-on-year

56% D2C contribution to total sales

+270 bps year-on-year

8.1% Like-for-like retail growth

Consistent through the year

But the numbers, while strong, tell only part of the story. What mattered most in FY26 was the quality of growth. Inventory is fresher. Gross margins are healthier. Our capital efficiency is improving and our D2C engine, combining physical retail, digital commerce and consumer data is compounding with every passing quarter. These are the structural improvements that translate into durable advantage.

> We are not building a bigger version of what we were. We are building what we intend to become.

Our Vision – Building The Future Of Fashion

Our vision is precise: to build the future of Indian fashion. This means using technology and data to power every part of the value chain. It means moving at the speed of culture, not the speed of the calendar. It means building brands that consumers genuinely love, not just recognise.

The companies that will define the next decade of fashion are those that combine creativity with intelligence, instinct with data, speed with discipline. That is the company we are consistently building.

Five Brands. One Direction.

Each of our five brands has a distinct and purposeful role.

- U.S. Polo Assn. continues to strengthen its position as India's leading casual lifestyle brand with momentum across apparel, adjacencies, retail and digital.
- Tommy Hilfiger and Calvin Klein are exceptionally well placed to benefit from India's premiumisation journey, with strong global aspiration and distinctive lifestyle appeal.
- Arrow is being reimagined for the evolving Modern Professional consumer through sharper product innovation and a refreshed retail experience.
- Flying Machine represents one of our most exciting opportunities – a contemporary youth brand that speaks authentically to Gen Z through culture, creativity and self-expression.

Our objective is not to make these brands larger. It is to make them more relevant, more distinctive, and more enduring. That distinction shapes every decision we make.

The D2C Engine

Retail is where our brands come alive. Physical stores remain the most powerful expression of a brand's identity, and our continued investment in larger, more productive formats is delivering consistent returns, as FY26's LFL growth of 8.1% demonstrates.

Equally, digital is no longer a parallel channel. It is our primary consumer intelligence system. By integrating stores, websites, marketplaces, analytics and customer data into one connected ecosystem, we are building consumer relationships that become more valuable over time. At 56% of total sales, our D2C contribution is growing, but the more important shift is structural: we are becoming a consumer-first organisation, not a channel-first one.

Intelligence As Competitive Advantage

Fashion will always require creativity and instinct. But the next phase of fashion will also be shaped by intelligence. Data, AI and advanced analytics are changing how the best consumer businesses operate – improving merchandising, pricing, demand forecasting and customer engagement in ways that were not possible five years ago.

We are investing strategically in these capabilities. The organisations that understand changing consumer behaviour earlier and respond faster, will hold a durable advantage. We intend to be one of them.

Supply Chain – Closer To Demand

In a world of volatility, supply chain agility is a strategic asset. We are deepening our India-based sourcing model while investing in faster planning, better replenishment, improved inventory lifecycle management and shorter product cycles. The goal is simple: stay closer to demand, improve freshness, enhance full-price sell-through, and manage working capital with greater discipline.

Culture – The Foundation

In FY26, we took a defining step, articulating the shared Vision, Mission, Values and Ways of Working that will shape Arvind Fashions for years to come. These are not aspirational statements on a wall. They are the operating principles that guide daily decisions across our organisation.

Culture, for me, is reflected in the everyday choices we make. Integrity always. Consumer obsession. Disruptive innovation. Excellence in execution. High performance, high trust. One team, one mission. These principles, practised consistently, are what will define the organisation we build.

Outlook

The broader market context is encouraging. Indian fashion consumption is shifting towards quality and experience-led choices, with mid-premium and premium apparel emerging as among the fastest-growing segments, a trend that aligns directly with the portfolio we are building.

Our outlook for FY27 is one of confidence, tempered by realism. We expect to sustain mid-double-digit revenue growth and deliver further EBITDA margin expansion, while continuing to invest in marketing, technology, AI, people and strategic capability. We will stay close to our consumers, protect brand equity, improve full-price sell-through and continue to strengthen our ROCE trajectory.

> The future of fashion belongs to companies that understand people more deeply than ever before can – how they live, what they value, and how brands become meaningful parts of their everyday lives.

Our responsibility is not simply to respond to that future. It is to help build it. I have never been more confident about what lies ahead.

I want to thank our Board for its guidance, our global brand partners for their trust, our franchisees and business partners for their collaboration, and our shareholders for their continued confidence. And above all, I thank every member of the Arvind Fashions family whose passion, resilience and commitment make our progress possible.

Amisha Jain
Managing Director & CEO
Arvind Fashions Limited

"

Celebrate Excellence: Key Awards and Accolades

At Arvind Fashions Limited (AFL), our marketplace leadership is defined by a relentless focus on scaling our power brands, pioneering digital ecosystems, and future-proofing our operations through sustainable infrastructure. The industry recognition received over the past year serves as a measurable proof point of our corporate strategy delivering tangible results.

Rather than viewing these accolades as isolated operational wins, we evaluate them through the lens of an Integrated Reporting framework. They represent a compounding enhancement of our non-financial capitals – deepening our brand equity, unlocking infrastructure efficiencies, and driving long-term, sustainable wealth creation for our stakeholders.

Digital Acceleration & Consumer Mindshare

Fostering Intellectual and Social & Relationship Capital

In an increasingly digital-first Indian retail landscape, AFL has aggressively built a seamless omnichannel ecosystem. By integrating advanced consumer data analytics with responsive e-commerce platforms, we continue to capture market share and cultivate lifelong consumer relationships.

NORO by NNNOW.com
Excellence in E-Commerce Innovation

Images E-Commerce Awards 2025

Strategic Context & Capital Impact:

Honored for pioneering breakthrough technological integrations that redefine the digital marketplace experience. Through NNNOW.com, AFL has successfully deployed advanced personalisation engines and localised fulfilment algorithms. This award recognises our ability to enhance platform agility, maximise inventory turns, and cultivate high-margin digital scale.

U.S. Polo Assn. India
Economic Times Digiplus Awards 2025

Excellence in Digital Marketing & Consumer Engagement

Strategic Context & Capital Impact:

Awarded to our flagship power brand for setting new benchmarks in high-impact, data-driven storytelling. By leveraging hyper-targeted digital media, lifestyle-centric narratives, and robust community engagement campaigns, U.S. Polo Assn. has intensified its market salience, deepening brand love and accelerating direct-to-consumer (D2C) online conversions.

The Strategic Takeaway "Our digital infrastructure is a critical competitive advantage. By intersecting high-performance digital platforms like NNNOW.com with data-led brand building for power portfolios like U.S. Polo Assn., we guarantee that Arvind Fashions remains at the precise intersection of consumer desire and absolute transactional convenience."

Retail Innovation & Operational Excellence

Optimising Manufactured and Social & Relationship Capital

Physical retail remains a cornerstone of the AFL growth story. Our multi-format store strategy allows us to capture diverse demographics—securing premier real estate for high-experiential flagships while simultaneously driving rapid, scalable penetration in the value fashion segment.

Club A
Excellence In-Store Design & Façade

3rd Edition of the ET Great India Retail Awards 2026

Strategic Context & Capital Impact:

Awarded for architectural innovation and experiential design excellence. Club A's modern design framework transforms physical storefronts into visually arresting brand statements. This award validates our focus on immersive premiumisation, converting structural spaces into interactive customer touchpoints that boost dwell time and scale customer lifetime value.

Megamart | Value Fashion Star Award

FAME Awards 2025

Strategic Context & Capital Impact:

Honored for outstanding performance, operational efficiency, and market dominance in the rapidly expanding value segment. Megamart's recognition highlights its highly optimised retail footprint and sharp value proposition. By offering accessible fashion without compromising on quality, we continue to maximise retail space utilisation across our value stores, driving sustainable top-line growth.

Sustainable Infrastructure & Environmental Stewardship

Preserving and Enhancing Natural Capital

True corporate leadership requires decoupling business growth from our environmental footprint. Our commitment to sustainable operations means that environmental compliance is deeply embedded into our supply chain, logistics, and physical asset management.

AFL Hoskote Facility, Bengaluru IGBC Platinum Rating

IGBC Green Logistics Parks and Warehouse Certification (Interior Fit-outs - Existing)

Strategic Context & Capital Impact:

Achieved the highest global benchmark in green building design from the Indian Green Building Council (IGBC). Our flagship Hoskote warehouse facility was rigorously evaluated and credited for its advanced energy conservation, waste recycling protocols, and optimised resource efficiency. This Platinum certification directly validates our environmental stewardship, reducing long-term operational risks and demonstrating our active alignment with national sustainability mandates.

Building Competitive Advantage in a Changing Fashion Landscape

Today's fashion industry is being reshaped by structural shifts in consumer behaviour, technology, sustainability expectations and the competitive landscape. At Arvind Fashions, these shifts are continuously assessed to determine the issues that are most material to our business and stakeholders. The insights derived from this process shape our strategy, influence capital allocation, strengthen enterprise risk management and guide our long-term value creation journey.

External Environment

Building for a rapidly evolving fashion landscape

The Indian fashion industry is entering a period of structural transformation. Rising aspirations, increasing disposable incomes, premiumisation, digital commerce, organised retail expansion and changing consumer preferences are redefining the way fashion brands compete and create value.

Consumers are becoming more discerning and increasingly seek brands that combine authenticity, quality, innovation and seamless experiences across physical and digital channels. At the same time, technological advancements, sustainability expectations, evolving regulations and global supply chain dynamics are reshaping the operating environment.

These trends present significant opportunities for companies with strong brands, consumer insight, operational agility and disciplined execution. They also reinforce the importance of continuously adapting business strategies to remain relevant in an increasingly dynamic marketplace.

At Arvind Fashions, our strategy is built on understanding these shifts early, anticipating changing consumer needs and strengthening the capabilities required to create sustainable competitive advantage.

Emerging Trend
Premiumisation

Strategic Implication
Growing demand for aspirational brands and premium product offerings.

Emerging Trend
Omnichannel commerce

Strategic Implication
Seamless integration of physical and digital experiences becoming essential.

Emerging Trend
Technology & AI

Strategic Implication
Faster, data-driven decision-making across merchandising, planning and customer engagement.

Emerging Trend
Organised retail

Strategic Implication
Greater opportunity for branded retail and consumer engagement.

Emerging Trend
Digital discovery

Strategic Implication
Consumer purchase journeys increasingly influenced by digital platforms and social commerce.

Emerging Trend
Responsible business

Strategic Implication
Greater stakeholder focus on ethical sourcing, governance and environmental stewardship.

Determining What Matters

Materiality at Arvind Fashions

The fashion industry is constantly evolving, shaped by changing consumer aspirations, technological advancements, regulatory developments, sustainability expectations and macroeconomic trends. As these dynamics continue to transform the business landscape, understanding the issues that matter most is fundamental to creating sustainable long-term value.

At Arvind Fashions, our materiality assessment is an integral part of our integrated thinking framework. It enables us to identify and prioritise the matters that have the greatest influence on our business and are most significant to our stakeholders. These insights help shape our strategic priorities, strengthen enterprise risk management, guide capital allocation and ensure that our integrated reporting reflects the issues that are most relevant to our long-term value creation journey.

Our materiality assessment is reviewed periodically to ensure it remains aligned with the evolving business environment and stakeholder expectations.

Our Materiality Approach

Materiality is determined through a structured process that combines external trends, stakeholder expectations and business priorities.

A structured process to indentify and focus on what matters most

STEP 1

ENVIRONMENTAL SCAN

Review macroeconomic trends, industry developments, consumer behaviour, regulatory changes and emerging sustainability issues.

STEP 2

STAKEHOLDER ENGAGEMENT

Engage with investors, customers, employees, suppliers, business partners, regulators and the Board to understand evolving expectations.

STEP 3

MATERIALITY ASSESSMENT

Evaluate each issue based on its significance to stakeholders and its potential impact on the Company's strategy, business performance and long-term value creation.

STEP 4

PRIORITISATION

Identify key material matters and align them with strategic priorities and enterprise risk management.

STEP 5

INTEGRITY & REVIEW

Embed material matters into business planning and periodically review them to reflect changes in the operating environment and stakeholder expectations.

This approach ensures that our material matters remain relevant, actionable and closely aligned with our strategy and long-term value creation.

Value Creation Strategy

Creating Sustainable Value Through Integrated Thinking

At Arvind Fashions, value creation is driven by the belief that enduring business performance is built through the strength of brands, deep consumer understanding, disciplined execution and responsible business practices. Every strategic decision we make is guided by our ability to create value that is sustainable, resilient and shared across all our stakeholders.

Our integrated business model brings together strong brands, consumer insights, product innovation, agile sourcing, omnichannel capabilities, technology-enabled decision-making and a high-performance culture. These capabilities reinforce one another, enabling us to respond to changing market dynamics, strengthen competitive advantage and deliver consistent financial performance.

As India's fashion landscape continues to evolve, we remain focused on building long-term capabilities rather than pursuing short-term gains. This approach enables us to create value not only through profitable growth but also by strengthening stakeholder trust, enhancing operational resilience and investing in future-ready capabilities.

Our value creation strategy is underpinned by six interconnected capitals, each contributing to our ability to deliver sustainable growth while creating meaningful outcomes for customers, employees, partners, communities and shareholders.

OUR VALUE CREATION MODEL

Creating Today. Sustaining Tomorrow.

At Arvind Fashions, value creation is a continuous journey of understanding the evolving world around us, focusing on what matters, and executing with excellence to deliver meaningful outcomes for all our stakeholders.

HOW WE CREATE VALUE

External Environment
A dynamic landscape shaped by changing consumer aspirations, premiumisation, digital acceleration, technology, sustainability expectations and macroeconomic shifts.

Material Matters
The issues that have the greatest influence on our ability to create long-term value for our stakeholders and achieve sustainable growth.

Strategic Priorities
Our response to the opportunities and challenges around us, focused on strengthening our brands, enhancing capabilities and creating long-term value.

Capitals Deployed
An integrated set of activities across the value chain that enable us to deliver superior products and experiences to millions of consumers, every day.

Business Activities
We steward six forms of capitals, enhancing them through our business model to create value that is resilient, inclusive and future-ready.

OUR STRATEGIC PRIORITIES

Strengthen Brand Leadership
Invest in our iconic brands to build desirability, relevance and long-term equity.

Deepen Consumer Relationships
Expand our omnichannel ecosystem to deliver seamless, personalised.

Accelerate Product & Category Expansion
Drive innovation and premiumisation while expanding into adjacencies and high-growth categories.

Drive Operational Excellence
Enhance sourcing, supply chain agility, inventory productivity and execution to improve business quality.

Build Future-ready Capabilities
Leverage technology, analytics, AI and data to make faster, smarter and more consumer-centric decisions.

Grow Responsibly
Embed sustainability, strong governance and an inclusive culture across our business and value chain.

THE SIX CAPITALS

Financial Capital
Generating strong cash flows and maintaining financial discipline to fuel growth.

Manufactured Capital
Leveraging our infrastructure, retail network and technology-enabled systems.

Intellectual Capital
Investing in brand equity, innovation, data, digital capabilities and IP.

Human Capital
Nurturing talent, capability, leadership and a culture of high performance.

Social & Relationship Capital
Building trusted relationships with stakeholders, partners and communities.

Natural Capital
Minimising our environmental impact and responsibly using natural resources.

VALUE CREATED FOR OUR STAKEHOLDERS

Customers
• Trusted brands • Quality products
• Seamless experiences • Greater choice
• Enhanced value

Employees
• Learning & growth • Inclusive culture
• Leadership development • Wellbeing
• Purpose-driven organisation

Suppliers & Partners
• Long-term partnerships • Fair & transparent engagement • Responsible sourcing • Shared growth

Communities
• Employment generation • Social impact
• Environmental stewardship • Community development

Shareholders
Sustainable revenue growth • Profitability • Capital efficiency • Strong cash generation • Long-term shareholder returns

LONG-TERM OUTCOMES

STRONGER BRANDS
Built on trust, relevance and consistent performance

DEEPER CONSUMER LOYALTY
Driven by superior experiences across every touchpoint

OPERATIONAL RESILIENCE
Enabled by agile processes, technology and partnerships

PROFITABLE GROWTH
Sustained through discipline, innovation and scale

RESPONSIBLE BUSINESS
Creating positive impact for people and the planet

SUSTAINABLE VALUE CREATION
Delivering enduring value for all stakeholders

Financial Capital

Delivering Quality Growth Through Disciplined Capital Allocation

Financial strength is built through the quality of growth, disciplined capital allocation and the ability to consistently create long-term value.

Financial capital at Arvind Fashions represents our ability to convert strategy into profitable growth, allocate capital with discipline, strengthen our balance sheet, invest behind our brands, and create long-term value for shareholders and stakeholders.

In a consumer environment marked by stable but uneven demand, inflationary pressures, evolving channel dynamics and heightened competitive intensity, FY26 was a year in which Arvind Fashions demonstrated the quality of its operating model. The Company continued to grow ahead of the broader market, strengthened its direct-to-consumer engine, improved profitability, invested behind brand salience and expanded its retail footprint through an asset-light approach. This performance was not driven by scale alone. It was driven by sharper execution, better channel architecture, stronger inventory control, premiumisation-led growth, and a clear focus on return ratios.

During the year, Arvind Fashions reported revenue from operations of ₹ 5,266 crore, representing strong year-on-year growth. The growth was supported by momentum across direct channels, consistent retail like-to-like performance, growth in online B2C, and expansion of adjacent categories. EBITDA increased to ₹745 crore, with EBITDA excluding other income at ₹705 crore, reflecting the benefit of operating leverage, gross margin expansion, better channel mix, sourcing gains and sustained control over discounting. Profit before tax, before the impact of Code on Wages, stood at ₹285 crore.

This performance reinforces the Company's strategic direction: to build fewer, stronger, more scalable brands; grow through channels that give greater control over consumer experience and inventory; invest behind premiumisation and brand visibility; and pursue profitable growth rather than growth at any cost.

> Our financial performance in FY26 demonstrates the continued strengthening of our business model, with disciplined execution, higher-quality earnings and investments that position Arvind Fashions for sustainable long-term value creation.

Key highlights

₹5,266 Cr
Revenue From Operations
▲14%

₹705 Cr
EBITDA (EXCL. Other INC.)
▲17%

13.4%
EBITDA Margin
▲40 bps

₹139 Cr
PAT*
▲62%

56%
D2C / Direct Channels
▲270 bps

8.1%
Retail LTL Growth
Strong

45%
Online B2C Growth
Strong

>23%
ROCE
Improved

from continuing operations excluding code on wage impact and exceptional DTA charges*

FY26 at a Glance

Metric	FY25	FY26	Change
Revenue from Operations	₹4,620 Cr	₹5,266 Cr	+14%
EBITDA (Excl. Other Income)	₹602 Cr	₹705 Cr	+17%
EBITDA Margin	13.0%	13.4%	+40 bps
PBT (before Code on Wages impact)	₹225 Cr	₹285 Cr	+27%
PAT*	₹85 Cr	₹139 Cr	+62%
Gross Margin	–	–	+91 bps
Retail LTL Growth	–	8.1%	Strong
Online B2C Growth	–	45%	Strong
D2C Contribution	53%	56%	+270 bps
Inventory Turns	–	3.6x	Healthy
Net Retail Addition	~1.22 lakh sq. ft.	~1.43 lakh sq. ft.	Significant
ROCE	~21%	>23%	Improved

*PAT from continuing operations excluding code on wage impact and exceptional DTA charge.

A stronger financial platform for future growth

Over the last few years, Arvind Fashions has consciously reshaped its portfolio and operating model. The shift from a wider set of brands to a focused portfolio of five core brands has enabled sharper allocation of financial and managerial resources. U.S. Polo Assn., Tommy Hilfiger, Arrow, Calvin Klein and Flying Machine together provide the Company with a differentiated portfolio across lifestyle, casual wear, premium fashion, professional wear, youth fashion, denim and adjacent categories.

This portfolio focus has strengthened the economics of the business. The Company has concentrated investments behind brands with stronger consumer relevance, clearer positioning, higher growth potential and improved profitability pathways. This has allowed Arvind Fashions to direct financial capital towards areas that can compound value over time: retail expansion, digital commerce, product innovation, brand campaigns, adjacencies, supply chain efficiency, data-backed inventory management and customer experience.

FY26 demonstrated the benefits of this model. Revenue growth was broad-based, with direct channels continuing to outperform. Retail growth was supported by healthy like-to-like momentum and new store additions, while online B2C continued to scale strongly. The Company also continued to improve the quality of its online business through better control over discounting, sharper assortment planning, improved cost discipline and stronger fulfilment processes. Together, these actions strengthened both the revenue base and the margin profile.

For Arvind Fashions, financial capital is viewed through the lens of capital productivity. Each rupee deployed must support stronger brand equity, better consumer access, healthier margins, higher inventory turns, improved cash generation and superior return on capital employed.

Growing with discipline in a changing market

India's fashion and lifestyle market continues to present a significant long-term opportunity. Rising aspirations, increasing premiumisation, digital discovery, evolving fashion consciousness, and the growth of branded consumption across metros and emerging markets are reshaping the sector. At the same time, the environment remains competitive. Consumers are more discerning. Weather volatility can impact seasonal demand. Inflationary pressure can influence discretionary spending. Geo-political developments can affect raw material costs, shipping and currency movements.

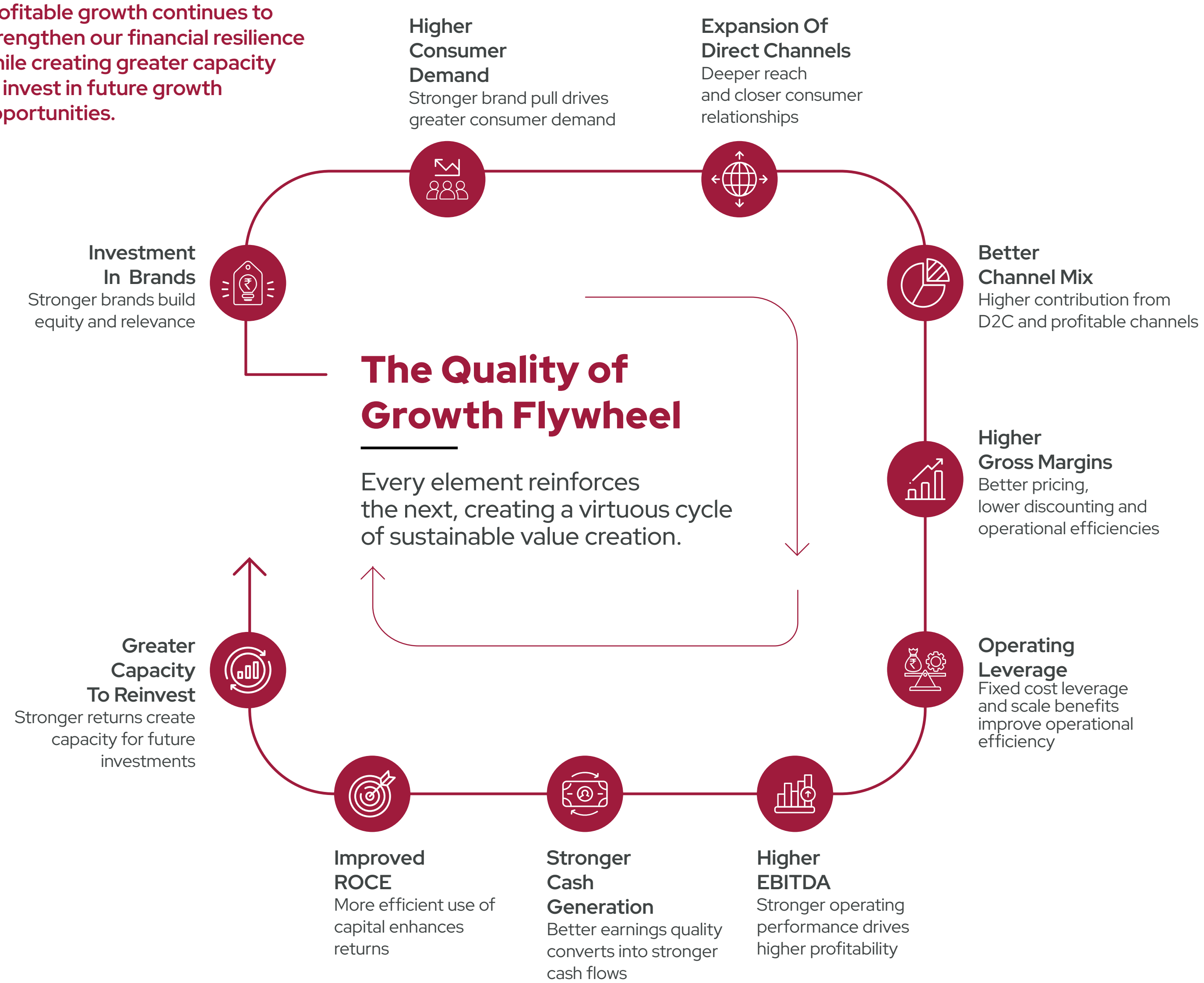
In this context, Arvind Fashions' financial performance in FY26 was shaped by disciplined choices. The Company continued to prioritise profitable growth, better inventory control and channel quality. It invested in inventory ahead of the curve for key seasons where required, while maintaining a sharp focus on freshness and sell-through. It continued to scale direct channels because these provide higher control over merchandise, pricing, customer experience, brand presentation and working capital discipline. It also strengthened its India-based sourcing approach to mitigate external supply volatility and reduce exposure to global disruptions.

The Company's revenue growth of 14% in FY26 was driven by direct channel performance, with retail delivering consistent like-to-like growth and online B2C growing strongly. Retail continues to be a critical driver of quality growth because it allows the Company to shape the full brand experience, improve assortment discipline, manage pricing architecture and build deeper consumer relationships. Online B2C, meanwhile, provides scale, reach, convenience, data and sharper consumer insight. The combination of physical and digital direct channels is central to Arvind Fashions' future growth model.

This channel evolution has financial implications. A higher share of direct business can require greater inventory investment, but it also enables better margins, improved inventory visibility, stronger customer engagement and higher long-term value creation. In FY26, the Company managed this balance through improved planning, stronger replenishment systems, better sourcing discipline and focused control over discounting.

> Operationally, disciplined sourcing, lower discounting and better inventory freshness supported gross margin expansion of 91 basis points during the year. Improved operating leverage translated this into stronger profitability, with EBITDA increasing 17% and EBITDA margins expanding by 40 basis points. PAT from continuing operations before exceptional items grew 62%, demonstrating the structural improvement in earnings quality.

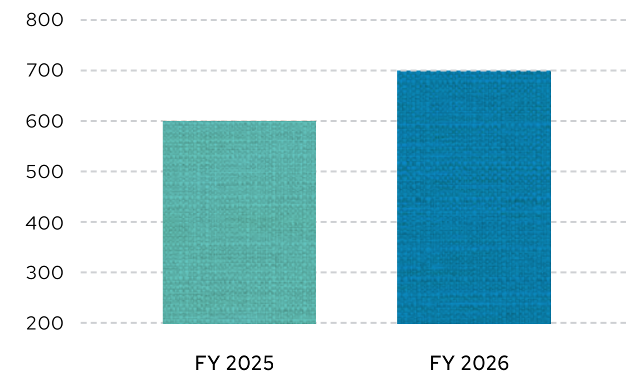
This disciplined approach to profitable growth continues to strengthen our financial resilience while creating greater capacity to invest in future growth opportunities.



Revenue Growth (FY25 vs FY26)

EBITDA (excluding other income)

Growth in operating profitability.

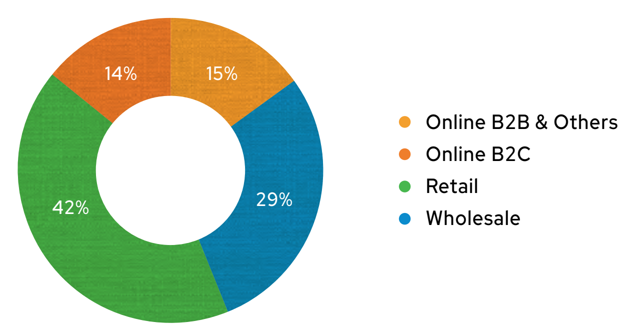


Margin expansion through better mix and execution

The Company's FY26 profitability reflects the strength of its execution model. EBITDA excluding other income increased to ₹705 crore, while EBITDA including other income stood at ₹745 crore. Margin improvement was aided by gross margin expansion, better channel mix, lower discounting, sourcing gains and operating leverage.

Channel Mix FY26

Revenue contribution by channel



A key driver of this improvement was the continued strengthening of the direct-to-consumer business. Direct channels allow the Company to exercise greater control over pricing, assortment, store-level execution, consumer experience and inventory management. The focus on retail and online B2C has therefore supported not just revenue growth but also higher-quality growth.

Gross margin expansion was also supported by improved product and sourcing execution. The Company continued to benefit from sharper planning, stronger sell-through, better inventory freshness and sourcing efficiencies. In a fashion business, margin is protected not only by price but by the discipline of buying right, sourcing efficiently, launching on time, replenishing intelligently, and clearing inventory without excessive markdowns. Arvind Fashions' FY26 performance reflects progress across these levers.

The Company has also continued to invest in brand salience. Advertising and marketing investments are essential to maintaining consumer relevance, particularly in a market where premiumisation, celebrity influence, digital engagement and lifestyle-led storytelling are becoming increasingly important. During FY26, brand campaigns and collaborations across core brands helped strengthen visibility, consumer engagement and aspiration. These investments are not short-term expenses alone; they are strategic deployments of financial capital into brand equity, market share and future pricing power.

Asset-light expansion and sharper capital productivity

Retail expansion remained an important growth driver in FY26. The Company ended the year with 1,025 EBOs and added approximately 1.43 lakh net sq. ft. during the year. This expansion was executed largely through the Franchise Owned Franchise Operated model, in line with the Company's asset-light approach.

The asset-light model is central to Arvind Fashions' financial capital strategy. It enables the Company to expand reach, strengthen brand visibility and deepen consumer access without disproportionately increasing capital intensity. By partnering with franchisees for store expansion, the Company can scale faster while preserving capital for areas where it can create higher strategic value, such as brand building, product innovation, technology, sourcing capability, digital commerce and working capital.

This model also supports return ratios. Expansion through the FOFO route allows Arvind Fashions to capture growth opportunities across metros, Tier 2 and Tier 3 markets, while maintaining discipline over capital deployment. It also helps the Company respond to market opportunities with greater agility. As consumer aspiration grows beyond the largest urban centres, an asset-light retail model gives Arvind Fashions the ability to expand access to its brands while maintaining financial prudence.

The Company also continued to open marquee and large-format stores across key brands. These stores are not merely points of sale; they are brand experience platforms. They improve visibility, strengthen consumer engagement, showcase premium collections, and support the Company's broader strategy of building stronger brands. From a financial capital perspective, such stores are important because they enhance brand equity, improve consumer conversion and create long-term value beyond immediate sales.

Working capital discipline and inventory freshness

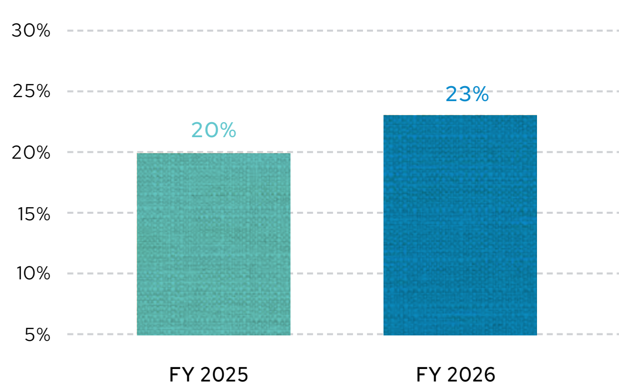
Working capital is one of the most critical drivers of financial performance in a fashion business. Product cycles are seasonal, consumer preferences shift quickly, and inventory ageing can directly affect margins. Arvind Fashions continued to focus on working capital discipline during FY26, even as the Company invested in inventory to support higher growth and direct-channel expansion.

As of March 31, 2026, net working capital stood at ₹969 crore, compared with ₹817 crore in the previous year. Inventory stood at ₹1,605 crore, trade receivables at ₹752 crore, and trade payables and credits at ₹1,387 crore. Net working capital days stood at 64 days. Inventory days increased to 102 days, reflecting the higher share of direct channels and strategic investment in inventory. Importantly, this inventory build supported greater freshness and better readiness for upcoming seasons.

KPI	FY26
Inventory Turns	3.6x
Net Working Capital Days	Stable
Inventory Freshness	Improved
Cash Conversion	Strong

The Company's inventory turns remained healthy at approximately 3.6x. This is significant because it indicates that growth has been supported by merchandise movement rather than excessive inventory accumulation. In fashion, inventory freshness is a direct contributor to full-price sell-through, margin protection and brand perception. Fresh inventory improves store appeal, strengthens consumer engagement, reduces dependence on discounts and supports better conversion.

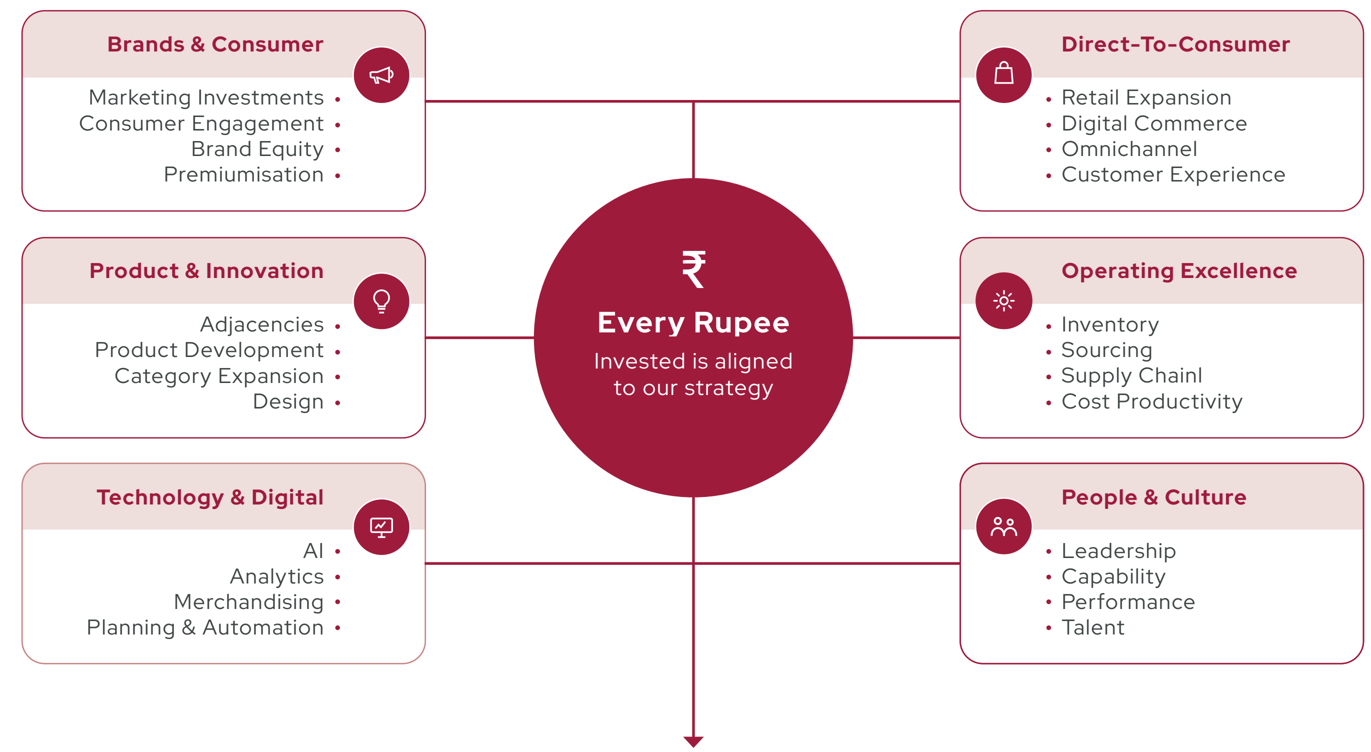
Return on capital employed



Arvind Fashions' working capital management reflects a balanced approach. The Company is investing in the inventory required to support growth, direct-channel expansion and improved customer experience, while continuing to focus on replenishment discipline, sell-through, sourcing cycles and stock freshness. This balance is essential to ensuring that growth remains profitable and cash-generative.

Our Capital Allocation Framework

We allocate capital across six interconnected growth engines that collectively strengthen the business.



Sustainable Value Creation

Profitable Growth | Strong Cash Generation | Superior Returns (ROCE) | Financial Resilience | Long-term Shareholder Value

Strategic investments today. **Stronger business tomorrow.** Enduring value for all.

FY26 Capital Allocation in Action

Investment Area	FY26 Strategy Focus	Value Created
Brand Investments	Continued investment behind all five brands	Higher consumer relevance and market share
Retail Expansion	Net addition of ~1.43 lakh sq. ft.	Stronger consumer reach and D2C growth
Digital Commerce	Continued expansion of online B2C	45% online B2C growth
Product Portfolio	Accelerated adjacent categories	18%+ growth in adjacencies
Supply Chain	Better sourcing and inventory productivity	Gross margin expansion of 91 bps
Technology	AI-led merchandising and planning	Faster decision-making and efficiency

Building resilience through financial discipline

FY26 also highlighted the importance of financial resilience. The Company operated in an environment where geopolitical issues created uncertainty around raw material prices, shipping costs, currency movement and broader consumption sentiment. Arvind Fashions responded through scale benefits, cost control, India-based sourcing, active monitoring of external risks and selective pricing actions where required.

The Company's financial capital strategy is designed to absorb such volatility without compromising long-term growth. A stronger portfolio of brands, direct-channel control, an asset-light retail model and disciplined working capital management collectively enhance resilience. These levers give the Company the ability to respond to market shifts while continuing to invest behind growth.

Financial resilience also comes from transparent governance and consistent stakeholder engagement. The Company continues to engage with investors through quarterly results, investor presentations, earnings calls and its integrated reporting. This transparency supports market confidence and access to financial capital. It also reinforces the Company's commitment to responsible growth and disciplined capital allocation.

Investing behind brand salience and premiumisation

Arvind Fashions' financial capital deployment is closely linked to its brand strategy. The Company is investing behind brands that can win in a premiumising market. Premiumisation is not only about higher price points; it is about better products, stronger storytelling, elevated retail experiences, sharper merchandising, differentiated formats and greater emotional resonance with consumers.

During the year, the Company continued to support brand-building initiatives across its portfolio. U.S. Polo Assn. strengthened its position as a leading casual lifestyle brand, supported by retail execution, marketing investments and growth in adjacent categories. Tommy Hilfiger and Calvin Klein continued to benefit from India's premiumisation journey. Arrow focused on product innovation and refreshed relevance for the evolving professional consumer. Flying Machine continued to build its youth and Gen Z connect through culture-led communication and contemporary fashion.

These brand investments strengthen financial capital over time because they support consumer loyalty, pricing power, full-price sales and category expansion. Stronger brands are better positioned to capture market share, withstand competitive discounting and expand into adjacent categories. They also improve the Company's ability to scale direct channels profitably.

Adjacent categories as future growth engines

Adjacent categories were an important growth driver in FY26 and will continue to be central to the Company's long-term value creation. Categories such as footwear, innerwear, women's wear, kids' wear and accessories expand the addressable market for the Company's core brands. They also increase consumer lifetime value by allowing the brand to participate in more usage occasions and wardrobe needs.

In FY26, adjacent categories delivered strong growth momentum. These categories are financially attractive because they allow Arvind Fashions to leverage existing brand equity, retail infrastructure, consumer traffic and sourcing capabilities. Rather than building new brands from the ground up, the Company can extend trusted brands into relevant categories where consumer acceptance is strong.

This strategy supports higher capital productivity. The same brand platform, retail network, digital ecosystem and customer base can generate a broader revenue pool. Over time, this can improve store productivity, enhance online assortment strength and deepen consumer engagement.

Creating shareholder value through quality growth

The central objective of financial capital management is to create sustainable shareholder value.

FY26 was an important year on this journey. The Company delivered strong revenue growth, improved profitability, expanded its retail footprint, strengthened direct channels, maintained disciplined working capital management and continued to build its core brands. Capital employed stood at ₹1,692 crore, reflecting the scale of resources deployed in the business. The Company's focus remains on improving return on capital employed through operating leverage, working capital control, asset-light expansion and higher profitability.

Arvind Fashions' performance in FY26 indicates that the Company is building a stronger financial engine. The quality of growth is improving. The business is becoming more direct-channel led. Brand investments are strengthening future relevance. Retail expansion is being executed through a capital-efficient model. Inventory freshness is being prioritised. Margin expansion is being driven by structural levers rather than one-off gains.

Outlook

Looking ahead, Arvind Fashions will continue to deploy financial capital with discipline and purpose. The Company's priorities remain clear: deliver consistent double-digit revenue growth, expand margins through operating leverage and better channel mix, accelerate retail expansion through an asset-light approach, scale core brands and adjacent categories, continue investments in marketing for better visibility and consumer connect, and improve return ratios through working capital control and free cash flow generation.

The Company's financial capital strategy is therefore closely aligned with its ambition to build the future of fashion in India. It is a strategy anchored in profitable growth, premiumisation, direct consumer engagement, brand strength, operational discipline and responsible capital allocation.

By strengthening the financial foundation of the business, Arvind Fashions is creating the capacity to invest, expand, innovate and lead. This is how the Company is converting financial capital into enduring stakeholder value – not by chasing growth alone, but by building a sharper, stronger and more resilient business for the future.

Revenue Growth	Higher Direct Channels	Lower Discounting	Gross Margin +91 BPS	Operating Leverage	EBITDA +17% (excluding other income)	PAT* +62%
+14% FY26 Revenue ₹5,266 Cr	**56%** Direct channels contribution (+270 bps YoY)	Improved pricing discipline, stronger full-price sell-through	Improved gross margins driven by sourcing efficiencies and mix improvement	Higher scale and cost efficiency	**₹705 Cr** Margin 13.4% +40 bps YoY)	**₹139 Cr** From continuing operations excluding code on wage impact and exceptional DTA charges*

Stronger Business Quality. Sustainable Value Creation.

Better Mix, Better Control

Stronger Margins, Highera Quality of Earnings

Operating Leverage, Scalable Growth

Stronger Cash Generation

Improved Returns, Greater Capacity to Reinvest

Every step in the bridge reinforces the next, **creating a virtuous cycle of quality earnings.**

Manufactured Capital

Building a Scalable, Agile and Consumer-Connected Operating Platform

Manufactured capital at Arvind Fashions represents the physical and digital infrastructure that enables us to bring our brands closer to consumers, deliver consistent experiences across touchpoints, and scale our business with agility and discipline. It includes our retail stores, offices, warehouses, distribution network, technology systems, brand websites, e-commerce capabilities and the operating architecture that connects our products with consumers across India.

In FY26, we continued to strengthen this capital with a clear strategic intent: to build a sharper, more responsive and more direct-to-consumer-led platform for future growth. Our investments in retail expansion, new store formats, digital commerce, omnichannel capabilities, sourcing discipline and supply chain efficiency were aimed at improving access, enhancing brand visibility, increasing inventory control and creating a more seamless consumer experience.

For a branded fashion business, manufactured capital is not merely infrastructure. It is the interface through which brand aspiration becomes consumer experience. Every store, every digital platform, every warehouse, every fulfilment process and every merchandising system plays a role in shaping how consumers discover, engage with and purchase our brands. During the year, we continued to build this platform with greater focus, precision and scalability.

Expanding our retail footprint with discipline

Retail expansion remained central to our manufactured capital strategy in FY26. We continued to grow our Exclusive Brand Outlet network across core brands, with a focus on sharper locations, better store formats, improved consumer experience and higher-quality growth. As of March 2026, our EBO count stood at 1,025, with the retail footprint reaching approximately 13.37 lakh sq. ft. During the year, we added approximately 1.43 lakh net sq. ft., significantly higher than the previous year.

The focus was on building the right kind of retail network: stores in the right catchments, with the right size, the right format and the right merchandise proposition. The Company's leadership has emphasised that retail expansion is about renovating, relocating and upsizing stores where required, with optimal store size and location being critical parameters. New store additions typically ranged between 1,200 and 2,500 sq. ft., depending on the brand, offering and catchment, while select marquee and Club A stores were larger in format.

This approach reflects our belief that retail expansion must create both revenue growth and brand value. Larger and improved formats allow us to showcase a broader assortment, elevate the consumer experience, improve product discovery and strengthen the emotional appeal of our brands. They also allow us to support adjacent categories such as footwear, innerwear, womenswear, kidswear and accessories, thereby improving store productivity and consumer engagement.

Asset-light expansion for scalable growth

A defining feature of our manufactured capital model is its asset-light structure. We continue to drive retail expansion largely through the Franchise Owned Franchise Operated model, enabling us to expand reach while maintaining disciplined capital deployment. The FY26 objective was to accelerate store expansion through gross opening of approximately 150 stores, largely through the FOFO route, while adding higher net square footage compared to FY25.

This model gives us the flexibility to scale faster, enter new markets with lower capital intensity, and preserve resources for brand building, technology, merchandising, sourcing and consumer experience. It also enables us to work with strong local partners who understand their markets, while we retain control over brand standards, store design, product presentation and consumer experience.

As India's branded fashion opportunity expands beyond metros into Tier 2 and Tier 3 markets, this asset-light approach gives Arvind Fashions a strong structural advantage. It allows us to grow our physical presence in a calibrated manner, deepen consumer access and strengthen brand visibility without compromising return discipline.

Strengthening direct-to-consumer infrastructure

FY26 saw continued outperformance across direct channels, supported by strong retail like-to-like growth and rapid growth in online B2C. Retail delivered 13% growth for the year, supported by consistent 8.1% LTL growth, while online B2C grew 45% in FY26.

This direct-channel shift is strategically important. Retail and online B2C provide greater control over customer experience, brand presentation, inventory, pricing, assortment and fulfilment. They also give us better visibility into consumer behaviour, enabling sharper merchandising, faster response to trends and improved planning across seasons.

Our store network, digital platforms and fulfilment architecture therefore work together as an integrated consumer-access engine. This is critical to the future of fashion retail, where consumers increasingly move fluidly between online discovery, offline experience, digital engagement and physical purchase.

Building a more connected omnichannel ecosystem

The Company's distribution model is built around the twin pillars of physical and digital channels. The FY26 annual report draft notes that the integration of physical and digital channels, particularly at stores, supports a seamless and enhanced shopping experience, complemented by EBOs, MBOs, LFSs, brand websites and e-commerce marketplace partnerships.

In FY26, we continued to strengthen this omnichannel architecture. Our brand websites, online marketplaces, e-commerce capabilities, social media platforms and offline retail network together provide consumers with multiple ways to discover and buy our brands. This is especially important in a market where fashion discovery is increasingly digital, but conversion and brand experience remain strongly influenced by physical retail.

The Company has also built meaningful capability in online B2C, including websites, broad omnichannel coverage and analytics-led online-exclusive assortments. Better control over discounting and the cost of doing business has improved channel profitability in online B2C.

This capability strengthens manufactured capital because it converts infrastructure into intelligence. Stores are no longer only selling points; they are experience centres, fulfilment nodes and consumer insight points. Digital channels are no longer only transaction channels; they are discovery, engagement and data platforms. Together, they create a more responsive, future-ready operating model.

Consumer Delivery Ecosystem

New formats and elevated brand experience

During the year, we continued to invest in newer and improved retail formats across core brands. The FY26 content narrative highlights continued opening of marquee EBOs, new-format stores and formats such as Stride and Club A.

During FY26, Arvind Fashions continued strengthening its physical presence through the addition of approximately 1.43 lakh square feet of net retail area while maintaining a disciplined approach to productivity and profitability. Retail delivered like-for-like growth of 8.1%, reflecting healthy consumer demand, stronger merchandise assortments and effective execution across store formats.

These formats are important because the next phase of fashion retail will be shaped not only by availability but by experience. Consumers are seeking sharper store environments, better visual merchandising, stronger category presentation, differentiated product stories and more immersive brand expression. Our new formats are designed to respond to this shift.

Marquee stores help strengthen brand stature in priority markets. Larger-format stores allow brands to showcase wider assortments and adjacent categories. Refreshed formats help improve conversion, dwell time and consumer perception. Together, they convert physical infrastructure into brand-building infrastructure.

This is particularly relevant for a portfolio such as ours. U.S. Polo Assn. requires scale, lifestyle presentation and category breadth. Tommy Hilfiger and Calvin Klein require premium retail environments that reflect their global positioning. Arrow requires modern professional wear presentation and sharper product navigation. Flying Machine needs contemporary, youth-focused spaces that speak to culture, identity and self-expression. Manufactured capital gives each brand the physical canvas to express its proposition with clarity.

The Company also continued investing in premium store environments, visual merchandising and consumer experience to reinforce brand differentiation and improve conversion. These investments are aligned with the broader strategy of strengthening direct consumer relationships and building long-term brand equity.

Retail Dashboard FY26

Net Retail Addition
~1.43
lakh sq. ft.
Expanded consumer reach

Retail Like-for-Like Growth
8.1%
Strong store productivity

Direct Channels Contribution
56%
Deeper consumer relationships

Premium Store Investments
Continued
Enhanced brand experience

Supply chain and warehouse infrastructure

Our manufactured capital also includes the supply chain systems, warehouses and operating processes that help ensure timely movement of products across channels. The FY26 draft identifies warehouses, offices, retail stores and IT systems, including brand websites, as part of the Company's manufactured capital.

The Company continues to operate with a robust warehouse network and a sourcing base that supports product availability across stores, wholesale channels and digital platforms. The FY26 also highlights the importance of maintaining an agile and transparent supply chain, with strategic investments in vendor manufacturing capabilities to enhance efficiency, support product innovation and prepare for sustained growth.

This is a critical enabler of growth. Fashion businesses depend on speed, availability, quality and freshness. The ability to move merchandise efficiently from sourcing partners to warehouses, stores, online fulfilment points and consumers directly affects sales, margins and customer satisfaction. In FY26, better stock freshness and improved execution supported retail growth, margin improvement and channel performance.

Strengthening sourcing resilience

Fashion retail demands precision. Every delay in sourcing, forecasting or replenishment has a direct impact on product availability, inventory quality and profitability.

During FY26, Arvind Fashions continued strengthening its supply chain through enhanced demand planning, improved inventory allocation and technology-enabled merchandising. Inventory turns remained healthy at 3.6x, while disciplined inventory management supported gross margin expansion of 91 basis points. Management also highlighted that inventory entered FY27 at its freshest level, providing a strong foundation for future growth.

This sourcing architecture is an important part of our operating resilience. A strong India-based sourcing network reduces dependency on volatile global supply chains, improves response time, supports cost control and enables better alignment with local market requirements. It also helps us respond more effectively to seasonal changes, consumer demand shifts and category expansion opportunities.

Technology-enabled Execution

Technology is embedded across our operating platform, enabling faster decision-making and improving execution quality. Our IT systems, websites, digital commerce infrastructure, inventory and distribution management systems, CRM systems and analytics capabilities together support the Company's ability to scale with control.

AI-driven planning, analytics-supported merchandising, digital inventory visibility and integrated retail systems enhance forecasting accuracy, optimise allocation decisions and strengthen operational responsiveness.

During the year, technology enabled better channel integration, improved price communication, enhanced online business capability and sharper consumer engagement. For example, during GST 2.0 implementation, the Company upgraded IT systems to reflect exact price changes and rolled out clear price communication across channels.

This demonstrates the importance of digital operating readiness. In a multi-channel business, pricing, inventory, fulfilment, promotions and consumer communication must move in sync. Technology-enabled infrastructure allows us to respond to regulatory changes, market shifts and consumer expectations with speed and consistency.

Responsible and efficient infrastructure

We are also focused on making our physical infrastructure more efficient and environmentally responsible. The Company has shifted from conventional lighting to LED lighting across stores and warehouses and installed motion sensor LED lights for energy management within warehouse operations. These initiatives indicated a potential reduction of 5%-8% in energy demand.

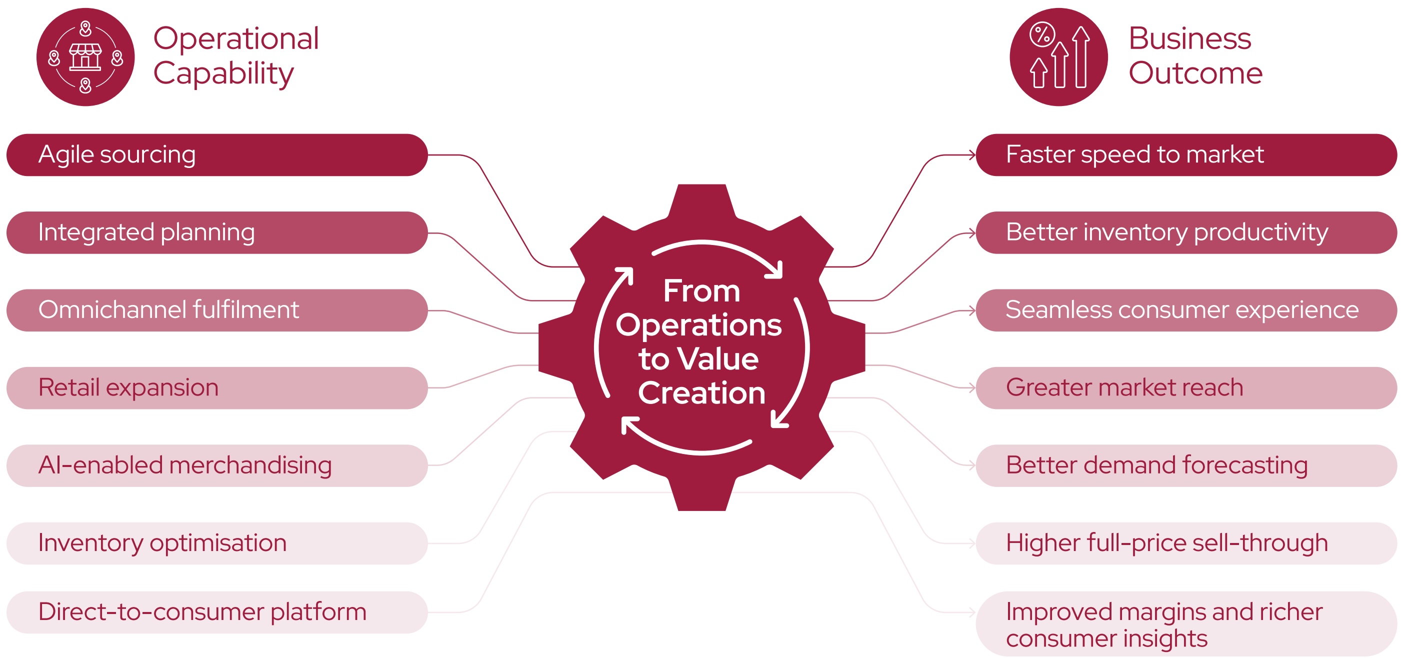
The Hoskote warehouse facility is also undertaking Green Building Certification procedures, reflecting the Company's commitment to reducing greenhouse gas emissions.

Such initiatives strengthen manufactured capital by reducing operating costs, improving energy efficiency and aligning infrastructure growth with sustainability priorities. As we expand our retail and warehouse network, embedding efficiency into infrastructure design will remain an important lever for responsible growth.

Operational Excellence Dashboard

Metric	FY26	Strategic Outcome
Net Retail Addition	~1.43 lakh sq. ft.	Expanded consumer reach
Retail Like-for-Like Growth	8.1%	Higher store productivity
Online B2C Growth	45%	Accelerated digital scale
Direct Channels	56% of revenue	Stronger consumer relationships
Gross Margin	+91 bps	Better business quality
Inventory Turns	3.6x	Improved capital productivity
Channel strategy	-	Continued outperformance of direct channels
Inventory quality	-	Better stock freshness and healthy inventory

From Operations to Value Creation



Outlook

Looking ahead, our priorities will include expanding our retail footprint in high-potential markets, deepening our presence across Tier 2 and Tier 3 cities, opening sharper and more productive store formats, enhancing omnichannel capabilities, improving warehouse and fulfilment efficiency, strengthening sourcing resilience and using technology to improve inventory control and consumer experience.

By investing in a stronger, more integrated and more consumer-connected operating platform, we are building the infrastructure required for the next phase of growth.

Intellectual Capital

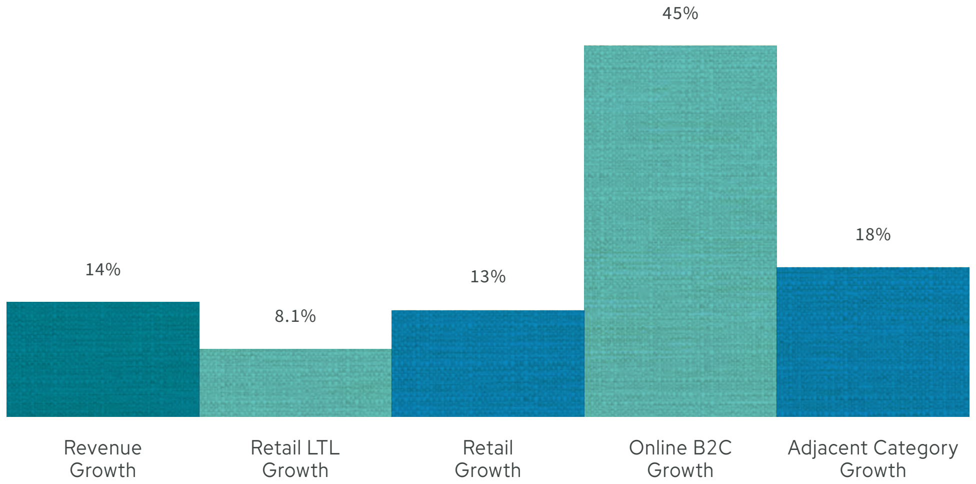
Turning Consumer Insight into Enduring Brand Leadership

Intellectual capital at Arvind Fashions represents the intangible strength that powers our business: the equity of our brands, the depth of our consumer understanding, our product design and development capabilities, marketing intelligence, CRM systems, digital tools, inventory and distribution systems, operating manuals, technology-led processes and the institutional know-how that enables us to build scalable fashion brands.

In FY26, our focus is sharper: scale five core brands, increase brand salience, deepen premiumisation, grow adjacent categories, strengthen direct-to-consumer channels, build data-backed consumer engagement, and improve product-market fit through design, innovation and analytics. It translated into measurable outcomes: 14% revenue growth in FY26, 8.1% retail LTL growth, 13% retail growth, 45% online B2C growth, and 18%+ growth in adjacent categories.

FY26 outcomes linked to intellectual capital

Selected FY26 performance indicators supported by brand strength, product innovation, marketing, consumer insight and digital capability.



Adjacent categories shown at the disclosed 20%+ threshold.

Our intellectual capital architecture

AFL's intellectual capital is built around five mutually reinforcing pillars:

Pillar	What it includes	FY26 proof points
Brand Equity	Five marquee brands with distinct positioning across casualwear, premium fashion, formalwear, denim and youth fashion	Strong brands continued to drive market share; U.S. Polo, Tommy Hilfiger, Calvin Klein, Arrow and Flying Machine remained core to growth
Product and design capability	Trend interpretation, product innovation, premium collections, category extensions and design-to-delivery capability	Premium assortments, casualisation, product innovation and adjacent categories supported growth
Marketing and campaign intelligence	Brand ambassadors, influencer-led campaigns, digital content, OOH/SOH, PR, events and consumer activation	Higher marketing investments; marquee campaigns; Flying Machine-Orry campaign recognition
Data, CRM and analytics	CRM systems, forecasting, digital behaviour tracking, online-exclusive assortments, campaign optimisation	Data analytics and AI improved campaigns and sales forecasting; online B2C grew strongly
Operating know-how	Policies, procedures, inventory systems, distribution systems, fulfilment and replenishment processes	Better fulfilment, lower lead times, inventory freshness and stronger direct-channel execution

Brand strength as intellectual capital

AFL's five-brand architecture is one of its strongest sources of intellectual capital. Each brand plays a distinct strategic role in the portfolio.

U.S. POLO ASSN.
SINCE 1890

Strategic role
Scale lifestyle casualwear brand

Intellectual capital strength
Premiumisation, adjacencies, retail identity, category breadth

ARROW
USA·1851

Strategic role
Modern professional and smart casualwear

Intellectual capital strength
Product innovation, workwear relevance, Arrow Sports, new-age consumer repositioning

FLYING MACHINE

Strategic role
Youth denim and Gen Z lifestyle

Intellectual capital strength
Cultural relevance, influencer-led activation, denim heritage, youth repositioning

Calvin Klein

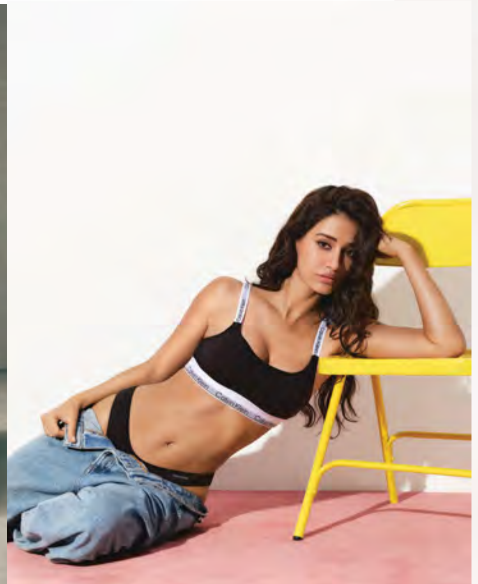
Strategic role
Super-premium fashion and lifestyle

Intellectual capital strength
Minimalist global identity, premium positioning, innerwear/denim/fashion credibility

TOMMY HILFIGER

Strategic role
Premium international casualwear

Intellectual capital strength
Global aspiration, premium collections, tailored clothing, strong category architecture



U.S. POLO ASSN.
SINCE 1890

Scaling a lifestyle ecosystem through product, retail and adjacencies

U.S. Polo Assn. remains the portfolio's scale engine and one of AFL's strongest examples of brand-led intellectual capital. In Q2 FY26, management stated that U.S. Polo grew exceptionally at 21%, supported by impactful advertising campaigns, product work and marquee stores in a new retail identity.

Management also stated that U.S. Polo's growth was not only adjacency-led; the core portfolio was also performing strongly, supported by product innovation, premiumisation and retail expansion. This distinction is important for the annual report. It means the brand is not relying on one lever. It is scaling through a multi-layered model: core apparel, adjacencies, premiumisation, store identity, direct channels and marketing.

Brand highlights for FY26 also indicate that direct channels continued to outperform and grow at more than 30%, while adjacent categories remained a significant growth driver.

Why this matters

U.S. Polo Assn. demonstrates AFL's ability to build a full lifestyle ecosystem around a brand. This is the highest-value form of intellectual capital because it increases consumer frequency, category depth, retail productivity and long-term brand monetisation.

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Product innovation for the evolving professional consumer

Arrow is another strong intellectual capital case study because its renewal is product-led. The Q2 FY26 investor presentation notes that Arrow launched a new celebrity campaign featuring Vedang Raina and Khushi Kapoor. It also highlights that product innovation continues to remain at the heart of the brand journey, with examples such as Auto Press with FLX and 4.0, while Arrow Sports continued to deliver robust performance and the brand remained focused on accelerating EBO expansion.

This is important because Arrow is not being repositioned merely through communication. It is being rebuilt through product relevance, fabric innovation, sharper retail presentation and a broader use-case architecture. The brand is moving beyond conventional formalwear to serve the evolving professional consumer – one who wants comfort, sharpness, versatility and modernity.

Why this matters

Arrow's intellectual capital lies in combining heritage with product engineering. The brand's future depends on making workwear more adaptive, comfortable and contemporary while retaining credibility in professional dressing.

Repositioning a legacy denim brand for Gen Z

Flying Machine is one of the clearest examples of intellectual capital converting into brand renewal. The brand has a 40-year legacy as India's homegrown denim brand, but FY25 and FY26 show a deliberate effort to make it culturally sharper, younger and more relevant to Gen Z. Last year's report described Flying Machine as a youth-centric, innovation-driven brand present across men's wear, kids' wear, innerwear, footwear and accessories.

The Orry x Flying Machine collaboration became a high-impact case study in culture-led brand building. The limited capsule collection helped reimagine Flying Machine for a younger audience. The campaign used digital and social advertising, strategic OOH and SOH media, influencer marketing, PR, live events and radio promotions. It gained organic traction on social and paparazzi platforms and won "Best Celebrity Endorsement Campaign of the Year" at the Images Fashion Awards. The FY26 content narrative states that this activation triggered strong year-on-year growth for the brand, with strong LTL in Q4 and growth across other channels.

Why this matters

Flying Machine shows that intellectual capital is not only about brand recall. It is about reading youth culture early, designing a relevant product capsule, choosing the right cultural collaborator, activating across channels, and converting attention into sell-through and store performance.

Calvin Klein

Building local relevance for a globally minimalist identity

Calvin Klein's intellectual capital rests on a global identity that is deliberately spare. The FY26 challenge was building local relevance without diluting the codes that give the brand its premium standing. The FY26 brand narrative notes that Disha Patani became the first Indian celebrity formally positioned within Calvin Klein's advertising ecosystem, converting a longstanding association into structural brand equity. The collaboration spans multiple seasons. SS25 saw a full retail estate changeover, with her imagery live across every Calvin Klein and Calvin Klein Underwear store in India. In September 2025, she attended the Calvin Klein Collection Spring 2026 show in New York, generating over 200 million impressions from that activation alone and one of the highest earned media values globally. Sustained SOH across ten A++ malls in eight cities, shared with Tommy Hilfiger, delivered an estimated 5.76 crore impressions per campaign cycle, while the CK x Jung Kook takeover extended to atrium, facade and LED dominance across ten-plus premium malls.

Why this matters

Calvin Klein's future in India depends on holding two things in tension: a minimalist global identity that cannot be localised, and a consumer relationship that must be. Its intellectual capital lies in resolving that through cultural association, not adaptation.

TOMMY HILFIGER

From a milestone moment to sustained retail presence

Tommy Hilfiger's role is premium international casualwear, and FY26 opened with the brand marking two decades in India, anchored by Mr. Tommy Hilfiger's first significant visit to the country. The India Tour comprised four Mumbai events: a press conference at Jio World Drive with Manushi Chhillar; a lunch at Sea Lounge with senior retail and business leaders; a regatta prize distribution at the Royal Bombay Yacht Club showcasing the SP25 sailing capsule, drawing on the brand's nautical heritage; and a dinner at Taj Chambers with Bollywood celebrities, editors-in-chief and international partners. Coverage ran across Grazia India, GQ India, Mint Lounge and Times of India.

Alongside the marquee moment, menswear continued through Aditya Roy Kapur as Key Opinion Leader. His FA25 content was extended into a destination table format across 90 EBOs and 111 SIS locations, the first systematic syncing of KOL content with in-store merchandising at this scale. Retail visibility mirrored the SOH deployment across the same ten A++ malls.

Why this matters

Tommy Hilfiger's intellectual capital lies in converting a milestone moment into sustained presence. The brand's future depends on closing the gap between what a campaign says digitally and what a consumer encounters at the point of purchase.

Digital and data

Turning consumer signals into growth

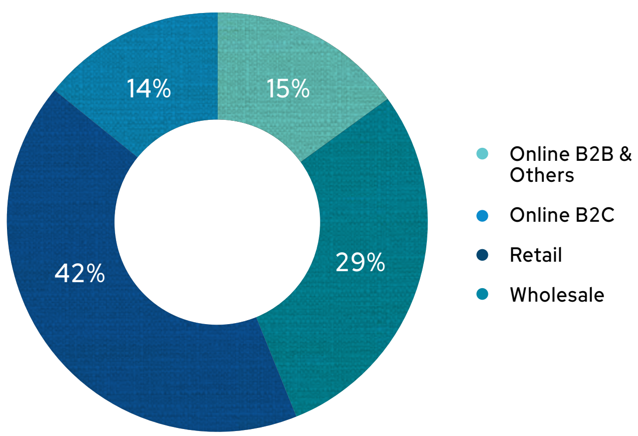
The FY25 Integrated Annual Report stated that data analytics and AI improved marketing campaigns and sales forecasting. It also identified CRM systems, inventory and distribution systems, and fulfilment improvements as part of the Company's intellectual capital.

In FY26, this capability became more visible in performance. The Company built significant online B2C capability, including websites, broad omnichannel coverage and analytics-driven online-exclusive assortments. These investments supported faster growth for online B2C during the year.

The Company reported 45% online B2C growth for FY26. The FY26 channel mix shows online B2C at 14%, compared with 11% in FY25, while online B2B and others reduced from 17% to 15%. This supports the strategic shift from less-controlled online B2B towards more direct consumer access.

FY26 Channel Mix

Revenue contribution by channel



Product innovation and premiumisation

Product innovation remained central to the Company's intellectual capital. In FY26, AFL invested in products through premium assortments, helping the Company capture the premiumisation trend. It also highlights distinctive products, casualisation, marquee brand events, brand ambassadors and increased advertising spend as key drivers of brand re-energisation.

Premium products require design intelligence, material understanding, category insight, brand discipline and execution quality. When done well, they improve full-price sell-through, reduce discount dependency, lift gross margins and strengthen brand perception.

In FY26, gross margins improved by 91 bps for the full year, supported by strong LTL, lower discounting and sourcing gains. This indicates that product-market fit, pricing discipline and brand strength contributed directly to margin quality.

Adjacent categories: Extending brand equity into new revenue pools

In FY26, adjacent categories continued to grow at 18%+. AFL is using the trust, salience and consumer base of its core brands to enter additional need spaces: footwear, innerwear, kidswear, womenswear and accessories. This increases wallet share and makes the brand relationship more frequent and valuable.

Direct-channel learning loop

Retail and online B2C provide richer visibility into consumer behaviour than wholesale-led models. They help the Company understand what consumers are buying, where products are moving, how collections are performing, which price points are working, and where inventory should be replenished.

This data-backed direct-channel engine supported FY26 growth. The Company reported that direct channels continued to outperform, with retail delivering 8.1% LTL growth and online B2C growing 45% for the full year.

CONSUMER SIGNAL

Capability	CRM, store data, online behaviour, campaign response
Business value	Better understanding of demand

PRODUCT RESPONSE

Capability	Design, assortment, premiumisation, adjacencies
Business value	Improved relevance and freshness

CHANNEL EXECUTION

Capability	Retail, online B2C, omnichannel, fulfilment
Business value	Better control over experience and inventory

PERFORMANCE FEEDBACK

Capability	Sales, LTL, sell-through, discounting, inventory turns
Business value	Faster learning and margin improvement

REINVESTMENT

Capability	Marketing, product innovation, data and technology
Business value	Stronger brand salience and future growth

Intellectual Capital Inputs	FY26 Outputs	FY26 Outcomes
Five core brands with strong category positions	Focused brand-building across U.S. Polo Assn., Tommy Hilfiger, Arrow, Calvin Klein and Flying Machine	Stronger brand salience and sharper consumer relevance
Product design and development capabilities	Premium assortments, casualisation, Auto Press with FLX and 4.0, adjacency-led product extensions	Better product-market fit and stronger LTL growth
Marketing campaigns and brand ambassadors	Campaigns across brands; Flying Machine-Orry; Arrow campaign with Vedang Raina and Khushi Kapoor	Higher visibility, youth connect and brand re-energisation
CRM, data analytics and AI-enabled processes	Better campaigns, sales forecasting and online-exclusive assortments	Stronger online B2C growth and improved consumer targeting
Inventory and distribution management systems	Better fulfilment, lower lead times, improved stock freshness	Enhanced customer experience and stronger full-price sell-through
Operating manuals, systems and processes	Scalable execution across retail, digital and supply chain	Consistency, speed and disciplined growth

As we build the future of fashion, intellectual capital will remain central to our strategy. Our focus will be to deepen brand salience, strengthen product innovation, scale premiumisation, expand adjacencies, use data and technology more intelligently, and build more direct and enduring relationships with consumers.

Human Capital

Building the Culture, Capability and Execution Muscle for a Consumer-Led Fashion Business

Human capital at Arvind Fashions is the collective capability that enables the Company to build brands, interpret consumer shifts, design relevant products, deliver differentiated retail experiences, strengthen digital commerce, manage complex supply chains and execute with consistency across channels.

As a branded fashion business, Arvind Fashions competes not only through products and stores, but through the quality of decisions and execution across its teams. From brand managers and designers to sourcing teams, retail teams, digital teams, supply chain professionals and corporate functions, people are central to converting strategy into performance.

During FY26, Arvind Fashions placed people at the core of its strategic agenda, with a renewed focus on building stronger people practices, strengthening employee engagement and capability, and fostering a progressive, high-performance culture. The year marked an important reset in the Company's people agenda, with sharper systems, clearer ways of working and stronger alignment between culture, capability and business outcomes.

Strategic Positioning

For Arvind Fashions, human capital is directly linked to five business priorities:

Business Priority	Human Capital Relevance
Building five core brands	Requires sharper brand, product, retail and digital talent
Accelerating retail-led growth	Depends on frontline capability, store execution and customer experience
Scaling adjacent categories	Requires category specialists, product developers and sourcing depth
Improving operational rigour	Needs disciplined goal-setting, accountability and performance reviews
Strengthening consumer-centricity	Requires data-backed, agile and customer-focused teams

The Company's people agenda is therefore designed not as a standalone HR programme, but as a business capability platform that supports profitable growth, brand salience, customer experience and operational excellence.

Defining the AFL DNA

A key focus during the year was the articulation of Arvind Fashions' Vision, Mission, Values and Ways of Working. This was positioned as a strategic effort to define the organisation's operating DNA: not only what AFL aims to achieve, but how it intends to deliver consistently.

The Ways of Working translated values into everyday behaviours, with a strong emphasis on:

Accountability
Clear ownership and delivery discipline

Agility
Faster response to changing consumer and market needs

Collaboration
Stronger cross-functional execution across brands and channels

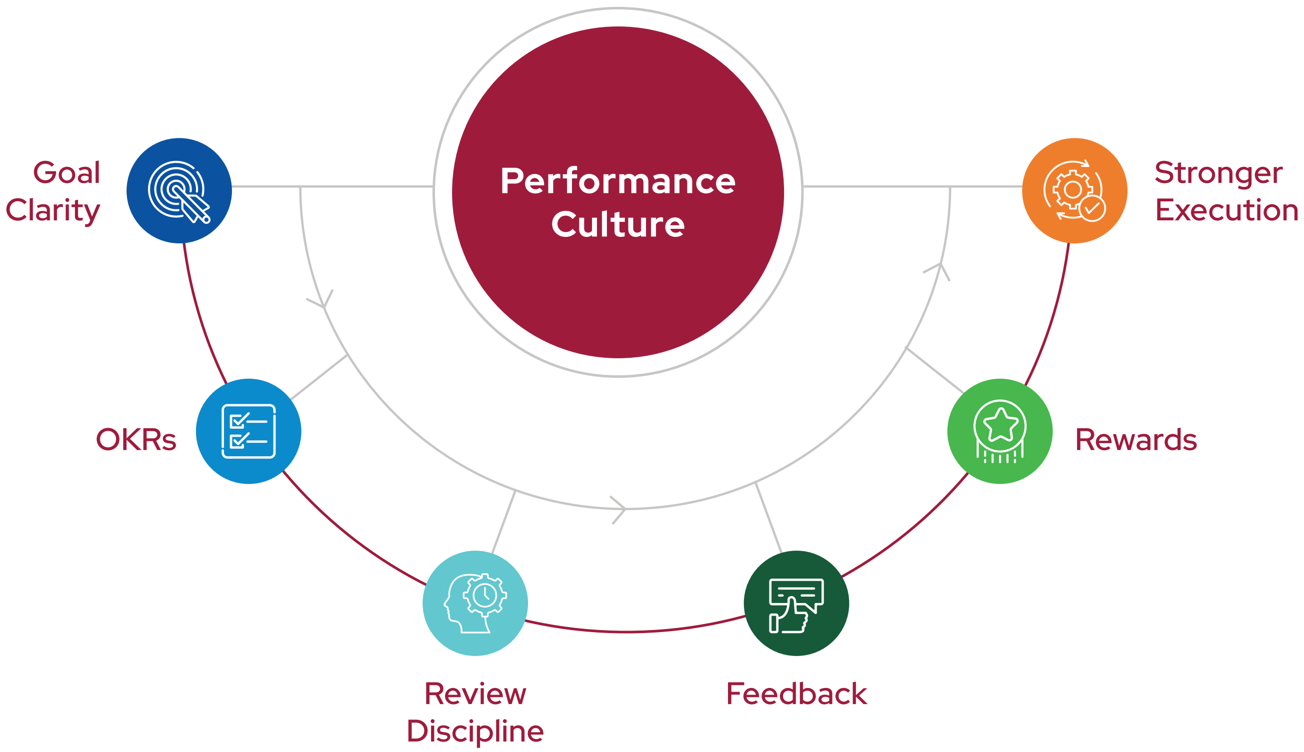
Customer-centricity
Decisions anchored in consumer experience and relevance

The cultural framework was embedded through leadership alignment sessions and organisation-wide cascades through townhalls. Importantly, these cultural anchors were integrated into performance management, recognition and employee engagement, ensuring that values were reinforced through systems and not only through communication.

Driving a High-Performance Culture

Arvind Fashions introduced a structured goal-setting framework based on Objectives and Key Results (OKRs) to strengthen performance orientation across the organisation. The framework is anchored in clarity of goals, accountability for performance and measurable outcomes, enabling stronger alignment between individual contributions and strategic priorities.

The OKR framework was supported by leadership workshops and roadshows across brands and functions, ensuring that teams understood how their goals connected to the larger organisational agenda. Structured mid-year and annual performance reviews were institutionalised to strengthen feedback, development and course correction. The Company also introduced a refined variable pay structure aligned with individual performance and growth potential, reinforcing a pay-for-performance philosophy.



Building the Right Talent Pipeline

Talent acquisition at AFL is anchored in a clear philosophy: placing the right talent in the right role at the right time. During the year, the Company onboarded 209 employees across levels and functions, strengthening organisational capability in line with business priorities.

Hiring level	Strategic relevance	FY26 hires
Executive to Assistant Manager	Builds operating depth and execution capacity	**129** FY26 hires
Manager to Senior Manager	Strengthens functional depth and team leadership	**51** FY26 hires
Deputy General Manager and General Manager	Adds strategic and business leadership capability	**19** FY26 hires

Total onboarded 209

Builds a balanced talent pyramid

Hiring level

Strategic relevance

The implementation of Daksh, AFL's recruitment platform, strengthened efficiency, transparency and data-led decision-making across the hiring lifecycle. Standardised interview frameworks and evaluation mechanisms were introduced to improve consistency and align hiring decisions with role requirements, organisational values and future potential.

The Company also strengthened internal mobility through Employee Referral Programmes and Internal Job Postings, creating pathways for employees to explore opportunities across brands and functions. This improves hiring efficiency while reinforcing retention and internal career growth.

Investing in Future Fashion and Business Talent

AFL strengthened its early talent strategy by deepening engagement with leading fashion institutes and business schools. The Company onboarded 104 interns from NIFT campuses across Hyderabad, Bengaluru, Delhi, Mumbai, Chennai, Kolkata and Gandhinagar. It also inducted 14 Business Management Trainees from premier institutions, including the IIMs, and deployed them across brands and functions.

This is strategically relevant for AFL because the business requires a blend of fashion instinct, consumer understanding, commercial thinking and execution discipline. Building this pipeline early gives the Company access to young talent that can support design, merchandising, brand, retail, digital and functional priorities.

Talent Pipeline Pyramid

Building a strong and capability pipeline across levels

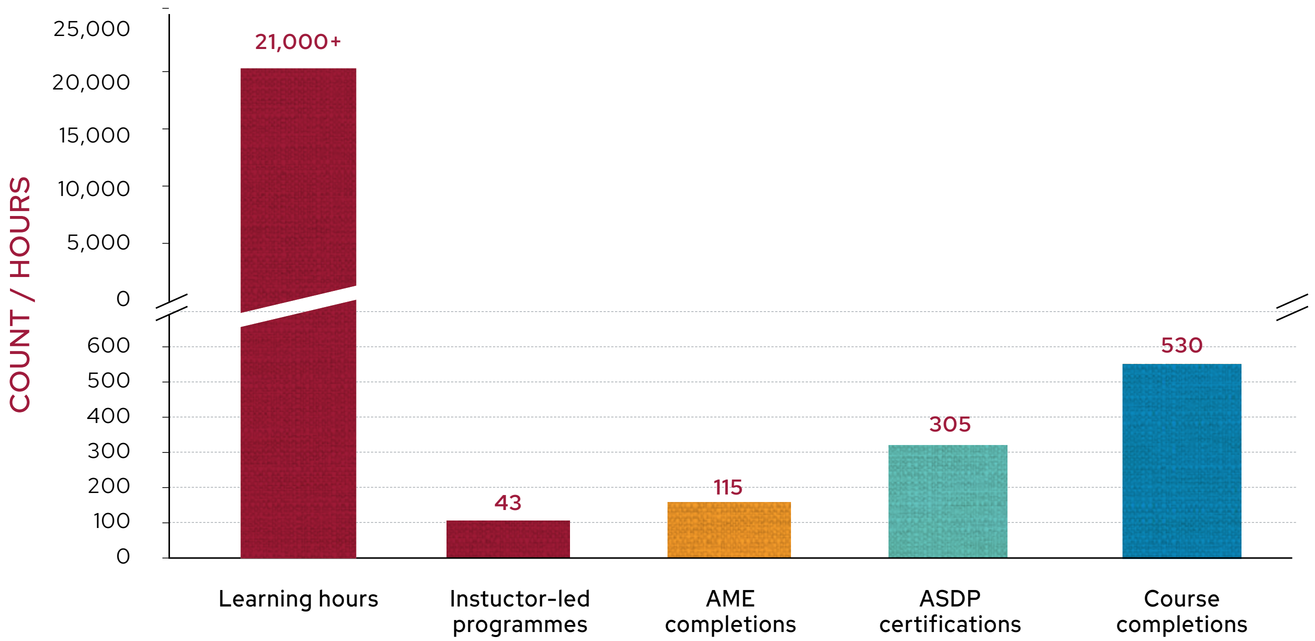
Style. Quality. Possibilities.

Learning and Development as a Growth Enabler

Learning and Development was advanced as a strategic Centre of Excellence focused on building critical capabilities, accelerating talent readiness and enabling sustained business performance. During the year, the Company delivered:

Learning Intervention	FY26 Outcome	Business Relevance
Total learning hours	21,000+	Builds enterprise-wide capability
Average learning per employee	2 Man-days	Expands learning access
Instructor-led programmes	43	Strengthens structured capability building
Average feedback score	4.7	Indicates relevance and programme quality
Arvind Management Essentials	115 people managers certified	Builds leadership and people-manager capability
Arvind Self Development Program	305 participants certified	Strengthens individual contributor readiness
ADLUx digital learning platform	75% employee participation	Democratises learning access
ADLUx active users	900+	Indicates strong digital adoption
ADLUx learning hours	6000+	Supports self-paced capability building
Unique course completions	530	Builds continuous learning culture

Learning and Capability Outcomes



Note: A broken axis is used to accommodate variation in scale. All five metrics are shown accurately as per values.

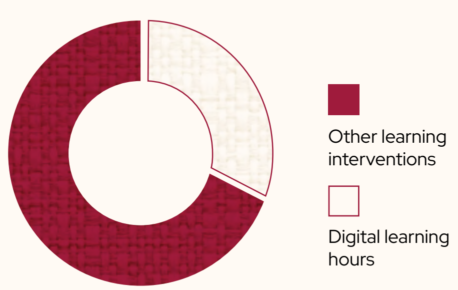
Figures represent FY26 learning and capability outcomes

The flagship Arvind Management Essentials programme continued to build people-manager capability through a blended journey of masterclasses, digital modules and live business capstone projects. The Arvind Self Development Program helped individual contributors improve current role effectiveness while preparing for larger responsibilities.

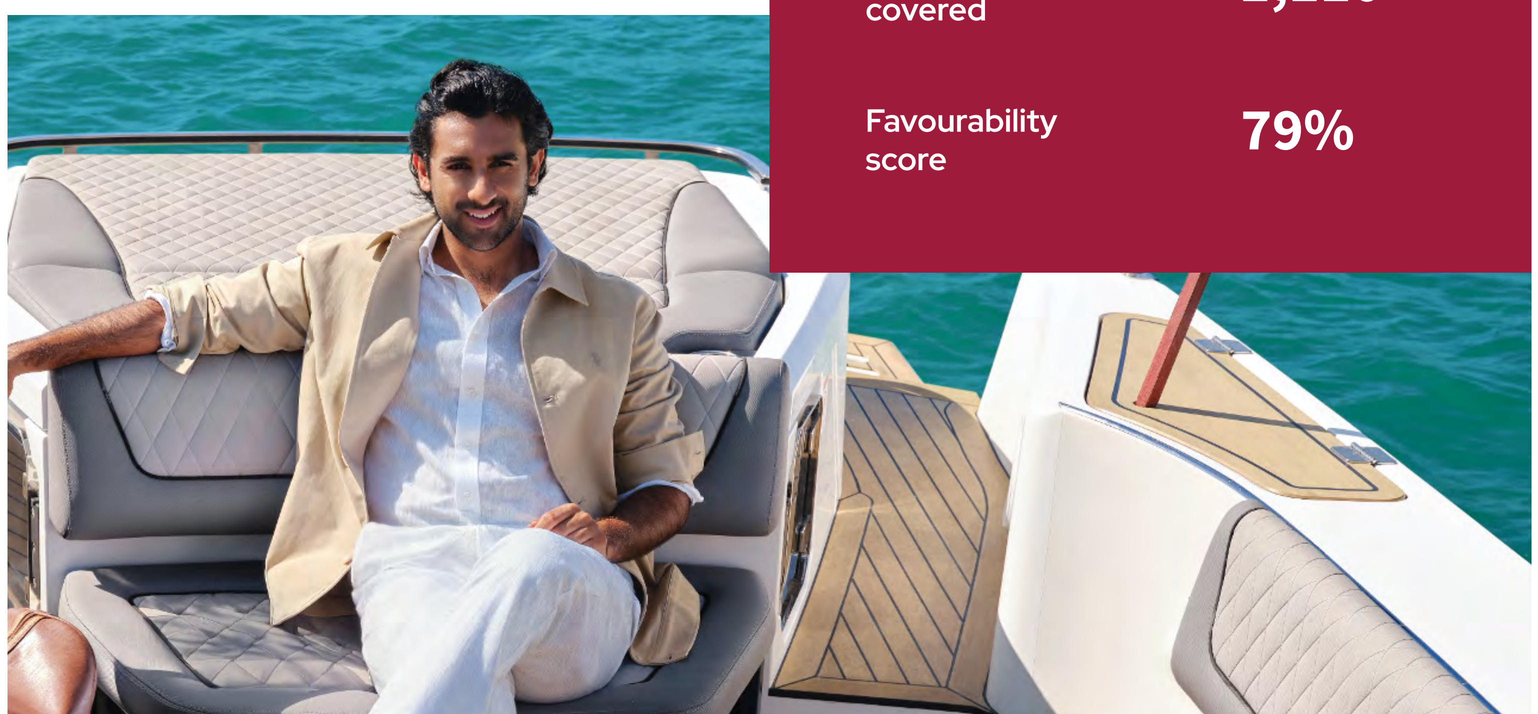
The launch of ADLUx, AFL's digital learning platform, marked a step-change in learning access. With 75% participation, more than 900 active users and over 6,000 learning hours completed, the platform is embedding a culture of continuous, on-demand learning.

Learning Format Mix

Share of FY26 learning hours delivered through digital learning and other learning interventions.



Based on 21,000+ total learning hours and 6,000+ digital learning hours; balance calculated as 15,000+ hours.



Employee Engagement and Culture Building

AFL strengthened employee engagement through initiatives focused on well-being, inclusivity, transparency and belonging. The Stepathon encouraged health, fitness and team collaboration through sustained participation, weekly recognitions and a finale celebration. Festive celebrations across locations helped build cultural cohesion and interpersonal connection.

The Company also maintained a structured internal communication framework covering employee lifecycle milestones, policy updates, organisational initiatives and recognition programmes. Townhalls served as an important platform for leadership connect, business updates, open dialogue and shared alignment.

The Arvind Voice Survey, conducted through an independent third-party platform, achieved 92% participation across 1,110 employees and recorded a 79% favourability score. Insights from the survey were cascaded across teams, enabling leadership to take targeted, data-led actions to enhance employee experience.

Engagement Measure	FY26 Outcome
Arvind Voice Survey participation	92%
Employees covered	1,110
Favourability score	79%

Celebrating Retail: Honouring the People Behind the Experience

Retail employees are the frontline custodians of AFL's brand promise. They bring products, campaigns and store environments to life through customer interaction, service quality and execution discipline.

During the year, AFL reinforced this through the engagement theme "Celebrating Retail: Celebrating People Behind the Experience." The initiative was anchored around International Women's Day, International Men's Day and Retail Employees Day, transforming these occasions into meaningful platforms for recognition and dialogue.

Retail Employees Day became a flagship celebration, recognising frontline employees as the cornerstone of the brand experience. Leadership and corporate teams participated in store immersion initiatives, while enterprise-wide recognition celebrated retail excellence. This helped strengthen pride in retail careers and deepen the connection between frontline and corporate teams.

Employee Benefits, Welfare and Digital HR

AFL strengthened its benefits and welfare framework with a focus on inclusivity, flexibility, digital enablement and holistic well-being. The Company expanded access to professional creche facilities through partnerships with childcare providers, supporting working parents and improving return-to-work confidence.

A revised leave policy provides 11 days of annual leave, 2 optional holidays, and a curated list of 15 optional holidays, enabling employees to personalise time off based on cultural, regional and personal preferences. A structured employee discount policy gives employees access to discounted merchandise across the Company's brand portfolio, strengthening brand advocacy and pride.

The Company also upgraded medical and insurance benefits. Medical insurance coverage limits were doubled, while Group Personal Accident and Group Term Life Insurance benefits were introduced with coverage linked to 2x of employee CTC. A digital claims submission process was implemented to enable faster and more transparent settlements.

A key digital HR milestone was the launch of DAKSH, a next-generation HRMS platform developed in partnership with People Strong. The platform integrates the employee lifecycle from onboarding to performance management and exit processes. It also includes an AI-enabled virtual assistant to help employees access information, raise queries and receive real-time support.

Social and Relationship Capital

Building Trust Across the Fashion Value Chain

For a consumer-led fashion company, enduring value is created not only through brands, products and retail presence, but through the strength of relationships built across the entire value chain. Every interaction with customers, suppliers, franchise and channel partners, employees, investors, government bodies and communities shapes the Company's ability to innovate, scale responsibly and sustain long-term growth. These relationships represent Arvind Fashions' social and relationship capital, creating the trust, collaboration and goodwill that underpin business resilience and competitive advantage.

At Arvind Fashions, stakeholder relationships are built on shared purpose, transparency and long-term partnerships. Consumer trust strengthens brand relevance and loyalty. Deep supplier partnerships foster innovation, quality and supply chain resilience. Franchise and channel partners expand market reach and enhance customer access. Transparent engagement with investors and regulators reinforces governance and accountability, while meaningful community partnerships strengthen the Company's social licence to operate. Together, these relationships enable Arvind Fashions to create value that extends beyond financial performance.

Strategic priority	How social and relationship capital supports it
Building stronger brands	Deepens consumer trust, loyalty and repeat engagement
Retail-led growth	Strengthens franchise, store and channel partner relationships
Scaling direct-to-consumer channels	Improves customer proximity, feedback loops and service responsiveness
Supply chain resilience	Builds trusted supplier partnerships, quality discipline and sourcing continuity
Responsible growth	Strengthens credibility with investors, regulators, communities and ESG stakeholders

Strategic Positioning

For Arvind Fashions, social and relationship capital supports five business priorities:

The Company's approach to social and relationship capital therefore goes beyond stakeholder engagement, it focuses on creating shared value through responsible business practices, collaborative partnerships and targeted community investments that contribute to inclusive and sustainable development. Through the Arvind Foundation and its Corporate Social Responsibility (CSR) initiatives, the Company works with educational institutions, healthcare organisations, non-profit partners, government agencies and local communities to address critical social priorities. During FY 2025–26, PVH Arvind Fashion Private Limited invested ₹3.47 crore and Arvind Lifestyle Brands Limited invested ₹0.61 crore towards CSR programmes spanning education, healthcare, nutrition, sports, renewable energy and community development.

These investments complement the Company's broader commitment to responsible business by strengthening the communities in which it operates while reinforcing the trust that supports long-term stakeholder relationships and sustainable value creation.

Stakeholder Engagement Architecture

Arvind Fashions engages with stakeholders through multiple formal and informal channels. The Company's stakeholder engagement framework identifies customer expectations around product variety, quality, competitive pricing, unique in-store experience, seamless physical and online shopping, responsive customer service, and sustainable practices. AFL's response includes collections aligned to global trends, rigorous quality control, experiential stores, omnichannel integration, customer support systems, promotions, loyalty programmes and eco-friendly product practices.

CUSTOMERS

Core Expectations
Relevant fashion, quality, value, convenience, experience and service

AFL Response
Trend-aligned collections, quality control, omnichannel access, customer support, loyalty initiatives

Engagement Channels
Stores, brand websites, e-commerce platforms, campaigns, surveys, feedback forms, WhatsApp, email, SMS and live chat

Value Created
Higher trust, repeat purchase, stronger brand affinity

SUPPLIERS

Core Expectations
Long-term business, predictable demand, transparent evaluation, capability support

AFL Response
Strategic sourcing partnerships, audits, scorecards, quality protocols and technical engagement

Engagement Channels
Supplier reviews, quality checks, SOPs, audits, performance scorecards

Value Created
Better quality, resilience, consistency and faster execution

FRANCHISE AND CHANNEL PARTNERS

Core Expectations
Growth opportunity, strong brands, operational support, sell-through and profitability

AFL Response
Asset-light expansion, stronger store formats, merchandising support and sharper brand campaigns

Engagement Channels
EBO network, MBOs, department stores, business reviews and operating processes

Value Created
Wider reach, better execution, local market access

EMPLOYEES

Core Expectations
Career growth, capability building, communication, well-being and performance clarity

AFL Response
Learning journeys, engagement surveys, townhalls, benefits and performance systems

Engagement Channels
Townhalls, surveys, programmes, internal communication

Value Created
Stronger execution culture and customer experience

INVESTORS & SHAREHOLDERS

Core Expectations
Transparent disclosures, sustainable growth, profitability and governance

AFL Response
Periodic disclosures, integrated reporting, investor relations, financial and strategic communication

Engagement Channels
Investor website, analyst interactions, investor conferences, annual report

Value Created
Trust, confidence and access to financial capital

GOVERNMENT & REGULATORS

Core Expectations
Compliance, employment, tax contribution, responsible business conduct

AFL Response
Regulatory compliance, timely reporting, responsible operations and stakeholder governance

Engagement Channels
Compliance reports, statutory filings, meetings and disclosures

Value Created
Regulatory trust and business continuity

COMMUNITIES

Core Expectations
Social welfare, education, livelihood and environmental protection

AFL Response
Targeted community initiatives and sustainability-ed partnership:

Engagement Channels
Need assessment, community interaction, partnerships and impact review

Value Created
Inclusive value creation and social licence to operate

Customer Relationships: Moving Closer to the Consumer

Customer proximity is one of the most important components of AFL's social and relationship capital. The Company's strategic approach is to move closer to consumers through a stronger retail footprint, larger and more immersive stores, digital channels, omnichannel integration and structured customer feedback.

AFL's customer experience strategy extends beyond product innovation. It includes adapting offerings based on customer feedback, strengthening e-commerce presence, improving digital platforms, and building seamless engagement across physical and digital channels. The FY26 narrative also identifies customer feedback and satisfaction as an essential part of this strategy.

This matters because fashion is increasingly shaped by experience, not only by product availability. Consumers expect relevant assortments, quick access, quality, service, convenience and a clear brand point of view. AFL's direct-to-consumer strategy gives the Company better visibility into consumer preferences, stronger control over brand experience and faster feedback loops.

Building a Direct Customer Relationship Engine

AFL's direct-channel strategy is designed to deepen consumer access and improve execution control. The Company ended FY26 with 1,025 EBOs and a retail footprint of approximately 13.37 lakh sq. ft., while continuing to strengthen online B2C and omnichannel capabilities.

This enables AFL to:

Direct customer lever	Relationship value
Larger and better-located stores	Stronger brand experience and visibility
New retail formats	Better discovery and premium presentation
Online B2C platforms	Convenience, reach and customer data
Customer feedback mechanisms	Faster response to preferences and service issues
Loyalty and promotions	Repeat engagement and brand affinity
Omnichannel integration	Seamless shopping across physical and digital touchpoints

Supplier Relationships: Building Resilience, Quality and Trust

AFL's supplier relationships are central to its ability to deliver quality, consistency and speed. During FY26, the Company strengthened its sourcing strategy with a focus on resilience, reliability and product quality. It diversified its supplier base by onboarding regional and global partners, deepened strategic sourcing partnerships for priority access to critical materials, and introduced supplier audits and performance scorecards for greater transparency and accountability.

The Company also enhanced incoming quality control protocols and tightened process checks across the supply chain. Key interventions included third-party validation for product performance and final quality, increased technical-team engagement in fit validation, stricter SOPs for value-added processes such as heat transfer, embroideries and logos, and stronger risk analysis to identify critical products before production.

Quality as a Relationship Contract

Quality at AFL is built as a shared responsibility with supplier partners.

Quality intervention

- Supplier audits and performance scorecards
- First Time Right programme
- Inline quality control reinforcement
- Operator skill mapping and training
- Floor-level quality awareness
- Third-party product validation

Purpose

- Improve transparency and accountability
- Reduce rework and rescreening
- Strengthen interim and end-line checks
- Improve stitch quality, handling and garment accuracy
- Reduce defects through daily awareness and huddles
- Strengthen performance and final quality checks

This approach strengthens supplier trust because expectations are clearer, capability building is continuous, and performance standards are jointly owned.

Franchise and Channel Partner Relationships: Scaling Through Partnership

AFL's retail expansion is built around an asset-light, partnership-led model. Franchise and channel partners play a critical role in expanding the Company's reach, particularly across priority markets and emerging consumption centres. The Company's retail-led strategy is focused on sharper control, customer proximity, larger and more immersive stores across EBOs, MBOs and department stores, and expansion into smaller Tier 2 and Tier 3 cities to serve growing demand for branded fashion.

This partnership model creates mutual value. AFL brings brand strength, product architecture, marketing, merchandising, store identity and operating systems. Franchise and channel partners bring local market knowledge, execution bandwidth and customer access.

Partner-Led Growth Mode

Building Stronger Brands. Growing Together. Creating Sustainable Value.

AFL Brand Strength
- 5 strong, purpose-led brands
- Design excellence & trend leadership
- Consistent marketing & innovation
- Quality you can trust

Franchise / Channel Partner Network
- Strong & growing partner base
- Asset-light expansion model
- Training, systems & operational support
- Collaborative growth mindset

Local Market Access
- Deep presence in Tier 1 to Tier 3 cities
- Right store, right location, right format
- Understanding local customer preferences
- Stronger reach, higher relevance

Customer Experience
- Engaging in-store experience
- Seamless omni-channel journey
- Quality products & service excellence
- Customer loyalty & advocacy

Sell-Through Growth
- Better availability & assortments
- Effective merchandising
- Higher conversion & repeat purchases
- Data-led decisions & feedback loop

Sustainable Partner Economics
- Improved partner profitability
- Lower operating risks
- Long-term partnership value
- Mutual growth, shared success

A flywheel of trust, access and value creation

Enablers Powering Partner Led Growth: Strong Brands | Digital & Technology | People & Culture | Supply Chain Excellence | Marketing & Brand Building | Sustainability & Responsibility

Sustainability-Led Partnerships: Creating Social and Environmental Value

AFL's sustainability partnerships also contribute to social and relationship capital. The Company has embedded sustainability into product design and development and works with partners to reduce environmental impact while creating social value. The FY26 narrative highlights collaborations with Coats for recycled polyester threads, ECO365 for compostable poly bags, and Plastics for Change for recycled PET traveller collars made from plastic waste collected by waste pickers in underserved communities. This partnership creates economic opportunities while addressing plastic pollution.

These initiatives should be positioned carefully because they connect sustainability with stakeholder trust. They show that AFL is not treating sustainability as a compliance layer, but as a partnership-driven operating approach across materials, packaging and circularity.

Partnership/Initiative	Relationship Value
Coats recycled polyester threads	Supports responsible material sourcing
ECO365 compostable poly bags	Reduces dependence on conventional plastic packaging
Plastics for Change recycled PET collars	Creates social impact through waste-picker livelihoods
Arvind Envisol EPR programme	Supports structured recycling of LDPE and PET packaging waste
Sustainability tags	Enables more informed consumer choice

Advancing Environmental Stewardship

The Company also invested in initiatives that promote sustainable development within educational institutions. During the year, support was extended for the installation of a 20 kW on-grid rooftop solar system across selected schools, enabling the adoption of renewable energy while creating awareness of sustainability among students and educators.

Community Development Priorities

Enabling Access to Quality Education

Education remains one of the Company's most important areas of social investment. During FY 2025–26, the Company through Arvind Foundation expanded educational access and learning outcomes through scholarships, school infrastructure development and technology-enabled classrooms.

> Through the Vidyasaarathi Scholarship Programme, implemented in partnership with Protean eGov Technologies Limited, approximately 270 underprivileged students received financial assistance to pursue higher education through a transparent digital scholarship platform.

The Company strengthened public education infrastructure across six government schools in Karnataka, supporting classroom and campus upgrades including toilet renovations, waterproofing, painting, window repairs, water tank installations, smart boards and other essential facilities. These interventions are expected to benefit more than 1,000 students.

> Recognising the growing importance of digital learning, the Company through Arvind Foundation continued implementation of the Class Saathi Project across 15 government schools, helping transform traditional classrooms into smart learning environments aligned with the National Education Policy (NEP). Complementing these efforts, the STEMSpark Programme introduced robotics, artificial intelligence and hands-on STEM learning across two government schools serving middle- and low-income communities in Bengaluru, enabling students to develop future-ready skills through experiential education.

Strengthening Community Health

The Company continued to support initiatives that improve healthcare accessibility and quality of life for underserved communities.

> In partnership with Bangalore Indiranagar Rotary Trust, Company supported Karunashraya, a pioneering palliative care initiative jointly established by the Indian Cancer Society and Rotary Bangalore, providing compassionate care for patients with advanced-stage cancer.

The Company also partnered with the Indian Cancer Society to organise cancer awareness and early detection camps while extending emotional support services for patients and their families.

In addition, Company supported cataract surgery programmes through Bangalore Indiranagar Rotary Trust, helping restore vision for economically disadvantaged individuals, particularly those living in rural communities around Bengaluru.

Supporting Nutrition and Child Development

Company continued its partnership with the Akshaya Patra Foundation, supporting its Mid-Day Meal Programme that addresses classroom hunger and malnutrition while encouraging school attendance and improving learning outcomes among children from economically disadvantaged backgrounds.

Empowering Underserved Communities

Company continued to support equitable access to education through partnerships with organisations working in underserved regions. During FY 2025–26, the Company partnered with the Great India Talent Foundation to support the education and empowerment of tribal children in Kashirampara, Tripura, helping create opportunities for long-term social and economic inclusion.

Investor and Shareholder Relationships: Building Confidence Through Transparency

Investor trust is a core part of AFL's social and relationship capital. The Company engages with investors through structured communication, disclosures, the Integrated Annual Report, investor website, analyst and fund manager interactions, and periodic performance updates. The stakeholder framework links investor engagement to financial indicators such as revenue growth, EBITDA, ROCE and PAT, along with long-term shareholder value creation.

For AFL, this is important because the Company's strategy is built around disciplined growth, stronger return ratios,direct-channel expansion, brand salience and working capital control. Clear communication helps investors understand not only the reported numbers, but the operating model behind them.

Government and Community Relationships: Responsible Business Citizenship

AFL's stakeholder framework identifies government and community expectations around job creation, social welfare, regulatory compliance and environmental protection. The Company's response includes indigenous hiring, support for education, community-strengthening initiatives, environmentally responsible practices, regulatoryadherence and mandatory compliance reporting.

This reinforces AFL's role as a responsible corporate citizen. As the Company expands its retail footprint, deepens supplier partnerships and strengthens sustainability practices, its relationship with government bodies and communities becomes increasingly important to long-term business continuity and trust.

Inputs, Outputs and Outcomes

Social and Relationship Capital Inputs	FY26 Outputs	FY26 Outcomes
Customer trust across five core brands	Stronger customer engagement through stores, digital platforms and feedback mechanisms	Higher customer proximity and brand relevance
Franchise and channel partner ecosystem	Expansion through EBOs, MBOs, department stores and digital channels	Wider market reach and stronger local consumer access
Supplier partnerships	Supplier audits, scorecards, third-party validation and quality protocols	Stronger supply chain reliability and product quality
Value-chain governance	100% value-chain partner assessment indicated in the business model draft	Better accountability across the ecosystem
Sustainability partnerships	Recycled materials, compostable packaging, EPR and circularity initiatives	Lower environmental impact and stronger stakeholder trust
Investor communication platforms	Integrated reporting, investor relations and performance disclosures	Greater transparency and market confidence
Community and government engagement	Regulatory compliance, social initiatives and environmental practices	Stronger social licence to operate

Natural Capital

Shaping Sustainable Fashion Through Responsible Materials, Circular Packaging and Lower-Impact Operations

Natural capital at Arvind Fashions represents the environmental resources used across the Company's business operations and value chain. It includes energy, water, materials, packaging, waste, and the broader environmental footprint associated with product development, sourcing, warehousing, retail and distribution.

Arvind Fashions recognises that sustainability must be embedded into the way fashion is designed, sourced, packed, moved, sold and experienced. The Company's natural capital approach extends into product choices, packaging formats, circular economy practices, renewable energy adoption, responsible sourcing and consumer awareness.

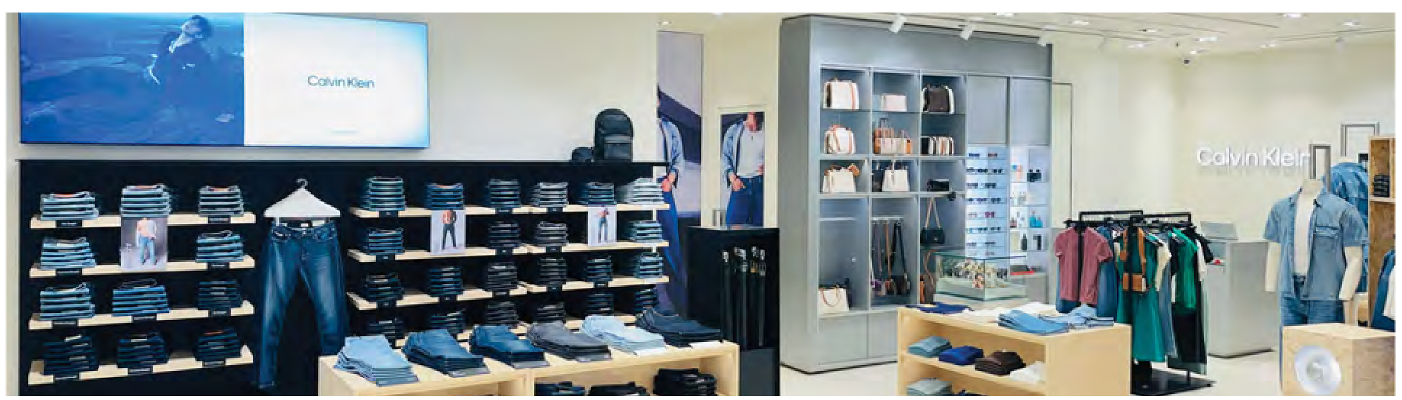
During FY26, AFL continued to align its business strategy with a strong sustainability ethos, with decisions across product development, operations and stakeholder engagement guided by environmental conservation and responsible growth. The Company's natural capital framework identifies energy consumption, renewable energy, water withdrawal, plastic and other waste recycling, organic cotton, sustainable materials, recycled PET, packaging waste recycling and warehouse waste recycling as core components of environmental value creation.

Strategic Positioning

For AFL, natural capital is closely linked to four business realities:

Business Reality	Natural Capital Relevance
Fashion is material-intensive	Product design must increasingly include organic cotton, recycled polyester and lower-impact materials
Retail and warehousing consume energy	Stores, offices and warehouses need efficiency measures and renewable energy transition
Packaging is a visible environmental footprint	Compostable polybags, recycled PET, recycled labels and reusable carton systems reduce waste
Consumers are becoming more conscious	Sustainability tags and responsible products help customers make informed choices

Natural capital should therefore be positioned as a business enabler helping AFL reduce environmental impact, strengthen stakeholder trust, support responsible fashion and build a more resilient value chain.



Natural Capital Priorities

Priority area	AFL's approach	FY26 proof points/actions
Sustainable materials	Embed eco-friendly materials into product design and development	Organic cotton and recycled polyester fabrics incorporated into denim production
Recycled inputs	Use post-consumer recycled materials where feasible	Recycled polyester threads sourced from Coats, made from recycled PET
Responsible packaging	Reduce dependence on virgin plastic and single-use materials	Compostable polybags through ECO365; recycled PET collar travellers; PP carton boxes
Circular economy	Recycle packaging waste and reduce material waste	EPR programme with Arvind Envisol for LDPE and PET packaging waste
Energy efficiency	Improve lighting efficiency across stores, offices and warehouses	LED lighting, motion sensor LED lights and behavioural energy-efficiency SOPs
Renewable energy	Increase clean energy in operations	Solar power procurement through PPA; potential mitigation of ~1,030 tonnes of CO_2 annually
Consumer awareness	Help consumers identify sustainable products	Sustainability tags indicating eco-friendly materials and processes

Sustainable Materials: Embedding Responsibility into Product Design

AFL's sustainability approach begins at the product level. The Company has embedded sustainability into product design and development by incorporating organic cotton and recycled polyester fabrics into denim production. This is important because denim and casualwear are core parts of AFL's portfolio, making material choices highly relevant to the Company's environmental footprint.

The Company also sources recycled polyester threads from Coats. These threads are made from recycled PET, typically derived from post-consumer plastic bottles. This helps divert waste from landfills and reduces reliance on virgin polyester.

Why this matters for AFL:

This links directly to the Company's product engine. By integrating recycled and lower-impact materials into design and development, AFL can reduce environmental intensity while continuing to offer contemporary, quality-led fashion.

Sustainable Product Design Flow

Embedding sustainability from concept to customer communication.

01 Consumer Need

02 Product Design

03 Organic/Recycled Input Selection

04 Responsible Sourcing

05 Finished Product

06 Sustainability Tag

Arvind Fashions

Fashioning Possibilities. Sustainably.

- Thoughtful design for a better future
- Responsible choices at every step
- Transparent communication. Trusted impact.
- Creating value for people and the planet

Circular Packaging: Reducing Virgin Plastic and Single-Use Waste

Packaging is one of the most visible and controllable areas of environmental impact in a retail-led fashion business. AFL has taken a multi-pronged approach to reduce virgin plastic and shift towards more responsible packaging.

The Company has partnered with ECO365 to procure compostable polybags, which naturally break down in composting environments and provide an alternative to conventional plastic packaging. AFL has also committed to using 100% compostable polybags, reducing dependence on conventional plastic.

In collaboration with Plastics for Change, AFL has introduced recycled PET traveller collars made from plastic waste collected by waste pickers in underserved communities. This initiative combines environmental impact with social value by supporting livelihoods while reducing plastic pollution.

The Company has also moved to 100% recycled polyester garment labels, 50% FSC-certified hangtags, and shopping bags made from 100% tree-free paper using residual by-products from textile and garment manufacturing. AFL has also adopted PP carton boxes for domestic logistics instead of traditional paper corrugated boxes.

Packaging/Trim Intervention	Environmental Relevance
100% compostable polybags	Reduces conventional plastic use
Recycled PET collar travellers and butterfly products	Replaces virgin plastic
100% recycled polyester garment labels	Uses recycled inputs
50% FSC-certified hangtags	Supports responsible paper sourcing
100% tree-free shopping bags	Reduces dependence on virgin tree-based paper
PP carton boxes for domestic logistics	Enables reusable packaging and reduces single-use material

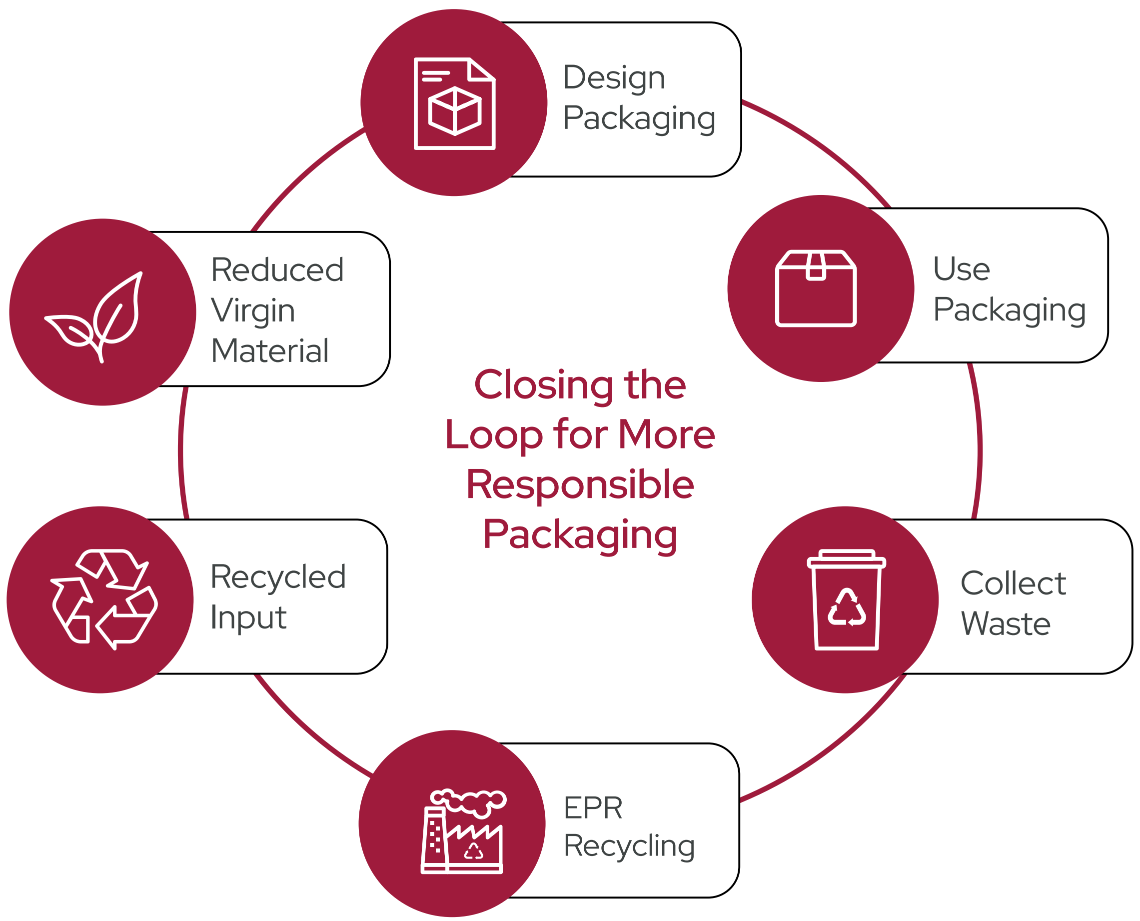
EPR and Circular Economy: Closing the Loop on Packaging Waste

AFL's natural capital strategy also includes structured waste management through circular economy practices. In partnership with Arvind Envisol, the Company has implemented an Extended Producer Responsibility programme dedicated to recycling LDPE and PET packaging waste.

This is important because EPR moves the Company from a linear packaging model to a more accountable resource-use model. It creates a mechanism to recover and recycle packaging material, reducing waste leakage and strengthening compliance with responsible packaging principles.

Circular Packaging Loop

From design to recovery, creating circular value across the packaging lifecycle.



Supporting circularity, recycling accountability and lower dependence on virgin material.

Energy Efficiency and Renewable Energy: Lowering Operational Impact

AFL has made targeted investments in renewable energy and energy efficiency across its corporate office, warehouses and operating infrastructure. The Company has shifted from conventional lighting to LED lights across stores and warehouses and installed motion sensor LED lights for warehouse operations. These motion sensor LED interventions indicated a potential reduction of 5%-8% in energy demand.

The Company has also replaced 690 light fittings at its corporate office with LED fittings, improving lighting quality while reducing energy consumption and operating cost. CFL fittings at the guest house were also replaced with LED lights.

On renewable energy, AFL has signed a solar power wheeling agreement with an independent power producer for a nine-year period, expected to cover 80%-95% of the corporate office's energy demand. This has the potential to mitigate approximately 1,030 tonnes of carbon dioxide annually. The Company is also exploring renewable energy transition for warehouses, including rooftop solar potential, and is engaging vendor partners to enable their transition to renewable energy.

Energy Initiative	Expected Benefit
LED lighting in stores and warehouses	Lower electricity use and improved lighting quality
Motion sensor LED lights in warehouses	Potential 5%-8% reduction in energy demand
690 corporate office light fittings replaced with LEDs	Reduced energy consumption and cost savings
Solar power PPA for corporate office	80%-95% energy demand coverage expected
Potential CO_2 mitigation	~1,030 tonnes annually
Warehouse renewable energy exploration	Lower future operational footprint
Vendor renewable energy engagement	Reduces value-chain carbon footprint

Hoskote Warehouse: Building Green Infrastructure

AFL's state-of-the-art warehouse facility at Hoskote, Karnataka, is undertaking Green Building Certification procedures, reflecting the Company's commitment to reducing greenhouse gas emissions and improving infrastructure sustainability.

The Company is also working on SOPs to achieve behaviour-based energy efficiency within operations. This is important because energy reduction cannot depend only on equipment replacement. It also requires operating discipline, employee behaviour, facility management and monitoring.

Green Warehouse Enablers

Operational interventions that support more efficient, responsible warehouse infrastructure.

01 LED Lighting
Energy-efficient illumination across warehouse operations.

02 Motion Sensors
Smart control to reduce unnecessary power usage.

03 Renewable Energy Potential
Exploring cleaner energy sources for lower emissions.

04 Reusable Logistics Packaging
Reducing single-use packaging through more durable systems

05 Behavioural SOPs
Operating discipline to reinforce energy-efficient behaviours

06 Lower Footprint
Driving a more responsible and lower-impact warehouse model.

Together, these enablers help improve warehouse efficiency, support sustainability goals and reduce operational impact.

Consumer-facing Sustainability

AFL is also introducing sustainability tags on products to help consumers understand the eco-friendly qualities of garments. These tags provide information on sustainable materials such as organic cotton, recycled polyester and other eco-friendly fibres. They may also highlight aspects of manufacturing such as energy-efficient production techniques and compliance with ethical labour practices.

This is strategically relevant because consumers are increasingly looking for transparency. Sustainability tags help convert internal sustainability action into visible consumer trust.

Sustainability Tag Objective	Business Value
Communicate material choices	Builds transparency
Highlight eco-friendly fibres	Helps informed decision-making
Signal responsible manufacturing	Strengthens trust
Improve consumer awareness	Supports responsible fashion
Reinforce brand credibility	Builds long-term affinity

Natural Capital Inputs, Outputs and Outcomes

Natural Capital Inputs	FY26 Outputs	Outcomes
Energy used across offices, warehouses and stores	LED lighting, motion sensors, solar power PPA and renewable energy exploration	Lower energy intensity and reduced operating footprint
Product materials	Organic cotton, recycled polyester fabrics and recycled PET-based threads	Reduced reliance on virgin inputs
Packaging materials	Compostable polybags, recycled PET collar travellers, recycled labels, FSC-certified hangtags and tree-free shopping bags	Lower packaging footprint and reduced single-use material
Logistics packaging	PP carton boxes for domestic logistics	More reusable and durable packaging system
Packaging waste	EPR programme with Arvind Envisol for LDPE and PET packaging waste	Stronger circularity and recycling accountability
Consumer communication	Sustainability tags	Greater consumer awareness and informed choice
Warehousing infrastructure	Hoskote Green Building Certification process and energy-efficiency SOPs	More responsible operating infrastructure

Board of Directors

Sanjay Lalbhai

Chairman &
Non-Executive Director

Sanjay Lalbhai provides long-term strategic leadership to Arvind Limited and its diversified group of businesses spanning textiles, apparel retail, real estate, engineering, and advanced materials. Under his stewardship, Arvind has evolved into one of the world's largest textile manufacturers while expanding into adjacent sectors that strengthen resilience and growth. His leadership philosophy emphasises institutional strength, disciplined capital allocation, and building businesses that endure across cycles. A strong advocate of responsible capitalism, he believes addressing societal needs and creating sustainable value for communities are inseparable from business success. He provides strategic direction to SHARDA Trust and the Arvind Foundation, guiding initiatives in education, livelihoods, healthcare, and community development, embedded in Arvind's operating philosophy and commitment to inclusive growth. Higher education remains a central focus of his public engagement. He serves as President of the Ahmedabad Education Society and Ahmedabad University, Chairman of CEPT University, and has previously been associated with the Governing Board of the Indian Institute of Management, Ahmedabad, contributing to academically rigorous and practically relevant institutions. His involvement in research and industry includes serving on the Council of Management of the Physical Research Laboratory and as Chairman of the Council of Administration of the Ahmedabad Textile Industry's Research Association. A patron of arts and culture, he chairs the Gujarat Museum Society and the Lalbhai Dalpatbhai Institute of Indology and founded the Kasturbhai Lalbhai Museum and the Arvind Indigo Museum. A long-time practitioner and trainer of Heartfulness Meditation, he brings balance, reflection, and ethical clarity to leadership.

Kulin Lalbhai

Vice Chairman &
Non-Executive Director

Kulin Lalbhai leads the Group's consumer-facing and digital businesses, including branded apparel, retail, real estate, and emerging technology ventures. He has been a key architect of the group's transformation into a modern, omnichannel consumer organisation, strengthening brand relevance, customer engagement, and digital capability across platforms. His leadership has helped position Arvind Fashions as one of India's leading brand houses with a strong portfolio of global and homegrown labels. He has played a pivotal role in expanding the Group's retail footprint, building scale across physical stores, shop-in-shops, and e-commerce channels. His efforts have also driven Arvind's entry into new consumer categories, including footwear, while deepening digital integration across merchandising, supply chains, and customer experience. He has incubated and scaled digital ventures within the Group, including Omuni, which later merged with Shiprocket, reflecting a pragmatic approach to innovation and partnerships. In real estate, he has guided the growth of Arvind SmartSpaces into a fast-growing residential developer with a multi-city presence. The business has built a strong execution track record and a growing project pipeline, aligned with disciplined capital deployment and design-led development. He leads the corporate affairs function at Arvind and holds prominent leadership roles in industry bodies, contributing to policy dialogue and sectoral development. His involvement includes chairing national committees and representing industry interests in international trade discussions. In addition to Group responsibilities, he serves on the boards of various companies and as an independent Director of Zydus Wellness. Kulin holds an MBA from the Harvard Business School and a BSc in Electrical Engineering from Stanford University. Prior to his current role, he has been a management consultant at McKinsey & Co.

Punit Sanjay Lalbhai

Non-Executive Director

Punit Lalbhai oversees the Textile, Engineering, Technical Textile, and Environmental businesses, playing a central role in shaping the Group's industrial and sustainability agenda. He has been instrumental in building Arvind Advanced Materials, now among the fastest-growing segments within the group. This business serves global markets across human protection, industrial applications, and composite materials, reinforcing Arvind's reputation for innovation and reliability. He has also contributed to the growth of Anup Engineering and Arvind Envisol, strengthening the Group's presence in capital goods manufacturing and wastewater treatment solutions. His leadership combines deep technical understanding with a long-term view on industrial relevance, competitiveness, and environmental responsibility. Sustainability has been a defining focus of his work. Under his guidance, Arvind has achieved water circularity and neutrality in its textile operations and increased renewable energy usage. The Group has also pioneered sustainable cotton initiatives, partnering with more than 100,000 farmers to improve agricultural practices, traceability, and livelihoods. His global engagement includes serving on international boards shaping industry standards and collaborations. Beyond business, he supports education and social development initiatives. He is involved with the Ahmedabad Education Society and serves on the boards of Ahmedabad University and CEPT University. He also plays a key role in Arvind's Gyanada programme, partnering with municipal schools to improve access to quality education in Ahmedabad. He holds academic qualifications in conservation biology, environmental science from Yale University and management from INSEAD.

Amisha Hemchand Jain

Managing Director
& CEO

An alumna of INSEAD and McKinsey, Ms. Amisha has over 25+ years of experience in technology, consumer, and retail sectors. Through the course of her career, she has been leading growth and transformation initiatives for various brands. Until recently, she was the Managing Director & SVP of South Asia, Middle East, Africa and Eastern Europe at Levi Strauss & Co. During her 3-year term, Levi's India saw high teens growth while gaining #1 brand equity in the country in Denims and apparels. Prior to Levi's, she led the turnaround of Zivame, as the CEO and led it to an innovation-led consumer centric brand, that became the fastest growing women's intimate-wear, loungewear and athleisure business. Her prior experience includes Arvind group, Nike India, McKinsey & Company and Motorola Inc. She was recently awarded the ET People-Focused CEO of the year 2024, at the prestigious The Economic Times HCA- Recognizing excellence in Human Capital. During her stint at Nike, she was also chosen for the prestigious '40 under 40: India's Hottest Business Leaders 2015' and 'India Inc's rising women business leaders' 2015' award by the Economic Times & Spencer Stuart, respectively.

Suresh Jayaraman

Non-Executive Director

Mr. Suresh has over 30 years of experience in the FMCG, Lifestyle Brands & Retail industries. This included an 18-year stint at Hindustan Unilever Limited, where he headed the Sales Operations of the beverages business and was a management committee member of the Foods & Beverages business between 1999 and 2002. After HUL, he joined MTR Foods Ltd as its Chief Executive Officer and turned a regional brand into a national and global brand. He is an engineering graduate and has a Master's degree in Business Administration from Indian Institute of Management, Bangalore.

Nagesh Pinge

Independent Director

Mr. Nagesh Pinge is an Expert in Ethics, Corporate Governance, Risk Management and Internal Audit. He is a Chartered Accountant and Law Graduate from India. He has also completed Executive Education Program from The Stephen M Ross School of Business of the University of Michigan, USA. With a distinguished career spanning 40 years, Mr. Pinge has worked with several renowned organisations. He most recently served as the Chief – Internal Audit, Risk Management and Ethics at Tata Motors. Prior to this, he held leadership roles at Reliance Retail Ltd., JSW Steel Ltd., ICICI Bank, and its group companies. Mr. Pinge currently serves as an Independent Director on the boards of several reputed companies. He is also a past President of the Institute of Internal Auditors, India, reflecting his long-standing contribution to the profession and his leadership excellence.z

Nilesh Shah

Independent Director

Mr. Nilesh Shah is Group President & Managing Director (MD) of Kotak Mahindra Asset Management Co. Ltd. He led his team to the Best Fund House of the Year Award at all the mutual funds where he has worked viz, Kotak, ICICI Prudential and Franklin Templeton Mutual. He has over 30 years of experience in capital markets and market-related investments, having managed funds across equity, fixed income securities and real estate for local and global investors. Mr. Nilesh Shah is a gold medalist chartered accountant and a merit ranking cost accountant. Mr. Nilesh Shah has co-authored a book on Financial Planning called A Direct Take.

He is a part-time member of the Economic Advisory Council to the Prime Minister and a part time member of Unique Identification Authority of India (UIDAI). He is a member of the Board of Association of Mutual Funds in India and a Member of Corporate Bonds and Securitisation Advisory Committee (CoBoSAC) of SEBI.

Manoj Nakra

Independent Director

Dr. Manoj Nakra is a co-founder of SCIP, a SaaS platform company. Before reinventing himself in technology, he led the creation and implementation of many global luxury and lifestyle brands in the Middle East and India. He engages with retailers for their digitalisation. He has held CEO positions at The Waterbase Limited and Jashanmal (Retailer in UAE), COO position at DubaiSME (Entrepreneur Development Organisation of Government of Dubai) and CXO position at Apparel Group (Retailer in UAE). Manoj is a Mechanical Engineer (IIT Delhi), has an MBA (IIM, Bangalore), and a DBA (Case Western, USA).

Ananya Tripathi

Independent Director

Ms. Ananya Tripathi is Managing Director in Brookfield's Real Estate Group. In this role, she focuses on driving business plans and operations across the real estate portfolio in India. Prior to joining Brookfield in 2024, Ms. Tripathi held various leadership roles, including CEO of WhiteHat Jr. and Director at KKR Capstone India, where she assisted portfolio companies with strategy and operations. Ms. Tripathi holds a Master of Business Administration degree from the Indian Institute of Management, Kozhikode.

Govind Shrikhande

Independent Director

Mr. Govind Shrikhande is the former Managing Director of Shoppers Stop. He is a Retail professional with a degree in Textile Technology (B. Text) from VJTI Mumbai and Masters in Marketing (MBA) from Symbiosis Institute of Management. He has work experience of 38 years in the entire chain of Fabrics to Apparel to Multi-Format Retailing including Department Stores, Hypermarket, Airport Retail, Beauty, Home, Books & Music, etc. across Marquee Companies like Mafatlal, Johnson & Johnson, Arvind, Bombay Dyeing and Shoppers Stop.

Achal Bakeri

Independent Director

Mr. Achal Bakeri is the Chairman and Managing Director of Symphony Limited. He leads the management of critical organisational functions such as corporate strategy, international growth opportunities and people development. He is an Architect and has studied Master of Business Administration from University of Southern California. Mr. Bakeri has 32 years of experience in varied fields, including construction, exports, manufacturing and design development. Under his guidance and leadership, Symphony has established its position as the largest manufacturer of air coolers in the world.

Leadership Team

Amisha Hemchand Jain

Managing Director & CEO

An alumna of INSEAD and McKinsey, Ms. Amisha has over 25+ years of experience in technology, consumer, and retail sectors. Through the course of her career, she has been leading growth and transformation initiatives for various brands. Until recently, she was the Managing Director & SVP of South Asia, Middle East, Africa and Eastern Europe at Levi Strauss & Co. During her 3-year term, Levi's India saw high teens growth while gaining #1 brand equity in the country in Denims and apparels. Prior to Levi's, she led the turnaround of Zivame, as the CEO and led it to an innovation-led consumer centric brand, that became the fastest growing women's intimate-wear, loungewear and athleisure business. Her prior experience includes Arvind Group, Nike India, McKinsey & Company and Motorola Inc. She was recently awarded the ET People-Focused CEO of the Year 2024, at the prestigious The Economic Times HCA - Recognising excellence in Human Capital. During her stint at Nike, she was also chosen for the prestigious '40 under 40: India's Hottest Business Leaders 2015' and 'India Inc's rising women business leaders' 2015' award by the Economic Times & Spencer Stuart, respectively.

Amitabh Suri

CEO-USPA

Amitabh Suri is an entrepreneurial, result-driven business leader with 25 years of experience in the Apparel & Lifestyle industry. He has a proven track record of running large scale & profitable brands, strategic brand positioning, operational excellence, P&L management, and building high performance teams.

In his current capacity as CEO of U.S. Polo Assn. India (the country's largest casual wear brand at ₹2000+ Crores) and Flying Machine (India's premier youth denim brand), he has led these businesses through several milestones. In his previous stint as President at Shoppers Stop, he managed an ₹800-crore portfolio and launched high-profile private labels and sustainable brands like Jones NY and French Connection.

His international experience includes serving as CEO of Iconic at Landmark Dubai, where he scaled a AED 300 million fast-fashion business across four countries and built its omnichannel retail presence.

Earlier, he spent 18 years on the Executive Leadership Team at Indian Terrain, playing a pivotal role in transforming it from a startup wholesale category business into a publicly traded, ₹415-crore premium lifestyle brand.

He is a seasoned leader in the retail industry with superior product knowledge, capability to deliver on operational efficiencies, retail expertise, supply chain optimisation, and a strong customer-centric mindset that transforms market insights into iconic, market-leading brands.

Nitesh Kumar Kanchan

CEO-Arrow

Mr. Nitesh Kanchan took charge as the new CEO of Arrow at AFL, and has been responsible for leading and growing AFL's digital business vertical. An alumnus of IIT Delhi, Nitesh has over 20 years of work experience in the fashion and lifestyle industry, of which the last 7 years are with Arvind. Prior to joining Arvind, he has held pivotal positions across industries and worked with well-renowned brands like Tommy Hilfiger, Calvin Klein, Louis Philippe, Arrow, Esprit and fashion retailer Pantaloons.

Girdhar Kumar Chitlangia

Chief Financial Officer

Mr. Girdhar Kumar Chitlangia is a qualified Chartered Accountant and an experienced finance professional. In his career spanning 30+ years, he has worked in leadership roles in large retail & FMCG companies both in India and abroad. He believes in making finance function a strong enabler and an effective business partner. He has led his function with multiple tech interventions which resulted in significant improvement in efficiencies.

Prior to joining our Company, he has worked with More Retail Limited, Coca-Cola Company and Super Max World.

He has attended top business schools like Harvard and Oxford and has been bestowed with many awards, notable among these CA-CFO award by the Institute of Chartered Accountants of India, Exceptional Contributor at the Aditya Birla Group and also Top 100 CFOs by the CFO magazine.

Anurag Pandey
CEO-Footwear Business Division

Mr. Anurag Pandey is the CEO of Footwear business division at Arvind Fashions Ltd. and responsible for strategising, building and growing the footwear & accessories business for group brands (U.S.Polo Assn., Arrow, Flying Machine, Cole Haan). Mr. Anurag has over 20 years of experience in the fashion & lifestyle industry. Prior to joining Arvind in 2018, he invested over a decade in building & scaling successful footwear brands, holding pivotal positions and worked with well-renowned companies/brands like Hush Puppies, Bata India, ALDO India, Aditya Birla Fashion etc. Anurag joined Arvind Fashions in 2018.

Lal Sudhakaran
Chief Supply Officer

Mr. Lal Sudhakaran is the Chief Sourcing Officer at Arvind Fashions. An Alumni of College of Engineering, Trivandrum, and Mumbai University, he has over 33 years of experience in Strategic Planning, Supply Chain Management, Manufacturing, and Operations. Prior to joining Arvind, Lal was President of Supply Chain Management, Cluster Development, and ESG with Fabindia Limited. He has held pivotal positions in well-renowned companies like Gokaldas Exports Limited, Aditya Birla Fashion and Retail Limited and more.

Lakshmi Krishnan
CHRO

Ms. Lakshmi brings over 25 years of cross-border HR leadership experience across India, Southeast Asia, and the UK. Most recently, she was Head of HR - Corporate Functions at Unilever's global headquarters in London, partnering with the Global CFO and CLO to lead transformation across a 7,000+ employee function. Earlier, as Head of HR - Global Procurement at Unilever Singapore, she led people strategy for a €31 billion business and drove a best-in-class inclusion programme that meaningfully improved female leadership representation.

Her earlier career includes leadership roles at Lehman Brothers, Cognizant, and Lucas TVS. A Gold Medallist in Master of Social Work from the University of Madras, she has also recently completed the Wharton CHRO Programme.

Satyen Momaya
CEO-PVH

Mr. Satyen P Momaya joined Arvind Fashions in August 2025 as CEO for Tommy Hilfiger and Calvin Klein (PVH Arvind Fashions Pvt Ltd). Senior business leader with 28+ years of experience driving growth across Consumer Durables, Telecommunications, and Retail sectors. Strong track record of building profitable, sustainable businesses and consistently delivering revenue, margin, and market share growth through a strong customer-centric approach. Prior to joining Arvind Fashions, he worked 8 years as CEO at Celio India Pvt Ltd (French menswear brand) where he led a successful business transformation. Prior to joining Celio, he was associated with Levi Strauss India Pvt Ltd for 9 years and in his last stint with Levi's was heading the Retail business. His strong channel management experience played a key role in building a strong Franchisee partner network for Levi's. He also served as Chairman of the Retail Committee at the Indo French Chamber of Commerce. Prior to joining Apparel Retail, he worked with the Telecom and Consumer Electronics industry at Vodafone and LG Electronics, after completing his MBA in Sales and Marketing from BVP Pune University.

Saikot Das
Digital Business and
Chief Brand & Strategy Officer

Mr. Saikot leads an interconnected portfolio of functions at Arvind Fashions Limited – E-commerce, Dotcom, Marketing & Brand Experience, Data Technology & Analytics, and Strategy. His charter is to shape AFL's next decade through disruptive strategy, sharper brand equity, and digital transformation across the Company's portfolio of iconic brands.

His 20+ years career spans an unusually wide arc – apparel at Levi's, media at Disney's Star TV, FMCG at Colgate-Palmolive and Marico and global commodities at Olam International. Across these, he has built brands into category leaders, scaled end-to-end DTC e-commerce engines, led business teams and driven enterprise-level transformations across India, the Middle East, Africa, and Eastern Europe. His functional canvas is equally wide, spanning brand building, category management, commercial operations, digital commerce, digital transformation, retail experience and full P&L leadership.

Mr. Saikot believes that the next decade of fashion belongs to those who fuse brand, technology, and consumer intimacy at scale. At AFL, he is building the strategic and digital architecture to lead that shift.

Corporate Information

Chief Financial Officer

Girdhar Kumar Chitlangia

Company Secretary & Compliance Officer

Lipi Jha

Bankers to the Company

Bank of Baroda

HDFC Bank Limited

ICICI Bank

IndusInd Bank

IDFC First Bank Limited

Kotak Mahindra Bank

RBL Bank Limited

State Bank of India

Yes Bank

Statutory Auditors

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Management Discussion and Analysis

Economic Overview

FY26 was a year in which India's consumption economy demonstrated resilience despite a volatile global environment. Geopolitical tensions, currency movements, commodity price fluctuations, changing trade flows, inflationary pressures and uneven discretionary demand created a complex operating backdrop for consumer-facing businesses. Yet, India's structural growth story remained intact, supported by favourable demographics, rising income levels, urbanisation, formalisation of retail, digital penetration, and an increasingly aspirational consumer base.

For the apparel and lifestyle industry, the year reflected both opportunity and transition. Consumer demand remained stable but uneven across markets and cohorts. While value-consciousness continued in certain consumer segments, premiumisation, brand preference, digital discovery and experience-led retail gained further momentum. Consumers increasingly sought brands that offered design, quality, fit, trust, convenience, cultural relevance and self-expression.

India's young consumers are shaping this shift in meaningful ways. They are more exposed to global trends, more digitally influenced, more expressive in their style choices and more willing to experiment across categories. At the same time, middle-income consumers are increasingly choosing trusted brands as they move up the consumption ladder. The growth of organised retail, malls, e-commerce marketplaces, brand websites and omnichannel fulfilment has expanded access to branded fashion across cities and towns.

This environment has made execution more important than ever. Fashion companies can no longer rely only on distribution scale or seasonal demand. Sustainable growth now requires stronger brands, sharper consumer insight, responsive supply chains, disciplined inventory management, direct consumer relationships, digital capability, operational agility and financial discipline.

Arvind Fashions Limited continued to strengthen its position as one of India's leading lifestyle and branded apparel companies. FY26 demonstrated the benefits of the Company's strategic choices: a focused brand portfolio, stronger direct-to-consumer channels, disciplined retail expansion, growing adjacencies, improved inventory freshness, consistent operating leverage and sharper capital efficiency.

Industry Overview

The Indian apparel and lifestyle sector continues to be one of the most attractive consumer markets in the country. Its long-term growth is underpinned by rising aspirations, favourable demographics, expanding organised retail, growing brand consciousness, premiumisation, and the increasing influence of digital platforms on consumer behaviour.

The industry is undergoing several structural shifts.

First, the movement from unorganised to organised retail continues to create opportunities for branded apparel companies. Consumers are increasingly looking for consistent quality, better shopping environments, wider choice and trusted brand experiences. This is strengthening the role of national and global brands across apparel, footwear, innerwear, accessories and lifestyle categories.

Second, premiumisation is becoming a strong and visible trend. Consumers are increasingly willing to pay more for brands that offer superior product, design, identity and experience. This trend is visible not only in metropolitan markets but also across emerging cities, where higher exposure to global and national brands is changing consumption patterns.

Third, direct-to-consumer models are becoming strategically more important. Exclusive Brand Outlets, brand websites, online B2C platforms and omnichannel retail allow brands to control pricing, inventory, merchandising, consumer experience and brand expression more effectively. This shift is helping companies improve full-price sell-through, reduce over-dependence on wholesale channels and build richer consumer data.

Fourth, digital commerce is becoming integral to fashion. Online is no longer merely a sales channel; it is a discovery engine, marketing platform, consumer insight tool and engagement medium. Younger consumers increasingly discover, compare, validate and purchase fashion digitally. This makes online B2C, owned websites, marketplaces, performance marketing and data-led consumer engagement important growth drivers.

Fifth, adjacency expansion is becoming a powerful route to scale. Apparel brands with strong equity are extending into footwear, innerwear, womenswear, kidswear, accessories and other lifestyle categories. These adjacencies help increase share of wallet and strengthen brand ecosystems. However, success in adjacencies requires product relevance, category expertise, channel readiness and disciplined execution.

The industry also faces challenges. Input cost volatility, regulatory changes, evolving taxation structures, supply chain disruptions, currency movements, competitive intensity and changing consumer preferences require fashion companies to remain agile. Inventory management remains a critical risk area, as fashion cycles are shortening and consumer preferences are becoming more dynamic.

The companies best positioned for this environment will be those that combine aspiration with execution. Strong brands, differentiated positioning, faster response cycles, direct consumer relationships, efficient supply chains and capital discipline will define the next phase of competitive advantage.

Company Overview

Arvind Fashions Limited is one of India's leading branded apparel and lifestyle companies, with a portfolio of iconic global and homegrown brands. The Company's portfolio includes U.S. Polo Assn., Tommy Hilfiger, Calvin Klein, Arrow and Flying Machine. These brands collectively address a wide range of consumer aspirations, occasions, price points and lifestyle needs across casualwear, premium fashion, denim, workwear, innerwear, footwear, kidswear, womenswear and accessories.

The Company's business model is built around brand strength, design and merchandising capability, sourcing excellence, retail execution, direct-to-consumer growth, omnichannel presence and asset-light scalability. Its distribution network spans Exclusive Brand Outlets, multi-brand outlets, department stores, online marketplaces, brand websites and digital platforms.

Over the past few years, the Company has pursued a deliberate strategy of focus and discipline. It has concentrated on fewer, stronger brands; improved its channel mix; increased investments in brand salience; strengthened retail execution; scaled online B2C; improved inventory freshness; and maintained a strong focus on cash flows and return on capital employed.

FY26 marked an important transition in this journey. The Company moved from strengthening foundations to scaling growth engines. Its Integrated Report theme, Building the Future of Fashion, reflects this strategic direction: building a more consumer-led, brand-driven, digitally enabled and financially disciplined fashion enterprise.

Building the Future of Fashion: Strategic Operating Model

Arvind Fashions' strategy is built around an integrated operating model that connects consumer insight, brand strength, channel control, product innovation, technology, supply chain agility and financial discipline. The Company believes that the future of fashion will be shaped by businesses that can convert aspiration into scalable brands, convert scale into operating leverage, and convert growth into sustainable returns.

The Company's operating model is anchored on six mutually reinforcing pillars:

Strategic Pillar	What it means	How it creates value
Distinctive Brands	A focused portfolio of powerful global and homegrown brands with clear consumer roles	Builds aspiration, pricing power, consumer loyalty and market share
Consumer-Led Product Engine	Stronger design, merchandising, category planning and trend responsiveness	Improves relevance, freshness, full-price sell-through and brand desirability
Direct-To-Consumer Scale	Growing retail and online B2C channels with stronger control over consumer experience	Enhances pricing discipline, inventory control, consumer data and profitability
Digital, Data And AI	Analytics-led decision-making across assortment, pricing, marketing and supply chain	Improves speed, precision, productivity and operating efficiency
Supply Chain	Predominantly India-based sourcing, vendor partnerships and demand-linked planning	Reduces response time, improves freshness and lowers inventory risk
Financial Discipline	Focus on operating leverage, working capital efficiency, cash flows and ROCE	Ensures growth is sustainable, profitable and value-accretive

This integrated model is central to the Company's next phase. It ensures that growth is not pursued in isolation, but through a connected system of brand-building, consumer engagement, operational execution and disciplined capital allocation.

Strategic Initiatives and Business Priorities

FY26 was guided by a clear strategic objective: to build sustainable, profitable and capital-efficient growth. The Company's priorities were anchored around brand-led growth, stronger direct-to-consumer channels, disciplined retail expansion, adjacency-led scale, technology and AI-led transformation, supply chain agility, working capital discipline and continued improvement in ROCE.

The Company's progress during the year reflected the effective execution of these priorities:

- Broad-based growth: Growth was delivered across channels and brands, reflecting the strength of the portfolio and consistency of execution.
- Stronger direct-to-consumer engine: Direct channels continued to strengthen, improving consumer proximity, pricing discipline and inventory control.
- Digital momentum: Online B2C scaled meaningfully, validating the Company's shift towards more controlled and profitable digital commerce.
- Consistent retail execution: retail performance remained healthy, supported by store productivity, improved consumer experience and disciplined expansion.
- Adjacent traction: Categories such as footwear, innerwear, womenswear and kidswear gained further traction.
- Profitability with investment: Profitability improved despite continued investments in marketing, people, technology and future capability.
- Stronger capital efficiency: ROCE crossed an important milestone, reinforcing the quality of the operating model.

Strategic Priorities in Action

FY26 marked an important transition for Arvind Fashions from strengthening the foundations of the business to scaling the growth engines that will define its next phase. The Company's strategic agenda during the year was focused on building a more consumer-led, brand-driven, digitally enabled and financially disciplined fashion enterprise.

The emphasis is on growth as well as on improving the quality of growth. This meant making deliberate choices across brands, channels, product, technology, supply chain, organisation design and capital allocation.

Sharpening the brand portfolio

The Company continued to strengthen its focused portfolio of five core brands, each with a distinct consumer role and strategic purpose. U.S. Polo Assn. continued to be scaled as a powerful casualwear franchise. Tommy Hilfiger and Calvin Klein remained central to the premium lifestyle opportunity. Arrow's role is being sharpened for the evolving workwear and smart formal consumer. Flying Machine was repositioned more distinctly as a Gen Z-focused, denim-anchored, unisex youth fashion brand.

This sharper portfolio approach enables better resource allocation, stronger brand-building, clearer consumer targeting and more focused execution.

Building a stronger direct-to-consumer engine

A key strategic priority during the year was to deepen direct consumer relationships through retail and online B2C channels. Direct channels allow the Company to control brand experience, merchandising, pricing, inventory and consumer engagement more effectively.

The Company continued to strengthen its retail footprint with disciplined expansion, selective upsizing, store productivity improvement and enhanced retail identity. In parallel, the online B2C business was scaled with sharper marketplace execution, brand-led digital visibility and stronger consumer engagement.

The D2C agenda is central to the Company's future because it improves both growth quality and business control.

Investing in brand salience and consumer relevance

In a market where stronger brands continue to gain share, the Company continued to invest in marketing, campaigns, product storytelling, visual identity and consumer engagement. These investments were aimed at strengthening aspiration, improving consumer recall and supporting full-price sell-through.

Brand salience is being treated as a strategic investment rather than a discretionary expense. The objective is to build brands that are larger, more desirable, more differentiated and more culturally relevant.

Expanding relevant adjacencies

The Company continued to build adjacency-led growth across footwear, innerwear, womenswear and kidswear. These categories allow the Company to increase share of wallet and build broader lifestyle propositions around its strongest brands.

The approach remains disciplined. The Company is focused on adjacencies that strengthen the mother brand, meet a clear consumer need and have the potential to scale profitably.

Building data, analytics and AI capability

FY26 also saw increased focus on data, analytics and AI as enablers of faster, sharper and more efficient decision-making. These capabilities are being built across assortment planning, pricing, demand forecasting, marketing effectiveness, replenishment, consumer segmentation and inventory management.

The objective is to support creativity and merchandising judgment with stronger intelligence. As fashion cycles become shorter and consumer preferences more dynamic, the ability to read demand early and respond with speed will become a critical competitive advantage.

Strengthening supply chain agility

The Company continued to build a more responsive supply chain, supported by predominantly India-based sourcing, vendor partnerships, better planning and improved inventory management. The focus is on being closer to demand, improving product freshness, reducing inventory risk and responding faster to market changes.

In an environment marked by geopolitical uncertainty, currency volatility, commodity movements and changing regulations, supply chain agility is a strategic capability.

Enhancing organisational accountability

During the year, the Company also strengthened its operating model by bringing sharper accountability across brands and business units, while building central capabilities in areas such as consumer insights, digital, data, AI and brand marketing. This model is intended to combine entrepreneurial ownership at the brand level with scaled capabilities at the enterprise level.

Together, these strategic actions are building a stronger operating platform for the next phase of growth.

FY26 Value Creation Scorecard

Arvind Fashions' performance in FY26 reflected value creation across multiple dimensions. The Company created value not only through revenue and profitability growth, but also by strengthening brands, deepening consumer relationships, improving capital efficiency, building future capabilities and reinforcing organisational resilience.

Value Creation Area

Financial Capital

FY26 Outcome
Revenue, EBITDA and profitability improved during the year, with ROCE crossing 23%

Why It Matters:
Demonstrates profitable and capital-efficient growth

Product and Category Capital

FY26 Outcome
Adjacent categories such as footwear, innerwear, womenswear and kidswear gained strategic importance

Why It Matters:
Expands share of wallet and builds broader lifestyle propositions

Brand Capital

FY26 Outcome
Continued investments in brand salience, campaigns, product storytelling and retail identity

Why It Matters:
Strengthens differentiation, aspiration and long-term pricing power

Operational Capital

FY26 Outcome
Improved inventory freshness, sourcing discipline and supply chain responsiveness

Why It Matters:
Supports full-price sell-through, lower markdown risk and better working capital efficiency

Consumer Capital

FY26 Outcome
Direct channels increased their contribution, enabling closer consumer relationships

Why It Matters:
Improves consumer understanding, experience control and loyalty

Human Capital

FY26 Outcome
Leadership transition, strengthened teams and sharper organisational accountability

Why It Matters:
Builds execution depth and readiness for the next phase

Digital Capital

FY26 Outcome
Online B2C continued to scale, supported by digital commerce and marketplace execution

Why It Matters:
Positions the Company for digitally influenced fashion consumption

Responsible Capital

FY26 Outcome
Continued focus on governance, ethical conduct, responsible sourcing and efficiency

Why It Matters:
Supports long-term trust and sustainable value creation

This scorecard reflects the Company's belief that sustainable value is created when financial performance is supported by stronger brands, deeper consumer engagement, better capabilities, responsible operations and disciplined capital allocation.

Review of FY26 Performance

FY26 was a year of strong, broad-based and profitable growth for Arvind Fashions. The Company delivered healthy revenue growth, improved profitability, stronger direct channel contribution, consistent retail execution, accelerated online B2C performance, increased retail footprint, continued progress in adjacent categories and higher capital efficiency.

Revenue from operations stood at ₹5,266.2 crore in FY26, compared to ₹4,619.8 crore in FY25, reflecting growth of 14.0%. Total income increased to ₹5,307.0 crore from ₹4,654.5 crore. Growth was supported by performance across channels and brands, with direct-to-consumer channels continuing to outperform.

EBITDA increased to ₹745.3 crore from ₹636.6 crore, registering growth of 17.1%. EBITDA margin improved to 14.2% from 13.8%. EBITDA excluding other income stood at ₹704.5 crore, with margin improving to 13.4% from 13.0%. This improvement was achieved despite continued investments in marketing, people, technology and growth capabilities.

Profit before tax increased to ₹261.9 crore from ₹225.1 crore, registering growth of 16.3%. Profit after tax from continuing operations increased to ₹184.9 crore, while reported profit after tax stood at ₹122.6 crore compared to a reported loss of ₹35.6 crore in FY25.

The Company also achieved ROCE of over 23%, an important milestone in its journey towards sustained and capital-efficient growth. ROCE remains a central metric for the Company, as it reflects the quality of growth, productivity of assets, effectiveness of inventory management, strength of the operating model and discipline in capital allocation.

Operating Performance Dashboard

14%
Revenue growth

₹5,266.2 crore
Revenue from operations

₹745.3 crore
EBITDA

14.2%
EBITDA Margin

₹704.5 crore
EBITDA excluding other income

13.4%
EBITDA margin excluding other income

₹122.6 crore
Reported PAT

8.1%
Retail LTL growth

56% of sales
Direct channel share

Over 45% in FY26
Online B2C growth

1.4 lakh+ sq. ft.
Net retail area addition

24% of business
Adjacent categories

23%+
ROCE

Channel Performance

Retail

Retail remained a critical driver of growth, brand-building and consumer engagement during FY26. The Company delivered consistent retail LTL growth of 8.1% during the year, supported by superior execution, strong product freshness, improved in-store experience, better conversion and disciplined expansion.

The Company added more than 1.4 lakh net square feet of retail space during FY26. This expansion was undertaken with a focus on the quality of space rather than only the number of stores. The Company continued to evaluate store additions, relocations, renovations and upsizing based on catchment potential, brand relevance, productivity and long-term profitability.

The retail strategy remains anchored in building high-quality brand experiences. Stores are not merely transactional spaces; they are central to how consumers discover and experience brands. Physical retail allows consumers to engage with product quality, fit, design, store environment and brand identity. For lifestyle and apparel brands, this remains a powerful source of trust and aspiration.

The Company's retail expansion is also aligned with its asset-light growth philosophy. The FOFO model enables faster expansion with relatively lower capital intensity, while allowing the Company to focus on brand, product, merchandising, supply chain, training and customer experience. Going forward, retail will continue to be an important growth pillar, supported by store productivity, selective expansion and enhanced omnichannel integration.

Online B2C and Digital Commerce

Online B2C continued to be one of the Company's strongest growth engines during FY26. The Company has consciously pivoted from online B2B-led growth to online B2C, enabling better control over pricing, inventory, freshness, brand representation and profitability.

Digital is increasingly becoming more than a sales channel. It is a consumer recruitment platform, an insight engine and a brand engagement medium. Younger consumers often begin their fashion journey online, influenced by social media, creators, marketplaces and digital campaigns. For categories such as footwear, innerwear, denim and youth fashion, digital engagement is especially important.

The Company will continue to build stronger digital capabilities across consumer analytics, demand sensing, online merchandising, pricing, performance marketing, marketplace execution and brand dotcoms. Over time, the integration of physical retail and digital platforms will be central to building a seamless consumer experience.

Wholesale, Department Stores and Other Channels

Wholesale, multi-brand outlets and department stores remain important parts of the Company's distribution architecture. These channels provide reach, visibility and access across markets, particularly where direct retail expansion may be selective.

During FY26, wholesale and department store channels witnessed improved momentum, with strong secondary sales in several periods. The Company remained focused on quality of growth, inventory hygiene, controlled discounting and disciplined receivables management.

The strategic role of wholesale is evolving. The Company does not view wholesale as volume at any cost; instead, it is focused on sustainable and profitable growth that protects brand equity. Improved freshness, stronger brand salience and disciplined channel management will remain key priorities in this channel.

Brand Portfolio Performance

Arvind Fashions' brand portfolio is the foundation of its competitive strength. Each brand plays a distinct role in addressing specific consumer aspirations, categories and price points.

U.S. POLO ASSN. SINCE 1890

U.S. Polo Assn. continued to be a key growth driver for the Company. The brand has built a powerful position in India's casualwear market and continues to benefit from strong consumer relevance, product leadership, retail expansion, digital growth and adjacency development.

The brand has seen significant investment over the last few years across marketing, retail identity, product assortment, supply chain, digital commerce and consumer engagement. These investments have strengthened the brand across core apparel and categories such as footwear, innerwear, kidswear and womenswear.

U.S. Polo Assn. is well placed to benefit from India's premium casualwear opportunity. Its broad appeal, strong recall, category stretch and expanding direct channels provide significant room for future growth.

TOMMY HILFIGER

Tommy Hilfiger continues to strengthen its position as one of India's leading premium lifestyle brands, driven by its distinctive American heritage, timeless design language and broad consumer appeal. The brand has built strong equity among aspirational consumers seeking premium casualwear, with a growing presence across apparel, footwear, accessories and adjacent lifestyle categories.

While FY 2025–26 witnessed temporary headwinds arising from GST-related changes and supply chain disruptions, the brand's long-term growth fundamentals remain intact. India's continuing premiumisation trend, increasing brand consciousness and rising demand for international lifestyle brands present a significant runway for growth. With its strong omnichannel presence, expanding adjacencies and enduring global appeal, Tommy Hilfiger remains well positioned to deepen consumer engagement and drive sustainable value creation.

Calvin Klein

Calvin Klein continues to resonate with consumers through its minimalist design aesthetic, contemporary fashion positioning and strong global brand identity. The brand has established itself as a preferred choice for consumers seeking modern premium fashion across apparel, innerwear, denim and accessories, supported by its global relevance and aspirational positioning.

Although the business experienced short-term disruption during the year owing to GST implementation and supply chain challenges, consumer demand for premium international brands remains resilient. As premiumisation accelerates across India's fashion market, Calvin Klein is well positioned to benefit from increasing demand for elevated lifestyle products and higher-value categories. Its strong brand salience, premium pricing architecture and expanding category opportunities continue to support long-term profitable growth.

ARROW USA·1851

Arrow occupies an important position in the formalwear, smart formal and workwear market. The category is evolving as the nature of work and workplace dressing changes. Consumers are increasingly looking for versatility, comfort, innovation, premium fabrics and occasion-led dressing.

During FY26, Arrow saw certain timing-related and model-related impacts, including a weaker wedding calendar in specific periods. These factors are not viewed as structural. The brand continues to have strong heritage, credibility and product strengths, particularly in shirts and premium workwear.

Going forward, Arrow's opportunity lies in refreshing its relevance for the contemporary professional. Product innovation, linen, smart casualisation, premium lines, better fits, new store identity and sharper communication will be important growth levers.

FLYING MACHINE

Flying Machine represents one of the most exciting future opportunities in the portfolio. During the year, the Company sharpened the brand's positioning as a Gen Z-focused, unisex, denim-anchored fashion brand built around self-expression, youth culture and trend-led design.

The reacquisition of the stake in AYBPL reinforced Flying Machine's strategic importance within the Company's portfolio. The brand has shown encouraging traction across retail and online channels, with strong early response to its renewed positioning.

The Company plans to launch a dedicated Flying Machine D2C platform in FY27. This will support direct consumer engagement, community-building, cultural relevance and stronger digital-first growth. Given the size of the denim-led youth fashion opportunity in India, Flying Machine has the potential to build a distinctive and scalable position as India's homegrown youth fashion brand.

Adjacent Categories

Adjacent categories continued to be a meaningful growth driver during FY26. Categories beyond men's apparel now contribute 24% of the Company's business, reflecting the success of the Company's strategy to expand brand relevance beyond core apparel.

Footwear, innerwear, womenswear and kidswear are key pillars of this strategy. These categories allow the Company to deepen consumer engagement, increase share of wallet and build more complete lifestyle propositions around its strongest brands.

Footwear remains one of the most promising adjacencies. After earlier industry-wide disruption due to BIS norms, inventory availability improved and the category returned to strong growth. The Company has invested in dedicated category teams, product development and sourcing capabilities to support scale.

Innerwear and kidswear also offer significant long-term potential, supported by brand trust, repeat consumption and widening distribution. Womenswear remains at an earlier stage but is an important future opportunity, especially as brands deepen their relevance with a wider consumer base.

The adjacency strategy is disciplined. The Company's focus is not on indiscriminate category expansion, but on extensions that strengthen the mother brand, serve a clear consumer need and contribute to profitable growth.

Marketing, Brand Salience and Consumer Engagement

In fashion, brand salience is a strategic investment. Consumers choose brands not only for products, but for meaning, confidence, identity, aspiration and cultural relevance. FY26 saw the Company continue to invest in marketing, product storytelling, retail identity, consumer campaigns and digital visibility.

The Company's marketing investments were directed towards creating sharper brand worlds. U.S. Polo Assn. continued to strengthen its casualwear and lifestyle leadership. Tommy Hilfiger and Calvin Klein built on premium global aspiration. Arrow continued to reinforce innovation and contemporary professional dressing. Flying Machine was repositioned around youth, denim and self-expression.

In a market where stronger brands continue to gain share, sustained investment in salience is essential. Stronger brands support higher traffic, better conversion, improved pricing power, stronger full-price sell-through and lower reliance on discount-led growth. Over time, these investments are expected to strengthen both market share and profitability.

Technology, Data and AI

Technology, data and AI are becoming increasingly central to the Company's operating model. Fashion will always require creativity, instinct and cultural understanding, but the ability to support creative judgment with sharper intelligence is becoming a major source of competitive advantage.

During FY26, the Company continued to invest in technology, AI and consumer analytics capabilities. These capabilities are expected to support assortment planning, demand forecasting, pricing, store productivity, digital marketing, replenishment, inventory deployment, consumer segmentation and full-price sell-through.

Data-led decision-making is particularly important in fashion because inventory risk can materially affect margins and brand equity. Better analytics can help the Company understand demand earlier, allocate inventory more accurately, reduce markdowns, improve freshness and optimise product availability.

AI also has potential to improve productivity across functions. From consumer targeting and campaign effectiveness to supply chain planning and store-level analytics, AI can support faster and more precise decisions. The Company will continue to deploy these capabilities thoughtfully, ensuring that technology strengthens both consumer relevance and operational efficiency.

Sourcing and Supply Chain

A responsive and resilient supply chain is critical to building the future of fashion. FY26 reinforced the importance of agility in a world marked by geopolitical uncertainty, commodity volatility, currency movements and changing regulatory requirements.

The Company's sourcing model remains predominantly India-based, which provides greater responsiveness, shorter lead times and better alignment with domestic demand. The Company also works with a strong vendor ecosystem and continues to improve planning, replenishment and inventory management systems.

Inventory freshness remained at strong levels during the year. This supported full-price sell-through, reduced markdown pressure and improved brand health. The Company also proactively managed inventory and cost risks in response to expected raw material and supply chain pressures.

As the business mix shifts further towards direct channels, inventory requirements may evolve. The Company remains focused on balancing growth with working capital discipline. The objective is to maintain freshness, ensure product availability, improve turns and reduce risk of aged inventory.

Human Resources

People are central to the Company's ability to execute its strategy. Fashion is a people-led business shaped by designers, merchandisers, sourcing specialists, retail teams, store staff, digital teams, marketers, data analysts, technologists, finance professionals and franchise partners.

FY26 was also a year of important leadership transition. The Company welcomed Amisha Jain as Managing Director and CEO, bringing deep experience across consumer, retail, digital and transformation-led businesses. The transition was seamless and the Company continued to maintain its growth momentum.

The Company continued to invest in capability-building across key areas such as brand management, retail execution, digital commerce, consumer analytics, technology, supply chain and category management. As the business scales, specialised capabilities in AI, data, omnichannel commerce, consumer insight and product innovation will become increasingly important.

The Company remains focused on building a culture of execution, accountability, collaboration and consumer orientation. Employee development, leadership depth, store productivity, safety, inclusion and engagement will remain important priorities.

Sustainability and Responsible Business

Arvind Fashions recognises that long-term growth must be responsible, sustainable and aligned with stakeholder expectations. The fashion industry has an important role to play in resource efficiency, responsible sourcing, employee wellbeing, ethical conduct and community development.

The Company continues to integrate sustainability into its operations through focus areas such as energy efficiency, responsible sourcing, waste reduction, better inventory planning and supply chain practices. Improved inventory freshness and higher full-price sell-through also support more responsible business outcomes by reducing excessive discounting and liquidation pressure.

The Company's predominantly India-based sourcing model supports local vendor ecosystems and greater supply chain responsiveness. Its asset-light retail expansion model helps manage capital intensity while enabling growth. Governance, compliance, transparency and ethical business conduct remain central to the Company's approach.

CSR and community initiatives continue to form part of the Company's wider responsibility agenda. As the business grows, the Company will continue to strengthen its contribution to employees, partners, suppliers, customers, communities and the environment.

Management Analysis of Financial Performance

Revenue growth

Revenue from operations grew

14.0% to ₹5,266.2 crore

Growth was supported by performance across channels and brands, healthy retail LTL, strong online B2C momentum, expansion in direct channels and continued growth in adjacent categories.

Gross margin

Improved to approximately

54.4% from 53.5%.

The improvement was supported by better product freshness, lower discounting, sourcing gains and a richer channel mix. The Company's continued focus on full-price sell-through and disciplined inventory management contributed to margin improvement.

Employee benefits expense

Increased to

₹321.8 crore from ₹268.7 crore

Growth was supported by performance across channels and brands, healthy retail LTL, strong online B2C momentum, expansion in direct channels and continued growth in adjacent categories.

Other expenses

Increased to

₹1,837.4 crore from ₹1,599.7 crore

Growth was supported by performance across channels and brands, healthy retail LTL, strong online B2C momentum, expansion in direct channels and continued growth in adjacent categories.

EBITDA

Increased by

17.1% to ₹745.3 crore

Growth was supported by performance across channels and brands, healthy retail LTL, strong online B2C momentum, expansion in direct channels and continued growth in adjacent categories.

Profitability

Profit before tax grew

16.3% to ₹261.9 crore

PAT from continuing operations increased significantly to ₹184.9 crore, while reported PAT stood at ₹122.6 crore. This marks a meaningful improvement over FY25 and reflects the Company's ability to convert revenue growth into profitable growth.

Capital efficiency

ROCE crossed

23%

A multiyear high. This is a key indicator of the Company's improving business quality. It reflects stronger operating leverage, better inventory management, asset-light expansion, working capital discipline and improved profitability.

Margin Expansion Bridge

The improvement in profitability during FY26 was driven by multiple levers working together.

Margin Driver

Better product freshness

Impact on Business:

Improved sell-through and reduced markdown pressure

Lower discounting

Impact on Business:

Protected gross margins and brand equity

Richer channel mix

Impact on Business:

Higher contribution from retail and online B2C supported profitability

Operating leverage

Impact on Business:

Scale benefits across store productivity, sourcing and central costs

Sourcing efficiencies

Impact on Business:

Supported cost optimisation and margin improvement

Premiumisation

Impact on Business:

Improved product mix and value realisation

Marketing investments

Impact on Business:

Reinvested part of operating leverage into future growth

Data and analytics

Impact on Business:

Strengthened pricing, assortment and demand planning potential

Risk Management

The Company operates in a dynamic industry and is exposed to various internal and external risks. These include consumer demand volatility, macroeconomic uncertainty, raw material price movements, foreign exchange fluctuations, regulatory changes, supply chain disruptions, inventory risk, competition, technology and cybersecurity risks, talent risk and execution risk.

The Company's risk management approach is focused on early identification, active monitoring and mitigation through business planning, operational controls, governance processes and management oversight.

Risk-Response Matrix

Key Risk	Potential Impact	Mitigation
Uneven consumer demand	Slower growth or pressure on discretionary categories	Diversified brand portfolio, stronger D2C execution, targeted marketing and sharper merchandising
Raw material and forex volatility	Cost pressure and margin risk	Predominantly India-based sourcing, proactive inventory planning, selective hedging and pricing actions
Inventory obsolescence	Higher markdowns and working capital pressure	Improved demand planning, analytics, tighter inventory control and higher freshness
Channel discounting	Brand dilution and margin erosion	Shift towards direct channels, stronger pricing control and full-price sell-through
Competitive intensity	Pressure on market share and customer acquisition costs	Strong brand salience, product innovation, premiumisation and marketing investments
Supply chain disruption	Product delays, stockouts or higher costs	Vendor diversification, closer-to-demand sourcing and agile planning
Technology and cybersecurity risk	Operational disruption or data risk	Continued investment in systems, controls and data governance
Regulatory changes	Pricing, compliance or operational impact	Strong compliance framework, agile systems and prompt implementation
Talent capability risk	Execution gaps in digital, data, retail and brand building	Investment in leadership, specialist teams, capability building and business accountability

Internal Control Systems and Adequacy

The Company has internal control systems commensurate with the size, scale and complexity of its operations. These systems are designed to ensure operational efficiency, accurate financial reporting, compliance with applicable laws and regulations, safeguarding of assets, prevention and detection of fraud, and adherence to policies and processes.

The internal audit function evaluates the adequacy and effectiveness of controls across key business processes. Audit observations, improvement areas and corrective actions are reviewed by management and placed before the Audit Committee. The Company continues to strengthen its control environment through process improvements, system interventions, technology enablement and compliance monitoring.

As the business becomes more digital and omnichannel, internal controls are also evolving to address technology, cybersecurity, data governance, platform controls and digital transaction risks. The Company remains committed to maintaining strong governance and control standards as it scales.

FY27 Strategic Roadmap

Arvind Fashions enters FY27 with strong momentum and a clear strategic agenda. The Company's priorities are centred on building brands of scale and desire, deepening the D2C engine, expanding relevant adjacencies, improving operating leverage and using technology, analytics and AI to strengthen both efficiency and growth.

FY27 Strategic Priorities

Priority	Focus Area	Expected Outcome
Deepen portfolio leadership	Build leadership in key apparel categories such as shirts, polos, denim, t-shirts and blazers	Stronger category authority and brand scale
Build differentiated brands	Sharper positioning, consumer communication and innovation-led merchandising	Higher salience, stronger engagement and better full-price sell-through
Scale D2C	Increase retail productivity, expand stores selectively and strengthen online B2C	Better consumer control, higher profitability and improved inventory management
Build digital powerhouses	Strengthen brand websites, apps and marketplace partnerships	Deeper consumer relationships and higher digital contribution
Accelerate adjacencies	Scale footwear, innerwear, womenswear and kidswear selectively	Higher share of wallet and broader lifestyle relevance
Deploy AI and analytics	Improve pricing, assortment, marketing effectiveness, consumer targeting and cost efficiency	Better decision-making, productivity and margin resilience
Build nimble supply chain	Move closer to demand with shorter cycles and faster reads	Lower inventory risk and improved freshness
Strengthen ROCE	Maintain working capital discipline and asset-light expansion	Sustainable value creation

Outlook

The long-term outlook for India's branded apparel and lifestyle market remains positive. Rising aspirations, premiumisation, digital adoption, organised retail expansion, urbanisation, higher brand consciousness and the influence of younger consumers provide a strong structural foundation for growth.

At the same time, the near-term operating environment may remain uncertain. Demand could continue to be uneven across markets and consumer cohorts. Commodity costs, currency movements, geopolitical developments and inflationary pressures may require continued agility. The Company will remain focused on cost discipline, sourcing agility, selective pricing, inventory control and working capital efficiency.

Arvind Fashions expects to continue its growth journey with focus on mid-double-digit revenue growth, further EBITDA margin expansion, stronger cash flows and continued improvement in ROCE. Growth will be pursued with discipline, ensuring that scale is accompanied by profitability, brand strength, inventory freshness and capital efficiency.

The Company's strategy is anchored in five broad priorities: building differentiated brands of scale and desire; strengthening the direct-to-consumer organisation across retail and digital; deepening leadership in core apparel categories; expanding relevant adjacencies; and investing in technology, analytics and AI to improve speed, precision and productivity.

The future of fashion in India will be built by companies that understand consumers deeply, respond to change quickly, create brands with meaning and operate with financial discipline. Arvind Fashions is building itself around these principles. With a strong portfolio, expanding direct channels, improving profitability, growing adjacencies and future-ready capabilities, the Company is well positioned to participate in India's next phase of branded fashion growth.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, plans or outlook may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied due to various factors including macroeconomic conditions, demand trends, inflation, currency fluctuations, regulatory changes, competitive intensity, supply chain disruptions, geopolitical developments and other external and internal factors beyond the Company's control. The Company does not undertake to update any forward-looking statements publicly, except as required under applicable laws.

NOTICE

NOTICE is hereby given that the 11th (Eleventh) Annual General Meeting of the Members of Arvind Fashions Limited will be held on Wednesday, August 19, 2026 at 2:30 P.M (IST) through Video Conference ("VC")/Other Audio-Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2026, and the Reports of the Board of Directors and Auditors thereon.

2. Adoption of Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2026, and the Reports of the Auditors thereon.

3. To declare a Dividend on fully paid-up Equity Shares of the Company for the Financial Year ended March 31, 2026. The Board of Directors have recommended a Dividend of ₹1.60/- (Indian Rupee One and Sixty Paise) per fully paid-up equity share of ₹4 each.

4. To appoint a director in place of Mr. Kulin Sanjay Lalbhai (DIN: 05206878), who retires by rotation and being eligible, offers himself for reappointment.

5. To appoint a director in place of Mr. Punit Sanjay Lalbhai (DIN: 05125502), who retires by rotation and being eligible, offers himself for reappointment.

6. To re-appoint the Statutory Auditors for a period of 5 years from FY 2026-27 till FY 2030-31 and to authorise the Board of Directors to fix their remuneration.

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force) and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for re-appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No.: 117365W) as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years, to hold office from the conclusion of this 11th Annual General Meeting until the conclusion of the 16th Annual General Meeting of the Company to be held in the year 2031, at such remuneration plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit, as may be mutually agreed between the Board of Directors (including the Audit Committee) and the Statutory Auditors."

   "RESOLVED FURTHER THAT the Board of Directors of the Company (including the Audit Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS

7. To approve payment of Commission to the Non-Executive Directors of the Company:

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

   "RESOLVED THAT in supersession of the Special Resolution No. 6 passed in the Annual General Meeting held on September 12, 2023 and pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V thereto and the Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s), statutory modification(s) or reenactment(s) thereof for the time being in force and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, consent of members of the Company be and is hereby accorded for the payment of commission to the Non-Executive Directors(s) of the Company who is/are neither in the whole time employment nor a Managing Director(s), in accordance with and up to the limits not exceeding 1% as laid down under the provisions of Section 197 of the Act, for a period of 3 years from April 01, 2026 till March 31, 2029 in such manner and up to such amount within the above limit as the Board and/or Committee of the Board may, from time to time, determine based on objective performance criteria including but not limited to attendance at meetings, committee memberships/ chairmanships and overall strategic contribution to the Company and the said remuneration is additional to the sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof."

"RESOLVED FURTHER THAT no single Non-Executive Director shall be paid a commission exceeding 50% of the total commission paid to all Non-Executive Directors combined in a Particular Financial Year, unless specific prior approval from Shareholders is obtained."

"RESOLVED FURTHER THAT in the event of the Company having no profits or inadequate profits in any Financial Year, during the above-mentioned period, the consent of the members of the Company be and is hereby accorded for the payment of Remuneration/ Commission to the Director(s) of the Company who is/ are neither in employment nor a Managing Director(s) in accordance with the limits specified in Part II of Section II (A) of Schedule V of the Act as applicable but not exceeding ₹1,25,00,000/- (Rupees One Crore and Twenty Five Lakhs Only) in such manner and up to such amount as the Board and/or Committee of the Board may, from time to time, determine."

"RESOLVED FURTHER THAT, the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of
Arvind Fashions Limited
Lipi Jha
Company Secretary
Date: May 06, 2026
Place: Bangalore

Registered Office:
Main Building,
Arvind Limited Premises,
Naroda Road,
Ahmedabad – 382 345

NOTES

1. Pursuant to the Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024, and latest amended by General Circular No. 03/2025 dated September 22, 2025 issued by the Ministry of Corporate Affairs and all other relevant circulars issued from time to time, General Meeting can be held through video conferencing (VC) or other audio visual means (OAVM) without physical attendance of the Members at the venue of General Meeting. Hence, Members can attend and participate in the ensuing Annual General Meeting (AGM) through VC/OAVM. The deemed venue for AGM shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is explained at Note No. 19 below.

2. The Notice of the AGM along with the Annual Report for the FY 2025-26 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories, in accordance with the aforesaid MCA Circulars & SEBI Circular. Members may note that the Notice of AGM and Annual Report for the FY 2025-26 will also be available on the Company's website www.arvindfashions.com; websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively.

3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to the Notice.

4. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

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

6. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Members may note that the facility of participation at AGM through VC/OAVM will be made available for 1,000 Members on a first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

7. The relevant details as required under Section 102 of Companies Act, 2013 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ reappointment as Director under Item No. 4, 5, 6 and 7 of the Notice are also annexed to the notice.

8. The Company has fixed Friday, August 07, 2026 as the "Record Date" for determining entitlement of Members to receive dividend for the Financial Year ended on March 31, 2026, if approved at the Annual General Meeting.

9. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date shall be entitled for the dividend which will be paid within thirty days of date of Annual General Meetings, subject to applicable TDS.

   Effective from April 01, 2024, SEBI has mandated that the Shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Contact Details (iii) Mobile Number (iv) Bank Account Details and (v) Signature], shall be eligible to get dividend only in electronic mode. Accordingly, payment of dividend subject to approval at the AGM, shall be paid to physical holders only after the above details are updated in their folios. Shareholders are requested to complete their KYC by writing to the Company's RTA, MUFG Intime India Private Limited (Formerly Link Intime India Private Limited).

10. Pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 01, 2020, the Company would be required to deduct tax at source (TDS) at the prescribed rates on the dividend paid to its Shareholders. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred dividend will be paid after deducting the TDS. The Company will be sending out individual communication to the Shareholders who have registered their email IDs with us. For the detailed process, the information is available at Company's website at https://www.arvindfashions.com/shareholders-communication/.

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, MUFG Intime India Private Limited in case the shares are held by them in physical form.

12. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA - MUFG Intime India Private Limited, for assistance in this regard.

13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MUFG Intime India Private Limited., the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialised form.

14. Nomination facility: As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be.

    The said forms can be downloaded from the Company's website at https://www.arvindfashions.com/shareholders-communication/ under Shareholders Communication section. Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the RTA at investor.helpdesk@in.mpms.mufg.com in case the shares are held in physical form, quoting their folio no(s).

15. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the date of the AGM.

16. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to approach the Company or its RTA to claim their dividends, within the stipulated timeline. Unclaimed and unpaid dividends for the FY 2022-23, FY 2023-24 and FY 2024-25 will be transferred to this fund on respective due dates i.e., October 19, 2030, September 26, 2031 and October 01, 2032. Kindly note that once unclaimed and unpaid dividends and shares are transferred to the IEPF, Members will have to approach to IEPF Authority for such dividends and shares.

17. All documents referred to in the accompanying Notice of the AGM and explanatory statement shall be open for inspection without any fee at the registered office of the Company during normal business hours on any working day up to and including the date of the AGM of the Company.

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

19. Instructions for voting through electronic means (e-voting):

I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed National Securities Depository Limited ("NSDL") as the authorized agency, for facilitating voting through electronic means i.e. remote e-Voting and e-Voting during the AGM.

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

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

IV. Voting rights of the Members for voting through remote e-Voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, August 12, 2026. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-Voting and voting during the AGM.

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

a. Commencement of remote e-Voting 09:00 A.M. (IST) on Sunday, August 16, 2026.

b. End of remote e-Voting: 05:00 P.M. (IST) on Tuesday, August 18, 2026.

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

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

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

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

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

Members are requested to follow the below instructions to cast their vote through e-Voting:

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

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

Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client ID, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS users can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below f NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password. 2. After successful login, the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the systems of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com. click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 48867000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

(B) Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

How to Login to NSDL e-Voting website?

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

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

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

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

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

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

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

General Guidelines for Shareholders

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to pcs.buchassociates@gmail.com with a copy marked to evoting@nsdl.com.

   Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on **"Upload Board Resolution/Authority Letter"** displayed under **"e-Voting"** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request at evoting@nsdl.com.

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

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor.relations@arvindfashions.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of AADHAR Card) to investor.relations@arvindfashions.

com. If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.**

3. Alternatively, Shareholders/Members may send a request to evoting@nsdl.com for procuring user id and password for e-Voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for Members for e-Voting on the day of the AGM are as under:

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

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

Physical Holding	Visit the link: https://web.in.mpms.mufg.com/EmailReg/Email_Register.html and follow the registration process as guided therein. The Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail address.
Demat Holding	Please contact your Depository Participant (DP) and register your e-mail address in your demat account as per the process advised by your DP.

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

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio Number, PAN and mobile number at investor.relations@arvindfashions.com on or before August 12, 2026.
6. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Registered Office:
Main Building
Arvind Mills Premises,
Naroda Road,
Ahmedabad – 382345

Date: May 06, 2026

By order of the Board
For Arvind Fashions Limited
Lipi Jha
Company Secretary

Details of Directors seeking Reappointment at the Eleventh Annual General Meeting [Pursuant to Regulations 26 and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] and SS -2 – Secretarial Standards on General Meetings Item No. 4 & 5

Name of the Director	Mr. Kulin Lalbhai	Mr. Punit Lalbhai
DIN	05206878	05125502
Date of Birth	August 13, 1985	March 12, 1982
Age	40 yrs	44 yrs
Qualifications	MBA from the Harvard Business School and B.Sc. in Electrical Engineering from the Stanford University	MBA from INSEAD and a Masters of Environmental Science from Yale University
Expertise in specific functional areas	Industrialist, Apparel & Textile Industry domain, Entrepreneur, Technology Expert.	Financial Services, Asset Management, Capital Markets, Wealth Management, Private Equity.
Brief Profile	Kulin Lalbhai leads the group's consumer-facing and digital businesses, including branded apparel, retail, real estate, and emerging technology ventures. He has been a key architect of the group's transformation into a modern, omnichannel consumer organisation, strengthening brand relevance, customer engagement, and digital capability across platforms. His leadership has helped to position Arvind Fashions as one of India's leading brand houses with a strong portfolio of global and homegrown labels. He has played a pivotal role in expanding the Group's retail footprint, building scale across physical stores, shop-in-shops, and ecommerce channels. His efforts have also driven Arvind's entry into new consumer categories, including footwear, while deepening digital integration across merchandising, supply chains, and customer experience. He has incubated and scaled digital ventures within the Group, including Omuni, which later merged with Shiprocket, reflecting a pragmatic approach to innovation and partnerships. In real estate, he has guided the growth of Arvind SmartSpaces into a fast-growing residential developer with a multi-city presence. The business has built a strong execution track record and a growing project pipeline, aligned with disciplined capital deployment and design-led development. He leads the corporate affairs function at Arvind and holds prominent leadership roles in industry bodies, contributing to policy dialogue and sectoral development. His involvement includes chairing national committees and representing industry interests in international trade discussions. In addition to Group responsibilities, he serves on the boards of various companies and as an independent director of Zydus Wellness. He holds an MBA from the Harvard Business School and a B.Sc in Electrical Engineering from Stanford University and previously worked as a management consultant at McKinsey & Co.	Punit Lalbhai oversees the Textile, Engineering, Technical Textile, and Environmental businesses, playing a central role in shaping the Group's industrial and sustainability agenda. He has been instrumental in building Arvind Advanced Materials, now among the fastest-growing segments within the group. This business serves global markets across human protection, industrial applications, and composite materials, reinforcing Arvind's reputation for innovation and reliability. He has also contributed to the growth of Anup Engineering and Arvind Envisol, strengthening the Group's presence in capital goods manufacturing and wastewater treatment solutions. His leadership combines deep technical understanding with a long-term view on industrial relevance, competitiveness, and environmental responsibility. Sustainability has been a defining focus of his work. Under his guidance, Arvind has achieved water circularity and neutrality in its textile operations and increased renewable energy usage. The Group has also pioneered sustainable cotton initiatives, partnering with more than 100,000 farmers to improve agricultural practices, traceability, and livelihoods. His global engagement includes serving on international boards shaping industry standards and collaboration. Beyond business, he supports education and social development initiatives. He is involved with the Ahmedabad Education Society and serves on the boards of Ahmedabad University and CEPT University. He also plays a key role in Arvind's Gyanada programme, partnering with municipal schools to improve access to quality education in Ahmedabad. He holds academic qualifications in conservation biology, environmental science from Yale University and management from INSEAD. A long-standing practitioner and trainer of Heartfulness Meditation, he brings a reflective, values-driven perspective to leadership.
Date of first appointment	February 07, 2017	April 02, 2019

Name of the Director	Mr. Kulin Lalbhai	Mr. Punit Lalbhai
Directorships held in other public companies (excluding, private, foreign and Section 8 companies)	**Unlisted Companies:** • Retailers Association of India • Arvind Youth Brands Private Limited • PVH Arvind Fashion Private Limited **Listed Companies:** • Zydus Wellness Limited • Arvind SmartSpaces Limited • Arvind Fashions Limited • The Anup Engineering Limited	**1. Unlisted Companies:** • Arvind PD Composites Private Limited • Arvind OG Nonwovens Private Limited • Confederation Of Indian Textile Industry • Arvind Envisol Limited • AIC-LMCP Foundation • Arvind Advanced Materials Limited • Purfi Arvind Manufacturing India Private Limited • Arvind Indigo Foundation • Arvind Foundation **Listed Companies:** • The Anup Engineering Limited • Arvind Fashions Limited • Arvind SmartSpaces Limited • Deepak Nitrite Limited
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholder Relationship Committee)	**Arvind Limited:-** • Management Committee (Member) **Zydus Wellness Limited:-** • Audit Committee (Member) • Nomination and Remuneration Committee (Chairman) • Risk Management Committee (Member) • Corporate Social Responsibility Committee (Member) **Arvind SmartSpaces Limited:-** • Nomination and Remuneration Committee (Member) • Stakeholders Relationship Committee (Chairman) • Management Committee (Chairman)	**Arvind Limited:-** • Risk Management Committee (Member) • Corporate Social Responsibility Committee (Chairman) • Environment, Social and Governance Committee (Chairman) • Management Committee (Member) **Deepak Nitrite Limited:-** • Nomination and Remuneration Committee (Member) • Stakeholders Relationship Committee (Member) • Corporate Social Responsibility Committee (Member) • Sustainability Committee (Chairman) **The Anup Engineering Limited:-** • Nomination and Remuneration Committee (Member) • Stakeholders Relationship Committee (Chairman) • Risk Management Committee (Chairman) • Corporate Social Responsibility Committee (Chairman) **Arvind SmartSpaces Limited:-** • Corporate Social Responsibility Committee (Chairman) • Management Committee (Member)
Inter-se relationship with other Directors and Key Managerial Personnel	Son of Mr. Sanjay Lalbhai, Chairman and Non-Executive Director and sibling of Mr. Punit Sanjay Lalbhai, Non-Executive Director of the Company.	Son of Mr. Sanjay Lalbhai, Chairman and Non-Executive Director and sibling of Mr. Kulin Sanjay Lalbhai, Non-Executive Director of the Company
Number of shares held in the Company	-	1544
The number of Meetings of the Board attended during the year	7	7
Details of remuneration sought to be paid	Refer report on Corporate Governance	Refer report on Corporate Governance
Remuneration last drawn	Refer report on Corporate Governance	Refer report on Corporate Governance
Listed entities from which the person has resigned in the past three years	Nil	Nil

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

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act'), given hereunder, sets out all material facts relating to the special business mentioned at Item Nos. 7 of the accompanying Notice dated May 06, 2026.

As additional information, the Explanatory Statement also contains material facts pertaining to ordinary business mentioned at Item No. 6 of the said Notice.

Item No. 6.

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

The Members at the sixth(6th) Annual General Meeting ('AGM') of the Company held on August 23, 2021, had approved appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No.: 117365W), as the Statutory Auditors of the Company to hold office from the conclusion of the sixth AGM till the conclusion of the eleventh AGM of the Company to be held in the year 2026. After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the reappointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No.: 117365W, as the Statutory Auditors of the Company, for the second consecutive term of five years from the conclusion of 11th (Eleventh) AGM till the conclusion of 16th (Sixteenth) AGM of the Company to be held in the year 2031, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors. M/s. Deloitte Haskins & Sells have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder.

Statutory Auditors were paid a fee of ₹1.22 crore for the audit of Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2026 plus applicable taxes.

Item no. 7:

To approve payment of Commission to the Non-Executive Directors of the Company:

Currently, the Non-Executive Directors (other than the Managing Director, Whole time Directors) are paid commission not exceeding 1% of the net profits of the Company per annum, computed in accordance with Section 198 of the Companies Act, 2013 and in the event, if the Company has no profits or its profits are inadequate in any Financial Year, not exceeding ₹1, 25,00,000/- (Rupees One Core Twenty Five Lacs only), in terms of the special resolution passed by the members at 8th Annual General Meeting held on September 12, 2023. In view of the efforts, expertise and the responsibility shouldered by the Non-Executive Directors including the contributions being made by them, the Board recognises the need to suitably remunerate them, irrespective of the profits of the Company. Accordingly, it is proposed to continue and pay commission to the Non-Executive Directors (other than Managing Directors, Whole time Directors), not exceeding 1% of the net profits of the Company as laid down under the provisions of Section 197 and Section 198 of the Act and in the event of the Company having no profits or inadequate profits in any Financial Year, in accordance with the limits specified in Part II of Section II (A) of Schedule V of the Act as applicable to the Company but not exceeding ₹1,25,00,000 (Rupees One Crore and Twenty Five lakhs Only) for a period of 3 (Three) years effective from April 01, 2026 till March 31, 2029 and the same be apportioned amongst them in such manner and up to such amount as the Board and/or the Committee of the Board may, from time to time, determine. The Payment of remuneration by way of commission to Non-Executive Directors (other than Managing Director, Whole Time Director) will be in addition to the sitting fees payable to them for attending each meeting of the Board/Committee.

Statement of Information for the members pursuant to Section II of Part II of Schedule V to the Companies Act:

I. GENERAL INFORMATION:

S. No.	Information	Description		
1.	Nature of industry	Apparel Industry		
2.	Date or expected date of commencement of commercial production	Business commenced in 2016, since the Company is into Apparel Industry, hence there is no date of commercial production		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4.	Financial performance based on given indicators (As per audited financial statements for the year ended 31.03.2026)	Particulars	In Crores	
			Standalone	Consolidated
		Sales & Other Income	776.44	5306.98
		EBIDTA	100.92	745.36
		Net Profit	1.35	183.66
5.	Foreign investments or collaborations, if any	The Company has not made any foreign investments and neither entered into foreign collaborations.		

II. INFORMATION ABOUT THE APPOINTEE:

1. Past remuneration:

The remuneration paid to Non-Executive Directors of the Company for the last three (3) Financial Years during the currency of the resolution approved by the members of the Company at its 8th Annual General Meeting held on September 12, 2023 are:

(In Rs.)

Period	Commission	Sitting Fees	Total
FY 2023-24	67,00,354	27,90,000	94,90,354
FY 2024-25	70,70,719	23,00,000	93,70,719
FY 2025-26	75,00,000	37,10,000	1,12,10,000

2. **Recognition or awards:** Not Applicable

3. **Job profile and his suitability:** Not Applicable

4. **Remuneration proposed:** The details of the proposed remuneration have already been explained herein above.

5. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Not Applicable

6. **Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:** The Non-Executive Directors do not have any pecuniary relationship with the Company except the remuneration and the sitting fees being paid to them. They do not have any pecuniary relationship with Managerial Personnel of the Company.

III. OTHER INFORMATION:

S. No.	Information	Description
1.	Reasons of loss or inadequate profits	Not applicable
2.	Steps taken or proposed to be taken for improvement	Not applicable
3.	Expected increase in productivity and profits in measurable terms	Not applicable

Non-Executive Directors and their relatives may be deemed to be concerned or interested in this resolution to the extent of the remuneration/commission that may be received by them. Save and except the above, none of the other Directors, Key Managerial Personnel or their respective relatives, are in any way, concerned or interested (financially or otherwise), in the resolution set out at item No. 7 of the Notice.

The Board recommends the Resolution set out at Item No. 7 of the accompanying Notice as Special Resolution for the approval of the Members.

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the Directors' Report of the Company together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2026.

1. Financial Highlights

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

₹ in Crores

Particulars	Standalone		Consolidated	
	2025-26	2024-2025	2025-26	2024-2025
Revenue from operations (Net)	710.86	665.91	5266.19	4,619.18
Profit/(Loss) Before Interest, Depreciation, Tax & Exceptional Items	100.92	110.6	745.36	635.36
Less: Finance Cost	30.21	21.44	170.45	155.80
Profit/(Loss) Before Depreciation, Tax & Exceptional Items	70.71	89.15	574.91	479.56
Less: Depreciation/Amortisation	68.25	42.78	289.68	255.72
Profit/(Loss) before exceptional items & tax	2.46	46.36	285.23	223.84
Less: Exceptional items	5.06	-	23.32	-
Profit/(Loss) before tax	(2.60)	46.37	261.91	223.84
Less: Current tax/Deferred tax	(3.95)	8.59	77.04	182.41
Profit/(Loss) after Tax from Continuing Operations	**1.35**	**37.78**	**184.87**	**41.43**
Profit/(Loss) Before Tax for the period from Discontinuing Operations			(1.21)	(1.42)
Tax Expense/(Credit) on Discontinuing Operations				
Profit/(Loss) after Tax from Discontinuing Operations		**37.78**	**(1.21)**	**(1.42)**
Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations	**1.35**		**183.66**	**40.01**
Add: Other Comprehensive Income	**(0.16)**	**(0.060)**	**2.77**	**(1.36)**
Profit/(Loss) after Tax and OCI	**1.19**	**37.72**	**186.43**	**38.65**
Profit/(Loss) after tax carried over to Balance Sheet	1.19	37.72	186.43	38.65

2. Performance Review

Financial Year 2025-26 marked a strong year for Arvind Fashions Limited (AFL) with healthy revenue growth, continued improvement in profitability, a meaningful turnaround in reported profit and sustained capital efficiency.

Due to impact of geo-political situation, multiple industries are facing shortages in petroleum derived products especially natural gas which is a key input for production. Our Company is also witnessing impact on rupee and pressure on prices of select raw materials, shipping & capex. Consumption has slowed down due to supply-led inflationary pressure.

Despite this AFL continued to expand its retail presence during FY2025-26 while maintaining the discipline of an asset-light model.

Net square footage addition for the year was approximately 1.43 lakh square feet, representing a meaningful acceleration from the 1.22 lakh square feet added in the prior year. Store expansion continued predominantly through the FOFO model, consistent with the Company's asset-light philosophy. The Company's retail estate is distributed across 475+ cities and towns, with growing penetration of Tier II and Tier III markets where branded fashion aspiration is rising rapidly alongside improvements in disposable income and urban infrastructure.

Investment in new and differentiated retail formats including the 'Club A' concept, which offers elevated brand experience, and 'Stride', the innovative footwear specialty format, continued during the year.

Digital commerce remained one of the strongest growth drivers for the Company. Online B2C revenue grew by 45% during FY2025-26, reflecting the strength of AFL's brand portfolio, digital assortment, marketplace partnerships and owned-platform capabilities. USPA has been the strongest example of the adjacency strategy, with meaningful scale across footwear, kids' wear, innerwear and women's wear. The Company will continue to build adjacencies selectively, ensuring that each category strengthens the core brand proposition and contributes to profitability.

AFL continued to invest across digital campaigns, influencer partnerships, retail experience, outdoor visibility, seasonal launches and brand-led storytelling.

The Company's marketing approach is tailored to each brand. USPA focuses on lifestyle aspiration and broad consumer reach; Tommy Hilfiger and Calvin Klein emphasise premium global identity; Arrow focuses on modern professional dressing; and Flying Machine is being repositioned around youth culture, denim and digital-first relevance.

Revenue from operations increased to ₹5,266 crore in FY2025-26 from ₹4,619 crore in FY2024-25, representing growth of 14% in revenue. Growth was broad-based across channels and supported by strong execution in direct channels, consistent like-to-like retail growth, online B2C momentum, product freshness and continued investment in brand salience. The Company remains focused on debt reduction, free cash flow generation and continued improvement in return ratios.

EBITDA, or Earnings Before Interest, Depreciation, Amortisation, and Taxes, was ₹745.36 crore for the Company, compared to ₹635.36 crore in FY2025. Improvement in EBITDA was primarily driven by improvement in gross margins, higher full-price sell-through, and cost optimisation efforts. The Company remains focused on improving profitability in the future as well.

On Standalone Basis

Revenue Growth - The Company showed an increase in revenue growth, with revenue from operations by 6.3% from ₹665.91 Crores in FY25 to ₹710.86 Crores in FY26.

Profit/(Loss) After Tax (PAT) - The Profit after tax showed stood at ₹1.35 Crores in FY26.

3. Material events during the year under review

The Company acquired the full stake of Flipkart India Private Limited in Arvind Youth Brands Private Limited (31.25% of the shareholding on fully diluted basis) and hence Arvind Youth Brands Private Limited became wholly owned subsidiary (direct and indirect holding) of the Company as on December 29, 2025.

4. Dividend

The Board of Directors have recommended a dividend of ₹1.60/- (One Rupee and Sixty Paise only) on fully paid up per equity share of ₹4 each, for the Financial Year ended on March 31, 2026. Dividend is subject to approval of the Members of the Company at the ensuing Annual General Meeting and shall be subject to deduction of income tax at source. The dividend, if approved by the Members, would involve a cash outflow of about ₹21.38 Crores.

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Dividend Distribution Policy and the same is available on the Company's Website at https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Dividend-Distribution-Policy.pdf.

5. Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2026, and May 06, 2026 (date of the report).

During March 31, 2026, and May 6, 2026, no material change and commitments have taken place which may affect the financial position occurred in the Company.

6. Transfer to Reserve

During the year under review, the Company has not transferred any amount to reserve.

7. Share Capital

As on March 31, 2026, the authorised capital of the Company stands at ₹75,00,00,000 Divided into 18,75,00,000 equity shares of ₹4 each. The paid-up equity share capital of the Company is ₹53,45,21,200 consisting of 13,36,30,300 fully paid equity shares of ₹4 each and ₹49,378 consisting of 24,689 partly paid equity shares of ₹2 each.

During the year under review, the Company has allotted 3,54,479 Equity Shares of ₹4 each to the eligible employees pursuant to the exercise of stock options granted in terms of the Employee Stock Option Scheme 2016 and Employee Stock Option Scheme 2022 of the Company.

The Company has not issued any Equity Shares with differential voting rights and Sweat Equity Shares during the year under review.

8. Employee Stock Option Schemes (ESOS)

The Company has instituted the Employees Stock Option Scheme (ESOS) 2016, 2018, 2022 and 2025 to grant equity-based incentives to certain eligible employees and Directors of the Company and its subsidiary Companies, i.e. in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time (''SEBI ESOP Regulations'').

During the year under review, the Company has granted 15,80,100 stock options to eligible employees under ESOS 2022 & 2025. Disclosures in compliance with Section 62 of the Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 were compiled at the time of grant. Disclosures with respect to stock options, as required under Regulation 14 of the SEBI ESOP Regulations are available on the Company's website www.arvindfashions.com/overview and also set out in **Annexure - A** to this report.

Certificate from the Secretarial Auditor of the Company, Mr. N. V. Kathiria, has been obtained confirming that the implementation of Employee Stock Option Scheme is in accordance with the SEBI ESOP Regulations and the resolutions has been approved by the members regarding the Scheme.

9. Deposits

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

10. Non-convertible Debentures

During the year ended March 31, 2026, the Company does not have any outstanding Non-Convertible Debentures. During the year ended March 31, 2026, the Company has not issued/allotted any Non-Convertible Debentures.

11. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

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

12. Maintenance of Cost Records

The provisions relating to maintenance of cost records under Section 148(1) of the Companies Act, 2013 are not applicable to the Company, as the Company is not engaged in any of the activities specified in the Companies (Cost Records and Audit) Rules, 2014.

13. Consolidated Financial Statements

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

14. Corporate Social Responsibility (CSR)

The Company's average net profits for the past three Financial Years are ₹(4,18,96,485), hence, the Company was not required to undertake any CSR programs/projects for the financial year 2025-26. Your Company has a Corporate Social Responsibility Policy which is uploaded on website of the Company at https://www.arvindfashions.com/wp-content/uploads/2025/10/AFL-CSR-Policy.pdf

The Annual Report on CSR Activities for the year under review as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 in prescribed format is enclosed as an **Annexure-B**.

15. Credit Rating

Your Company is rated by CARE Ratings Limited on its various long term and short-term bank facilities availed from the banks.

On January 8, 2026, CARE Ratings Limited has reaffirmed the rating of CARE A, Positive/CARE A1.

16. Human Resources

In FY2026, your Company placed its people at the core of its strategic agenda, with a renewed focus on strengthening the foundations of its People Practices. Recognising that sustainable business success is intrinsically linked to employee wellbeing, engagement, and capability, the organisation continued to invest in creating an environment that fosters transparency, open communication, and empowerment.

Marking the year as a phase of reset, Company sharpened its People Practices by building stronger systems and processes while fostering a progressive, high-performance culture. These efforts collectively reinforce the organisation's commitment to nurturing talent, enhancing employee experience, and enabling every individual to contribute to and succeed in Company's growth journey.

FY2026 marked a pivotal year for Company as the organisation consciously reset its cultural foundations by articulating a clear Vision, Mission, Values, and Ways of Working. This was not positioned as a standalone exercise, but as a strategic effort to define the ethos and operating DNA of the organisation, establishing not just what Company aims to achieve, but how it will consistently deliver on its ambitions. A structured approach was adopted to embed this cultural framework across the organisation. Leadership alignment sessions ensured that senior leaders were not only sponsors but role models of the defined ethos. This was followed by organisation-wide cascade (through Townhalls), enabling employees across brands and functions to connect their roles to the larger vision and understand how their day-to-day actions contribute to organisational success.

During the year, the Talent Acquisition function successfully onboarded 209 employees, strengthening organisational capabilities-across levels and functions. The hiring approach was guided by the need to build a balanced and sustainable talent pyramid. A significant proportion of hires (129) were at the Executive to Assistant Manager levels, ensuring a strong foundation of early and mid-career talent. This was complemented by 51 hires at the Manager to Senior Manager levels, enhancing functional depth and execution capability, and 19 leadership hires (Deputy General Manager & General Manager) to further strengthen strategic and business leadership.

In FY2026, Company took a significant step towards strengthening a high-performance culture through the introduction of a structured goal-setting framework based on Objectives and Key Results (OKRs). This transformation was anchored in three core principles—clarity of goals, accountability for performance, and measurable outcomes—ensuring a strong alignment between individual contributions and the organisation's strategic priorities.

In FY2026, Company continued to advance its Learning & Development (L&D) agenda as a strategic Centre of Excellence, focused on building critical capabilities, accelerating talent readiness, and enabling sustained business performance. Anchored in a philosophy of continuous learning, the L&D ecosystem was designed to deliver impact at scale through an integrated blend of classroom interventions, digital learning, and experiential development journeys. During the year, the organisation delivered over 21,000 learning hours, translating to an average of two man-days of learning per employee. A total of 43 instructor-led programs were conducted, achieving an average participant feedback score of 4.7, reflecting strong relevance, engagement, and effectiveness of learning interventions.

In FY2026, Company strengthened its organizational culture through a series of thoughtfully designed engagement initiatives, aimed at fostering wellbeing, inclusivity, transparency, and a strong sense of belonging. These initiatives were anchored in the belief that a connected and engaged workforce is central to delivering sustained business performance.

17. Statement concerning development and implementation of Risk Management policy of the Company

The Board has framed a policy to identify, assess, monitor and mitigate various identified risks associated with the key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management Policy is available on the Company's website at https://www.arvindfashions.com/wp-content/uploads/2019/03/Risk-Management-Policy.pdf.

The Board of Directors has formed a Risk Management Committee to oversee the Risk Management plan. As on March 31, 2026, the Committee comprises the following Directors: -

i. Mr. Nagesh Pinge – Chairman

ii. Ms. Amisha Jain – Member

iii. Mr. Suresh Jayaraman – Member

iv. Mr. Nilesh Shah – Member

v. Ms. Ananya Tripathi - Member

In the opinion of the Board, there are no risks that poses a threat to the existence of the Company.

18. Internal Financial Controls

The Company has in place an adequate internal financial control with reference to the Financial Statements and dedicated Internal Auditor to ensure its adequacy. The scope and authority of the Internal Auditor is well defined in the organisation. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board. The Statutory Auditor of the Company has also given an opinion that the Internal Financial Controls over Financial Reporting are adequate and are operating effectively at the end of the Financial Year.

19. Vigil Mechanism

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Vigil Mechanism/ Whistle Blower Policy to provide a platform to the Directors and Employees of the Company to raise concerns with the instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy within the Company.

The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf.

20. Subsidiaries/Controlled Entities/Associates

As on March 31, 2026, the Company has following 3 subsidiary Companies and 1 Controlled Entity Jointly Owned with PVH BV.

Subsidiaries - Arvind Lifestyle Brands Limited, Arvind Youth Brands Private Limited, Value Fashion Retail Limited

Controlled Entity Jointly Owned with PVH BV – PVH Arvind Fashion Private Limited

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

The Company has framed a policy for determining material subsidiaries, which has been uploaded on the Company's website at https://www.arvindfashions.com/wp-content/uploads/2026/05/Policy-on-Material-Subsidiary-06052026.pdf

21. Change in the Nature of the Business

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

22. Directors & Key Managerial Personnel

The Board of Directors consists of 11 (Eleven) members, comprising of 1 (one) Managing Director & CEO, 4 (four) Non-Executive Directors and 6 (six) Non-Executive Independent Directors.

As per the provisions of Section 152(6) of the Companies Act, 2013 and in terms of the Article of Association of the Company, Mr. Kulin Lalbhai (DIN: 05206878) and Mr. Punit Lalbhai (DIN: 05125502), shall retire by rotation at the ensuing Annual General Meeting and being eligible, shall offer themselves for re-appointment as the Directors of the Company.

Cessation:

Mr. Shailesh Chaturvedi (DIN: 03023079), Managing Director & CEO, had resigned with effect from the close of business hours on September 30, 2025, from the position due to pre-occupation and other personal commitments.

None of the Directors of the Company are disqualified as per the provisions of Section 164 of the Companies Act, 2013. The Directors of the Company have made necessary disclosures under Section 184 and other relevant provisions of the Companies Act, 2013.

During the year under review, Ms. Amisha Jain was appointed as the MD & CEO on August 13, 2025 and Mr. Shailesh Chaturvedi, resigned from his position as the MD & CEO of the Company w.e.f. September 30, 2025. Therefore, as per the provisions of Section 203 of the Companies Act, 2013, Ms. Amisha Jain as Managing Director & CEO, Mr. Girdhar Kumar Chitlangia as Chief Financial Officer and Ms. Lipi Jha as Company Secretary are the Key Managerial Personnel of the Company.

23. Board Evaluation

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 read with the rules framed thereunder and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance and that of its Committees and individual Directors. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report which forms part of the Annual Report.

Further, to comply with Regulation 25(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors have also evaluated the performance of Non-Independent Directors, Chairman and Board as a whole at a separate meeting of Independent Directors, which was held on March 18, 2026.

24. Nomination & Remuneration Policy of the Company

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-Executive Directors, Key Managerial Personnel and Senior Management. The Policy also provides the criteria for determining qualifications, positive attributes and Independence of Directors and criteria for appointment and removal of Directors, Key Managerial Personnel/ Senior Management and performance evaluation which are considered by the Nomination and remuneration Committee/Board of Directors. The Remuneration Policy is available on the Company's website at https://www.arvindfashions.com/wp-content/uploads/2019/05/Nomination-and-Remuneration-Policy.pdf.

25. Familiarisation programme for the Independent Directors

In compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarisation programme for the Independent Directors to familiarise them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarisation programme is explained in the Corporate Governance Report is also available on the Company's website at https://www.arvindfashions.com/wp-content/uploads/2026/05/Directors-Familiarization-Programs-2018-19-to-2025-26.pdf.

26. Declaration of Independence

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013.

27. Board/Committee meetings held during the year

During the year under review, thirty-eights Board/ Committee meetings were held which included seven Board meetings, five Audit Committee meetings, three Nomination and Remuneration Committee meetings, one Stakeholders Relationship Committee meetings, two Risk Management Committee meetings, one Corporate Social Responsibility Committee meeting, one Independent Director meeting and eighteen Committee of Directors meetings.

28. Committees of the Board

The Company has constituted various Committees of the Board as required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including composition, number of meetings held, attendance of members, etc. of such Committees, are set out to the Corporate Governance Report which forms a part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the provisions of Section 173 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Committee of Directors ("COD"), the Stakeholders Relationship Committee ("SRC") and the Risk Management Committee ("RMC") were reconstituted by way of addition of Ms. Amisha Jain and removal of Mr. Shailesh Chaturvedi due to his resignation as a Member of the Committees.

Composition of Committee of Directors:

The Committee of Directors consists of the following Members.

i. Mr. Sanjay S. Lalbhai – Non-Executive, Non-Independent Director
ii. Mr. Punit Lalbhai – Non-Executive, Non-Independent Director
iii. Mr. Kulin Lalbhai – Non-Executive, Non-Independent Director
iv. Mr. Suresh Jayaraman – Non-Executive, Non-Independent Director
v. Ms. Amisha Jain – Managing Director & CEO

Composition of Stakeholder Relationship Committee:

The Stakeholder Relationship Committee consists of the following Members.

i. Mr. Kulin Lalbhai – Non-Executive, Non-Independent Director
ii. Mr. Nilesh Shah - Non-Executive, Independent Director
iii. Ms. Amisha Jain - Managing Director & CEO
iv. Mr. Govind Shrikhande - Non-Executive, Independent Director

Composition of Risk Management Committee:

i. Mr. Nagesh Dinkar Pinge - Non-Executive, Independent Director

ii. Mr. Suresh Jayaraman - Non-Executive, Non-Independent Director

iii. Mr. Nilesh Shah - Non-Executive, Independent Director

iv. Ms. Ananya Tripathi - Non-Executive - Independent Director

v. Ms. Amisha Jain – Managing Director & CEO

All the recommendations of the Committees of Board made during the year has been accepted by the Board.

29. Directors' Responsibility Statement

The Directors hereby make the following Responsibility Statement as required by Section 134(5) of the Companies Act, 2013:

a. In the preparation of the annual accounts for the Financial Year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any:

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

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

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

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

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

30. Related party transactions under section 188 of the Companies Act, 2013

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnels etc. which may have potential conflict with the interest of the Company at large, or which warrants the approval of the Shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Parties are provided in the Company's Financial Statements in accordance with the Accounting Standards.

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

The Policy on Related Party Transactions as approved by the Board is available on Company's website at https://www.arvindfashions.com/wp-content/uploads/2026/05/RPT-Policy-06052026-.pdf.

31. Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

32. Auditors

Statutory Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No. 117365W) were appointed as the Statutory Auditors of the Company for a period of 5 (five) consecutive years at the Annual General Meeting held on August 23, 2021. The Report given by the Auditors on the Financial Statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Further, the Audit Committee and the Board of Directors in their meeting held on May 06, 2026 approved and recommended to the members of the Company for the re-appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No. 117365W) for a next term of 5 (five) consecutive years.

Secretarial Auditors

The members of the Company in their Annual General Meeting held on August 26, 2025 appointed M/s. N.V. Kathiria & Associates, Practicing Company Secretaries, as the Secretarial Auditor to conduct the Secretarial Audit of the Company for a term of 5 (Five) consecutive years, to hold office from Financial Year 2025-2026 till Financial Year 2029-2030.

The Secretarial Audit Report for the financial year ended March 31, 2026, pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as "**Annexure-C**". The Secretarial audit report does not contain any qualifications, reservations or adverse remarks.

33. Enhancing Shareholder's Value

The Company believes that its members are its most important Stakeholders. Accordingly, the Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. The Company is also committed to create value for its other Stakeholders by ensuring that its corporate actions positively impact on the socio-economic and environmental dimensions and contribute to sustainable growth and development.

34. Corporate Governance Report and Management Discussion & Analysis Report

The Corporate Governance Report, together with the Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Annual Report.

A separate section on Management Discussion and Analysis Report (MDAR) is included in the Annual Report as required under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

35. Compliance with Secretarial Standards

During the year under review, your Company has complied with all the applicable provisions of Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

36. Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report for the year ended March 31, 2026, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed which forms part of this Annual Report.

37. Information on Conservation of Energy, Absorption of Technology and Foreign Exchange Earnings and Outgo

a. Conservation of Energy

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

b. Energy Efficiency

The Company has a 'Combat Climate Change' as a sustainability pillar, where the Company has shifted from conventional lights to LED lights in the stores and in the warehouses and the Company has installed motion sensor LED lights for energy management within its warehouse operations.

Energy Efficiency: LED lights are proven to consume significantly 50% less energy than traditional tube lights, leading to immediate reductions in electricity bills.

Cost Savings: The longer lifespan and lower maintenance requirements of LED lights result in reduced maintenance and replacement costs over time.

Enhanced Lighting Quality: The switch to LED lighting has led to improved lighting quality, offering better visibility and creating a more comfortable environment for employees and visitors.

Environmental Contribution: By reducing energy consumption and minimising the need for replacements, this project contributes to our sustainability goals and reduces our carbon footprint.

The Company has installed motion sensor LED lights for energy management within its warehouse operations in FY25 that indicated a reduction potential of 5%-8% in the energy demand. The same is being evaluated and implemented for upcoming new warehouses as well. Arvind Fashions state of the art warehouse facility at Hoskote, Karnataka is currently undertaking the procedures of Green Building Certification that further represents Arvind's commitment to contribute towards reducing Green House Gas emission.

The Company has replaced 690 light fitting with LED in its corporate office at Bangalore resulting in less energy consumption, increase in lighting and cost saving in corporate office for the last one year in Company has replaced 690 light fitting with LED resulting in less energy consumption, increase in the lighting and also cost saving. CFL light fittings in the guest house of the Company was replaced with LED light fittings resulting in cost saving and energy consumption.

c. Renewable energy

The Company has signed an agreement with wheel solar power from an independent power producer in FY19 for a period of 9 years expected to cover 80-95% of the energy demand at the corporate office. We have a potential of mitigating ~1,030 tons of carbon dioxide on an annual basis.

Company is exploring the potential of shifting its warehouses to renewable energy in the near future. The preliminary survey for the installation of rooftop solar panels is conducted by the external agencies.

Company is also engaging with its vendor partners to enable their transition to renewable energy thereby reducing the overall carbon footprint of its products.

d. Absorption of technology

The Company has not absorbed any technology.

e. Foreign Exchange Earnings and Outgo

Earning in Foreign Currency - ₹ in Crores

FY2025-26 – 18.35

FY2024-25 – 20.74

Expenditure in Foreign Currency - ₹ in Crores

FY2025-26 – 161.06

FY2024-25 – 139.26

38. Extract of Annual Return

The details forming part of the extract of the Annual Return is available on Company's website at https://www.arvindfashions.com/corporate-governance/.

39. Particulars of Employees

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

Further as per second proviso to Section 136(1) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard at investor.relations@arvindfashions.com.

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

40. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) act, 2013

At Arvind Fashions, we are unequivocal in our commitment to provide a safe, inclusive and respectful workplace for all. We maintain a zero-tolerance policy towards any form of sexual harassment and have adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

Arvind Fashions Internal Complaint Committee (ICC) functions independently and with full authority. Its presence and mandates are clearly communicated across the organisation and all committee members are formally trained to manage proceedings with sensitivity, fairness and procedural rigour. Regular sessions are also conducted to build awareness and reinforce behavioural expectations across teams.

During the Financial Year 2025-26, there were no incidences of sexual harassment reported during the year under review.

41. General

The Board of Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions or applicability pertaining to these matters during the year under review.

i. Fraud reported by the Auditors to the Audit Committee or the Board of Directors of the Company.

ii. Payment of remuneration or commission from any of its holding or subsidiary companies to the Managing Director/Whole Time Director of the Company.

iii. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section67(3)(c) of the Companies Act, 2013).

iv. Details of any application filed for corporate insolvency under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016.

v. One-time settlement of loan obtained from the banks or financial institutions.

42. Acknowledgement

The Board expresses its sincere thanks to all the employees, customers, suppliers, investors, lenders, regulatory and government authorities and stock exchanges for their cooperation and support and look forward to their continued support in future.

For and on behalf of the Board of
Arvind Fashions Limited

Sanjay S. Lalbhai	**Amisha Hemchand Jain**
Chairman & Director	Managing Director & CEO
DIN: 00008329	DIN: 05114264
Place: Ahmedabad	Place: Bangalore
Date: May 6, 2026	Date: May 6, 2026

Annexure – A to the Directors' Report

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

1	Description of ESOS	ESOS 2016	ESOS 2018	ESOS 2022	ESOS 2025
(a)	Date of Shareholder's approval	October 15, 2016	May 12, 2018 Date of approval to the Composite Scheme of Arrangement involving De-merger, amalgamation and restructure of Capital amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective Shareholders and creditors (**"the Scheme"**)	September 26, 2022	August 26, 2025
	Date of Shareholders' approval on amendment	July 16, 2018	Not applicable	Not applicable	
(b)	Total number of shares approved	75,00,000	19,09,800	8,00,000	27,00,000
(c)	Vesting requirements	Options vest over a period of 1 to 5 years based on continued service and certain performance parameters.			
(d)	Exercise price or pricing formula	The Exercise Price shall be as decided by the Board/Committee at its own discretion. Provided that after listing of the equity shares of the Company on any recognised stock exchange in India, the exercise price shall be the Market Price of the share. However, it can be such other price as may be decided by the Board/Committee for grant of options not exceeding 0.5% of the paid-up equity shares as on March 31, 2018 i.e. not exceeding 5,79,257 shares or such other price as may be required to be arrived in accordance with the applicable laws. Further, Board/Committee shall grant such options not exceeding 0.5% of paid-up capital as mentioned above to employees in lieu of cash compensation based on achievement of key performance indicators and such options shall not exceed 0.15% of the paid-up capital i.e. not exceeding 1,73,777 shares to any one employee.	Market price of the equity shares being latest available closing price on the Stock Exchange. However, Options granted to the Employees of the Demerged Company, i.e., Arvind Limited, will be at the Exercise Price as mentioned under Part II, clause 7.4.4 of the Scheme of Arrangement which states that the Board of the Resulting Company 1, i.e., AFL shall determine the exercise price of the stock options issued by it in lieu of stock options granted under Arvind Limited's ESOS and outstanding before the demerger.	The exercise price shall be the Market Price for options to be granted under this scheme.	The exercise price shall be the Market Price for options to be granted under this scheme.
(e)	Maximum term of options granted	5 years from the date of grant			
(f)	Source of shares	Primary			
(g)	Variation of terms of options	None			

2	**Method used to account for ESOS**	**Fair Value Method**			
3	**Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on the profits and EPS of the Company shall also be disclosed.**	Not applicable	Not applicable	Not applicable	Not applicable
(i)	Difference between Intrinsic value and Fair value compensation cost				
(ii)	Impact on the Profits of the Company (Rs.)				
(iii)	Impact on Basic Earnings Per Share of the Company (Rs.)				
(iv)	Impact on Diluted Earnings Per Share of the Company (Rs.)				
4	**Option movement during the period:**				
(a)	Options Outstanding at the beginning of the year	10,75139	0	3,68,000	0
(b)	Options granted during the year	0	0	3,55,000	12,25,100
(c)	Options forfeited/lapsed during the year	1,72,558	0	54,333	0
(d)	Options vested during the year	39,000	0	1,31,334	0
(e)	Options exercised during the year	2,52,479	0	1,02,000	0
(f)	Number of shares arising as a result of exercise of option	2,52,479	0	1,02,000	0
(g)	Money realised by exercise of options (Rs.)	6,56,32,841	0	3,27,28,550	0
(h)	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA
(i)	Options Outstanding at the end of the year	6,50,102	0	5,66,667	12,25,100
(j)	Options Exercisable at the end of the year	6,50,102	0	1,65,000	0
5A	**Weighted average exercise prices of outstanding options whose:**				
	Exercise price equals market price of stock	313.96	-	467.62	517.61
	Exercise price exceeds market price of stock	1320.37	-	-	-
	Exercise price is less than market price of stock	108.56	-	-	-
5B	**Weighted average fair value of options whose**				
	Exercise price equals market price of stock	128.00	-	148.76	173.21
	Exercise price exceeds market price of stock	98.10	-	-	-
	Exercise price is less than market price of stock	112.57	-	-	-
6	**Grantee wise details of options granted to:**				
(i)	Key managerial personnel	None	None	None	Ms. Amisha Jain – MD & CEO – 10,00,000 options

(ii)	Any other grantee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year;	None	None	Mayank Tiwari – Group Strategy Officer – 50000 options Amisha Jain – 3,00,000 options			Saikot Das – Chief Brand & Strategy Officer – 1,90,000 options		
(iii)	Identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant.	None	None	None			None		
7	**A description of the method and significant assumptions used during the year to estimate the fair values of options, including following weighted average information:**	No grants made during the period	No grants made during the period						
(i)	Share price (₹)			458.05	468.65	547.55	518.20	480.0	436.75
(ii)	Exercise price (₹)			468.65	464.90	540.80	518.75	484.0	449.45
(iii)	Expected volatility			38.82%	39.71%	38.61%	38.11%	37.18%	37.61%
(iv)	Expected dividends			0.34%	0.34%	0.29%	0.31%	0.33%	0.37%
(v)	Risk free interest rate			5.87%	5.58%	5.94%	5.98%	5.76%	5.83%
(vi)	Any other inputs to the model			None	None	None	None	None	None
(vii)	Method used and the assumptions made to incorporate effects of expected early exercise			Binomial Option Pricing Model			Binomial Option Pricing Model		
(viii)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility			The daily volatility of the Company's stock price and comparable companies' stock prices on NSE over the expected life of the options has been considered.			The daily volatility of the Company's stock price and comparable companies' stock prices on NSE over the expected life of the options has been considered.		
(ix)	Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition.			None			None		

8	**Details Related to Trust for ESOS 2016, ESOS 2022 and ESOS 2025 Plan**		
(i)	General information about Trust		
	S. No.	**Particulars**	
	1	Name of the Trust	AFL ESOP TRUST
	2	Details of the Trustee	MUFG Intime India Private Limited (formerly Link Intime India Private Limited)
	3	Amount of loan disbursed by the Company during the year	NIL
	4	Amount of loan outstanding as at the end of the year	NIL
	5	Any other contribution made to the Trust during the year	NIL
(i)	Brief details of transaction in shares by the Trust		
	Particulars		**Number of Shares**
	(a)	Number of shares held at the beginning of the year	NIL
	(b)	Number of shares transferred to the employees pursuant to exercise of options by them	NIL
	(c)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	NIL
	(d)	Number of shares held at the end of the year (a-b+c)	NIL

Annexure – B to the Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2025-26

1. **Brief Outline on CSR Policy of the Company**

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

   Our CSR Policy is in sync with the broader areas of Schedule VII of the Companies Act, 2013 and will always be aligned to the changes that gets incorporate in the schedule.

   The key points of the policy are presented below and the policy can be reached at our website through the given link: https://www.arvindfashions.com/wp-content/uploads/2025/10/AFL-CSR-Policy.pdf

2. **Composition of the CSR Committee**

   Arvind Fashions Limited has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act, 2013. The members of the CSR Committee are:

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kulin Lalbhai	Chairman/Non-Executive Director and Vice-Chairman	1	1
2	Mr. Punit Lalbhai	Member/Non-Executive Director	1	1
3	Mr. Nilesh Shah	Member/Independent Director	1	0

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.** https://www.arvindfashions.com/wp-content/uploads/2025/10/AFL-CSR-Policy.pdf

4. **Provide the executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.**

   Not applicable

5. a) **Average net profit of the Company as per sub-section (5) of section 135*:** The average net profit of the Company is (₹418.96 Lakhs) (Loss)

   b) **Two percent of average net profit of the Company as per sub-section (5) of section 135*:** (₹8.38 Lakhs) (Loss)

   c) **Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years:** Nil

   d) **Amount required to be set off for the Financial Years, if any:** Nil

   e) **Total CSR obligation for the Financial Years [(b)+(c)+(d)]:** Nil

   *The company has incurred average loss during the immediately three proceeding Financial Year as mentioned above under point 5 (a) and 5 (b). Therefore, the Company has not spent any amount towards CSR for the Financial Year 2025-26.

6. a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing project):** Nil

   b) **Amount spent in Administrative Overheads:** Nil

   c) **Amount spent on Impact Assessment, if applicable:** Nil

   d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** Nil

e) **CSR amount spent or unspent for the Financial Year:**

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

f) **Excess amount for set off, if any:** Not applicable

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:** Nil

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY-1							
2	FY-2	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	FY-3							

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

If Yes, enter the number of capital assets created/acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not applicable

S. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pin code of the property or as set(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner	
					CSR Registration Number, if applicable	Name
(1)	(2)	(3)	(4)	(5)	(6)	
Not Applicable						

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:** Not applicable.

Kulin Lalbhai
Chairperson of CSR Committee
DIN: 05206878
Date: May 6, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN: 05114264
Date: May 6, 2026

Annexure – C to the Directors' Report

Form MR – 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ARVIND FASHIONS LIMITED
Arvind Limited Premises,
Naroda Road, Ahmedabad - 382345.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2026 (Audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the Financial Year ended on March 31, 2026 according to the provisions of:
   (i) The Companies Act, 2013 ("the Act") and the rules made thereunder.
   (ii) The Securities Contracts (Regulation) Act, 1956 (''SCRA'') and the rules made thereunder.
   (iii) The Depositories Act, 2018 and the Regulations and Byelaws framed thereunder.
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (''SEBI Act''):
   (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
   (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
   (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
   (iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
   (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015.
   (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issued any such securities during the Financial Year)**
   (vii) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar and Transfer Agents with SEBI)**

(viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable as the Company has not delisted any of its equity shares during the Financial Year)**

(ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable as the Company has not bought back any of the securities during the Financial Year)**.

3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.
4. The Company has complied with following specific laws to the extent applicable to the Company:
   a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
   b) The Employees' State Insurance Act, 1948.
   c) The Contract Labour (Regulation & Abolition) Act, 1970.
   d) The Maternity Benefit Act, 1961.
   e) The Minimum Wages Act, 1948.
   f) The Payment of Bonus Act, 1965.
   g) The Payment of Gratuity Act, 1972.
   h) The Payment of Wages Act, 1936.
   i) The Workmen Compensation Act, 1923.
   j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
   k) Shops and Establishment Act of respective states.
   l) The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.
   m) Tax on Profession of respective States.
   n) Labour Welfare Fund.
   o) The Legal Metrology Act, 2009.
   p) The Consumer Protection Act, 1986.
   q) Trademarks Act, 1999.
   r) The Information Technology Act, 2000.
   s) Income Tax Act, 1961 and its Rules.
   t) The Goods and Services Tax Act, 2017.
   u) Customs Act, 1962.
5. We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India and The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

We further report that

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

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

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

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

1. The Company has allotted following Equity Shares of ₹4/- each with premium, during the FY 2025-26, to eligible employees pursuant exercise of stock options to eligible Applicant/Grantee under Employee Stock Option Scheme 2016 (ESOS 2016) and Employee Stock Option Scheme 2022 (ESOS 2022) of the Company.

ESOP 2016			
S. No	**Number of Share**	**Price Per Share (Including Premium)**	**Date of Allotment**
1	5500	148.2	April 11, 2025
2	10000	293.5	April 11, 2025
3	7000	148.2	June 10, 2025
4	150000	286.7	June 10, 2025
5	2200	286.7	June 27, 2025
6	1000	148.2	July 22, 2025
7	5000	148.2	August 12, 2025
8	3000	293.5	September 4, 2025
9	5000	293.5	October 13, 2025
10	3000	148.2	October 13, 2025
11	1279	128.93	October 29, 2025
12	30000	282.7	November 7, 2025
13	7500	148.2	November 19, 2025
14	2500	153.17	November 19, 2025
15	5000	153.17	December 3, 2025
16	7500	153.17	December 18, 2025
17	5000	153.17	January 23, 2026
18	2000	293.50	January 23, 2026
Total	**252479**		

Sl. No	Number of shares	Price Per share (Including Premium)	Date of allotment
1	17000	265.85	April 11, 2025
2	3000	335.3	September 27, 2025
3	10000	306.10	October 29, 2025
4	11000	335.30	October 29, 2025
5	25000	331.3	November 7, 2025
6	11000	335.30	November 19, 2025
7	25000	335.3	January 5, 2026
Total	**102000**		

DATE: May 6, 2026
PLACE: AHMEDABAD

For N.V. KATHIRIA & ASSOCIATES
Company Secretaries

N. V. KATHIRIA
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573H000287779)

Annexure to Secretarial Audit Report

To,
The Members,
Arvind Fashions Limited
Arvind Limited Premises,
Naroda Road, Ahmedabad - 382345.

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

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

DATE: May 6, 2026
PLACE: AHMEDABAD

For N.V. KATHIRIA & ASSOCIATES
Company Secretaries

N. V. KATHIRIA
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573H000287779)

FORM NO. MR- 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arvind Lifestyle Brands Limited
Arvind Mills Premises, Naroda Road,
Ahmedabad– 380025.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2026 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2026, according to the provisions of:
   (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA'') and the rules made thereunder;
   (iii) The Depositories Act, 2018 and the Regulations and Byelaws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act''):-
   (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   (iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
   (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;
   (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (vii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

   It has been found that there were no instances requiring compliance with the provision of the laws indicated at point No. 2 mentioned hereinabove during the period under review.

3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.

4. The Company has complied with following specific laws to the extent applicable to the Company:
   a. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
   b. The Employees' State Insurance Act, 1948.
   c. The Contract Labour (Regulation & Abolition) Act, 1970.
   d. The Maternity Benefit Act, 1961.
   e. The Minimum Wages Act, 1948.
   f. The Payment of Bonus Act, 1965.
   g. The Payment of Gratuity Act, 1972.
   h. The Payment of Wages Act, 1936.
   i. The Workmen Compensation Act, 1923.
   j. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
   k. Shops and Establishment Act of respective states.
   l. The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.
   m. Tax on Profession of respective states.
   n. Labour Welfare Fund.
   o. The Legal Metrology Act, 2009.
   p. The Consumer Protection Act, 1986.
   q. Trademarks Act, 1999.
   r. The Information Technology Act, 2000.
   s. Income Tax Act, 1961 and its Rules.
   t. The Goods and Services Tax Act, 2017.
   u. Customs Act, 1962.

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

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

We further report that

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

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

We further report that

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

We further report that

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

DATE: May 6, 2026
PLACE: AHMEDABAD

For N.V. KATHIRIA & ASSOCIATES
Company Secretaries

N. V. KATHIRIA
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573H000287823)

Annexure to Secretarial Audit Report

To,
The Members,
Arvind Lifestyle Brands Limited
Arvind Mills Premises, Naroda Road,
Ahmedabad- 380025.

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

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

DATE: May 6, 2026
PLACE: AHMEDABAD

For N.V. KATHIRIA & ASSOCIATES
Company Secretaries

N. V. KATHIRIA
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573H000287823)

ANNEXURE – D to the Directors' Report

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer, Managing Director & Chief Executive Officer, Company Secretary, during the Financial Year 2025-26 are given below:

Name	Ratio to Median Remuneration	Percentage Increase/(Decrease) in Remuneration (%)
Non-Executive Directors		
Mr. Sanjay Lalbhai	0.41	13
Mr. Kulin Lalbhai	0.68	12
Mr. Punit Lalbhai	0.50	17
Mr. Suresh Jayaraman	0.59	174
Mr. Nagesh Pinge	0.82	11
Mr. Nilesh Shah	0.55	1
Mr. Achal Bakeri	0.49	23
Ms. Ananya Tripathi	0.49	5
Mr. Govind Shrikhande	0.49	16
Mr. Manoj Nakra	0.44	15
Managing Director & CEO		
Ms. Amisha Jain*	46.95	Not Applicable
Mr. Shailesh Chaturvedi**	Not Applicable	Not Applicable
Chief Financial Officer		
Mr. Girdhar Chitlangia	14.33	5.71
Company Secretary & Compliance Officer		
Lipi Jha	2.86	11.73

*Ms. Amisha Jain has been appointed as the MD & CEO of the Company as on August 13, 2025

**Mr. Shailesh Chaturvedi resigned from the position of MD & CEO of the Company as on September 30, 2025

Notes:

1. Number of Board and Committee Meetings held in FY2025-26 were higher compared to number of Board and Committee meetings held in FY2024-25
2. The remuneration of Non-Executive Directors includes sitting fees and commission.
3. The percentage increase in the median remuneration of employees in the Financial Year 2025-26 – 11%
4. The number of permanent employees on the rolls of the Company as on March 31, 2026 – 193
5. Average percentage increase in the salaries of employees other than the Managerial Personnel in the Financial Year 2025-26 – 9.03%
6. Its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration –

   Average percentile increase in the salaries of the managerial personnel for the Financial Year 2025-26 was 49.5%. The higher increase in managerial remuneration is on account of an exceptional circumstance i.e. due to resignation of the erstwhile Managing Director & CEO and the appointment of a new Managing Director & CEO during the year. The remuneration of the newly appointed Managing Director & CEO was determined based on market benchmarking and experience and is not reflective of a routine annual increment. Excluding this one-time transition-related impact, the increase in managerial remuneration is broadly in line with the increase for other employment.
7. Affirmation that the remuneration is as per the remuneration policy of the Company - It is hereby affirmed that the remuneration paid during the year is as per the applicable Remuneration Policy of the Company.

CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended on March 31, 2026, in compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Company's philosophy on code of governance:

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

Our Corporate Governance philosophy is based on the following principles:

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

Arvind Fashions has further strengthened its Corporate Governance philosophy through adoption of Code of Conduct for Prohibition of Insider Trading, Whistle Blower Policy, Code of Conduct for Director & Senior Management. The Board of Directors (**'the Board''**) is at the core of our Corporate Governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

2. Board of Directors

Composition of the Board:

The Company is guided by a well-rounded and experienced Board that ensures robust governance and strategic oversight. The Board actively supports Management while safeguarding stakeholder interests through effective discharge of its responsibilities.

The Board's composition is in proportion to the Company's business requirements and reflects an appropriate balance between Executive and Non-Executive Directors in line with applicable legal and regulatory frameworks, including the Companies Act, 2013 and the SEBI Listing Regulations.

As on March 31, 2026, the Board comprises of eleven (11) Directors including 1 Executive Woman Director, four (4) Non-Executive Non-Independent Directors and six (6) Independent Directors. The Board is headed by Non-Executive Chairman. The Non-Executive Independent Directors are leading professionals from varied fields who bring independent judgment to the Board's discussions and deliberations.

The composition of the Board, category of Directors, their attendance at Board Meetings held during FY 2025-26, number of directorships/chairpersonships and committee positions held by them in other public limited companies as on March 31, 2026 are as follows:

Name of Director	No. of Board Meeting attended out of seven (7) meeting held in the year	Number of directorships in public Companies (including Arvind Fashions Limited) *	No. of Committee positions held in other public limited companies**		No. of Equity Shares held in the Company
			Chairperson	Member	
Managing Director & CEO					
Ms. Amisha Jain	3	4	0	4	0
Non-Independent Non-Executive Director					
Mr. Sanjay Lalbhai - Chairman	6	2	0	1	76
Mr. Kulin Lalbhai – Vice Chairman	7	6	2	3	0
Mr. Punit Lalbhai	7	7	1	2	1544
Mr. Suresh Jayaraman	6	4	1	2	576568
Independent Directors					
Mr. Nagesh Pinge	7	8	4	7	
Mr. Nilesh Shah	5	6	0	3	42
Mr. Achal Bakeri	6	3	0	1	
Mr. Govind Shrikhande	6	3	1	2	
Ms. Ananya Tripathi	5	3	0	2	
Mr. Manoj Nakra	7	2	1	2	

*Excludes Private Companies, Companies incorporated under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and Companies incorporated outside India.

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

Note: Mr. Shailesh Chaturvedi (DIN: 03023079), resigned from his position as the MD & CEO of the Company w.e.f. September 30, 2025, close of business hours and hence, his details are not mentioned as on March 31, 2026.

Ms. Amisha Jain has been appointed as the Managing Director & CEO of the Company w.e.f. August 13, 2025. She attended all Board Meetings held thereafter.

Pursuant to Regulation 17A of the SEBI Listing Regulations, none of the Directors hold directorships in more than seven (7) Listed Companies or act as an Independent Director in more than seven (7) Listed Companies. Also, none of the Directors is a member of more than ten (10) Committees or Chairperson of more than five (5) Committees across all the public companies in which he or she is a director in terms of Regulation 26 of the SEBI Listing Regulations. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2026, have been received from all the Directors.

In terms of the annual disclosures given by the Directors, none of them are disqualified under Section 164(2) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. None of the Directors of the Company have been restrained or debarred from holding the office of director by virtue of SEBI order or any other authority. The Company has proper systems to enable the Board of Directors to review on a periodic basis compliance report of all laws applicable to the Company, as prepared by the Company as well as to assess the steps taken by the Company to rectify instances of non-compliance, if any.

The Annual General Meeting ("AGM") held on August 26, 2025 was attended by all Directors except Mr. Punit Lalbhai. Except between Mr. Sanjay Lalbhai, Chairman and Non-Executive Director and his two sons viz. Mr.

Punit Lalbhai (Non-Executive Director) and Mr. Kulin Lalbhai (Vice Chairman & Non-Executive Director), there is no relationship between the Directors inter-se.

Board Appointments:

The Nomination & Remuneration Committee has put in place a policy for the appointment of Directors, which specifies the criteria relating to qualifications, attributes and independence. The Board follows a transparent selection process that promotes diversity in terms of experience, expertise, age and gender.

The Nomination and Remuneration Committee ("NRC") along with the Board identifies the right candidate with the right qualities, skills and experience required for an individual member and the Board as a whole.

In case of appointment of Independent Directors, the NRC satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively and ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Act and as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank.

The NRC periodically evaluates the size and composition of the Board to ensure it remains appropriate for the Company's business needs and strategic objectives. This includes consideration of regulatory requirements, operational needs and the balance of skills and experience.

All Director-related updates are informed to the stock exchanges within the prescribed timelines, and relevant details of Directors proposed to be appointed or re-appointed are included in the AGM Notice.

Key Board Qualifications, Expertise and Attributes:

The Board is constituted with an optimal combination of Directors possessing diverse educational backgrounds, professional experience, sectoral expertise and core competencies, thereby ensuring an appropriate mix of analytical, strategic and leadership skills required for effective Board oversight and the Company's governance and strategic objectives (as detailed below).

The diversity of the Board, including in terms of experience, perspective, background, ethnicity and gender, facilitates well-informed and balanced decision-making. The Board is committed to continuously enhancing the governance framework of the Company.

The Directors have significant business acumen, industry standing and professional credibility in their respective domains, enabling them to contribute effectively to the Board's deliberations. Basis the recommendations of the Nomination and Remuneration Committee, the Board has identified key skills, expertise and competencies relevant to the Company's business and has mapped the same against individual Directors.

Detailed profile of the Directors is available on the website of the Company.

Name of Director	Skills/Expertise/Competencies identified for the effective functioning of the Company and are currently available with the Board	Other Directorship as on March 31, 2026 in India Equity Listed Entities
Mr. Sanjay Lalbhai	Industrialist, Apparel & Textile Industry domain, Entrepreneur, Board Service & Governance, International business experience covering operations in new geographies, Sales and Marketing including an understanding of consumer markets in India, US and Europe, Strategic Thinking	Arvind Limited
Ms. Amisha Jain	Apparel & Textile Industry domain, Marketing, Finance, Technology, Business Strategy & Corporate Planning	
Mr. Suresh Jayaraman	Apparel & Textile Industry domain, FMCG Industry domain, Marketing, Business Strategy & Corporate Planning	
Mr. Kulin Lalbhai	Industrialist, Apparel & Textile Industry domain, Entrepreneur, Expert in retail technologies and digital transformation, Sales and Marketing including an understanding of consumer markets in India, US and Europe, International Business experience covering operations in new geographies	Arvind SmartSpaces Limited, Zydus Wellness Limited, Arvind Limited, Anup Engineering Limited
Mr. Punit Lalbhai	Expertise in new materials and sustainable technologies, Sales and Marketing, International Business Operations and Innovation Management	Anup Engineering Limited, Arvind Limited, Deepak Nitrite Limited
Mr. Nilesh Shah	Finance & Banking, Asset Management, Capital Markets, Wealth Management, Expertise in macro-economy, Shareholder value creation, General Management and financial management skills including mergers and acquisition, legal and regulatory management	Arvind SmartSpaces Limited
Ms. Ananya Tripathi	Business Strategy, Business Analysis Management Consulting and competitive analysis	
Mr. Nagesh Pinge	Expert in ethics, Corporate Governance, Risk Management, Internal Audit, Finance, Accounts and Corporate Laws	Automobile Corporation of Goa Limited, Arvind Limited, Utkarsh Small Finance Bank Limited, Goa Carbon Limited
Mr. Achal Bakeri	Industrialist, Entrepreneur, Corporate Strategy and people development	Symphony Limited, Nuvoco Vistas Corporation Limited
Mr. Govind Shrikhande	Apparel & Textile Industry domain, Marketing, Finance, Business Strategy & Corporate Planning	Brand Concepts Limited, Donear Industries Limited, V-Mart Retail Limited
Mr. Manoj Nakra	Expertise and experience are in retail and distribution, entrepreneurship, and technology applications	Credo Brands Marketing Limited

Board Meetings:

The Board conducts its meetings at regular intervals in a well-structured manner to deliberate upon key strategic, financial and operational matters, including risk management, governance and regulatory compliance. The scheduling of meetings is undertaken in strict adherence to statutory requirements to ensure effective monitoring and governance. Additional meetings are convened to deal with significant matters.

Board meetings are scheduled as required under the SEBI Listing Regulations, the Act and the rules made thereunder, and as required under business exigencies. During the year, the Board of Directors met 7 (seven) times, i.e., May 17, 2025, July 16, 2025, July 28, 2025, August 11, 2025, November 3, 2025, December 29, 2025 and January 28, 2026. The gap between two consecutive meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by The Institute of Company Secretaries of India.

All meetings were conducted in compliance with applicable laws, and the requisite quorum was present throughout.

Board Procedures

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

The necessary quorum was present for all Board meetings. All material information was circulated to all the Directors before the meeting or placed at the meeting, including the minimum information required to be made available to the Board as prescribed under Part-A of Schedule II of the SEBI Listing Regulations. To enable the Board to discharge its responsibilities effectively and make informed decisions, the Management apprises the Board through a presentation at every Meeting on the Company's overall performance.

Invitees & Proceedings:

Apart from the Board Members, the Company Secretary, the Heads of Brands are invited to attend the Board Meetings. Other Senior Management Executives are called as and when necessary, to provide additional inputs for the matters being discussed by the Board. The CFO makes presentation on the Quarterly and Annual Operating & Financial Performance and on Annual Operating & CapEx Budget. The Managing Director and other Senior Executives make presentations on CapEx proposals & progress, operational health & safety and other business issues.

Representatives of the Statutory Auditors and Internal Auditors are the permanent invitees of the Audit Committee meetings to discuss the areas of Internal Audit as well as highlights of the Financial Performance of the Company.

Support and Role of Company Secretary:

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

Terms of the Board:

The Board composition ensures compliance with statutory requirements relating to retirement by rotation, whereby at least two-thirds of the Directors, excluding Independent and Executive Directors, are liable to retire by rotation, and one-third of such Directors retire at each Annual General Meeting.

Executive Directors are appointed for a term not exceeding five years, in accordance with the provisions of the Act and the terms of their service contracts. Independent Directors are appointed for a tenure of up to five years and are eligible for re-appointment for a subsequent term, subject to applicable legal provisions.

Board Succession Planning:

The NRC plays a vital role in ensuring structured succession planning for the Board, with the objective of maintaining leadership continuity and robust governance. In undertaking this responsibility, it deliberates on factors such as the tenure of existing Directors, anticipated vacancies arising over time, and the evolving strategic and governance requirements of the Company.

Independent Directors:

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

Number of Directorship:

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

Criteria of Independence:

The Independent Directors have confirmed that they meet the criteria of independence laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

Tenure:

None of the Independent Directors have exceeded the tenure prescribed under Regulation 25 of the SEBI Listing Regulations and Section 149(10) of the Act.

Separate Meeting of Independent Director:

During the year under review, the Independent Directors met on March 18, 2026, without the presence of the Non-Independent Directors and members of the management to inter-alia discuss matters pertaining:

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

They expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express views on the Business transacted at the meetings, and the openness with which the Management discussed various subject matters on the agenda of meetings. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at https://www.arvindfashions.com/wp-content/uploads/2026/07/Terms-Conditions_Appointment-of-Independent-Director.pdf

Familiarisation Programme:

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

The details of familiarisation program imparted to Independent Directors is also posted on the Company's Website at https://www.arvindfashions.com/wp-content/uploads/2026/05/Directors-Familiarization-Programs-2018-19-to-2025-26.pdf

Evaluation Criteria for Board, Directors' and Committee Performance:

During the year, the Annual Performance Evaluation was conducted for all Board Members as well as the working of the Board and its Committees. The specific focus of the evaluation process was on the performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Act and the SEBI Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January, 2017. The Board evaluation was conducted through a questionnaire designed with qualitative parameters and feedback based on ratings.

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

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company. The Chairman of the Board in consultation with the Chairman of the NRC have noted the actions taken in improving Board effectiveness based on feedback given by the Directors.

Remuneration Policy and Criteria for making payment to Directors, Senior Management and Key Managerial Personnel:

Remuneration of Executive Directors, Managing Director, Senior Management Personnel and Key Managerial Personnel is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company (if applicable) after considering various factors like balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, Company's performance vis-à-vis the annual achievement, individuals' performance vis-à-vis KRAs/KPIs, Industry benchmark and prevailing HR policies etc.

The remuneration policy is available on Company's website at https://www.arvindfashions.com/corporate-governance/. None of the Non-Executive Directors received remuneration exceeding 50% of the total annual remuneration paid to all Non-Executive Directors for the year ended March 31, 2026.

Directors' Remuneration:

Non-Executive Directors

The remuneration of Non-Executive Directors is determined by the Board and is also approved by the Shareholders in a General Meeting. Non-Executive Directors are paid Sitting Fees of ₹50,000/- for every meeting of the Board of Directors and ₹20,000/- for every meeting of the Committee attended by them. Apart from this, Non-Executive Directors [other than Managing Director and Whole Time Director(s)] are entitled for commission within the limit of 1% of the net profits of the Company per annum or such other amount as may be approved by the Board and Shareholders.

The NRC recommends to the Board the commission payable to Non-Executive Directors taking into account factors such as membership and chairmanship of the Board and Committees, including the strategic role and responsibilities of such Committees, attendance at the Board and Committee meetings, time devoted to any other advisory or strategic matters and any other parameters as may be deemed appropriate by the NRC.

There are no stock options granted to the Directors.

The sitting fees and Commission paid to Non-Executive Directors during FY 2025-26 is given below:

₹ in Lakhs

Name of Director	Sitting Fees paid during FY 2025-26	Commission for FY 2025-26 paid in FY 2026-27
Mr. Sanjay Lalbhai	3.0	5.5
Mr. Kulin Lalbhai	3.9	10
Mr. Punit Lalbhai	3.7	6.5
Mr. Suresh Jayaraman	4.6	7.5
Mr. Nagesh Pinge	4.9	12
Mr. Nilesh Shah	3.7	7.5
Mr. Achal Bakeri	3.6	6.5
Ms. Ananya Tripathi	2.6	7.5
Mr. Govind Shrikhande	3.6	6.5
Mr. Manoj Nakra	3.5	5.5
Total	**37.10**	**75.00**

Except for the payment of sitting fees, commission and reimbursement of expenses incurred in the discharge of their duties, the Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during FY 2025-26.

Executive Directors

The remuneration to the Managing Director & CEO (both former and current) is as per the approval granted by the Nomination & Remuneration Committee, Board and Shareholders of the Company. The remuneration paid to Ms. Amisha Jain (Current MD & CEO of the Company) and Mr. Shailesh Chaturvedi (Former MD & CEO of the Company) on prorata basis during FY 2025-26 is as follows:

(₹ in Crores)

Particulars	Details of Remuneration	
	Ms. Amisha Jain*	Mr. Shailesh Chaturvedi**
Basic Salary	2.33	0.51
Perquisites, Allowances, Performance linked incentives & others	2.95	7.03
Retirals	0.40	1.17
Stock Options***	-	2.57

*Ms. Amisha Jain has been appointed as the MD & CEO of the Company effective from August 13, 2025.
**Mr. Shailesh Chaturvedi resigned from his position as MD & CEO of the Company on September 30, 2025.
***Pursuant to exercise of stock options by Mr. Shailesh Chaturvedi.

3. Committees of the Board:

The Board Committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. Minutes of the proceedings of Committee meetings are circulated to the directors and placed before Board meetings for noting. The Board of Directors has constituted 6 Committees of the Board, viz.

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

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

I. Audit Committee

Composition of the Committee as on March 31, 2026:

The Audit Committee of the Company comprises four (4) members out of which three (3) members are Independent Directors. The Committee members are professionals who have wide exposure, knowledge and experience in the fields of Finance and Accounts, Banking and Management. The terms of reference of the Audit Committee have been drawn up in line with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act. Mr. Nagesh Pinge, Independent Director acts as the Chairman of the Committee and was present at the last AGM of the Company, held on August 26, 2025, to answer shareholder queries in accordance with the provisions of the Act, SEBI Listing Regulations and Secretarial Standards.

Details of Members' participation at the Meetings of the Committee

During the year, five (5) Audit Committee Meetings were held on May 17, 2025, July 28, 2025, November 3, 2025, December 29, 2025 and January 28, 2026. The attendance of each Member of the Committee is given below.

S. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings Attended
1.	Mr. Nagesh Pinge – Independent Director	Chairman	5	5
2.	Mr. Nilesh Shah – Independent Director	Member	5	3
3.	Ms. Ananya Tripathi – Independent Director	Member	5	3
4.	Mr. Suresh Jayaraman – Non-Executive Non-Independent Director	Member	5	3

The gap between the two meetings did not exceed 120 days. The representatives of Internal and Statutory Auditors are invitees to the Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

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

i. Oversight of Company's Financial Reporting process and the disclosure of its Financial Information to ensure that the Financial Statements are correct, sufficient and credible.

ii. Recommendation for appointments, remuneration and terms of appointment of Auditors of Company.

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

iv. Reviewing, with the Management, the Annual Financial Statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

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

v. Reviewing, with the Management, the Quarterly Financial Statements before submission to the Board for approval.

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

vii. Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process.

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

ix. Approval or any subsequent modification of transactions of the Company with related parties.

x. Scrutiny of inter-corporate loans and investments.

xi. Valuation of undertakings or assets of the listed entity, wherever it is necessary.

xii. Evaluation of Internal Financial Controls and Risk Management Systems.

xiii. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems.

xiv. Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

xv. Discussion with Internal Auditors of any significant findings and follow up there on.

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

xvii. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

xviii. To investigate the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and creditors.

xix. To review the functioning of the Whistle Blower Mechanism.

xx. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc.of the candidate.

xxi. Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

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

xxiii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders and

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

Audit Committee mandatorily reviews the following information:

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

b. Management letters/letters of internal control weaknesses issued by the Statutory Auditors of Company.

c. Internal Audit Reports relating to internal control weaknesses.

d. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

e. Statement of deviations:

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

II. Nomination and Remuneration Committee

Composition of the Committee as on March 31, 2026:

In terms of Section 178(1) of the Act and Regulation 19 of the SEBI Listing Regulations, the Nomination and Remuneration Committee ("NRC") has been constituted. The NRC of the Company comprises of four (4) Directors viz. Mr. Achal Bakeri, Mr. Nilesh Shah, Mr. Govind Shrikhande and Mr. Suresh Jayaraman - one (1) of them is Non-Executive, Non-Independent Director and other three (3) are Non-Executive Independent Directors.

Details of Members' Participation at the Meetings of the Committee are as under:

During the year under review, 3 (Three) Nomination and Remuneration Committee Meeting was held on July 16, 2025, July 28, 2025 and November 3, 2025. The Chairman of the NRC was present at the last AGM of the Company, held on August 26, 2025, to answer Shareholder queries in accordance with the provisions of the Act, SEBI Listing Regulations and Secretarial Standards. The Attendance of Members at meeting was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings Attended
1	Mr. Nilesh Shah – Independent Director	Chairman	3	2
2.	Mr. Achal Bakeri – Independent Director	Member	3	3
3.	Ms. Govind Shrikhande – Independent Director	Member	3	2
4.	Mr. Suresh Jayaraman	Member	3	3

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

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

ii. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and based on such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such descriptions. For identifying suitable candidates, the Committee may:

- Use the services of external agencies if required.
- Consider candidates from a wide range of backgrounds, having due regard for diversity.
- Consider the commitment of the candidates.

iii. Formulation of criteria for evaluation of Independent Directors and the Board

iv. Devising a policy on Board diversity

v. Identify people who qualify to become directors or who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

vi. Specify the manner for effective evaluation of performance of Board, its committees and Individuals Directors to be carried out either by the Board, the Nomination and Remuneration Committee or an Independent external agency and review its implementation and compliance.

vii. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors and

viii. Recommend to the Board all remuneration, in whatever form, payable to senior management.

III. Stakeholders' Relationship Committee

Composition of the Committee as on March 31, 2026:

The Board of Directors of the Company has constituted the Stakeholders' Relationship Committee ("SRC") in compliance with the provisions of Section 178(5) of the Act and Regulation 20 of the SEBI Listing Regulations. The SRC of the Company comprises four (4) Directors out of which two (2) are Non-Executive Independent Directors, one (1) is Non-Executive Non-Independent Directors and one (1) is Executive Director.

During the year, the Board of Directors, in their meeting held on November 3, 2025, had re-constituted Stakeholder Relationship Committee by way of inclusion of Ms. Amisha Jain (DIN 05114264), MD & CEO of the Company as a member of the Stakeholder Relationship Committee with immediate effect.

Details of Members' participation at the Meetings of the Committee are as under:

During the year, one (1) SRC Meeting was held on May 17, 2025. The Attendance of Members at the meeting was under:

S. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings Attended
1.	Mr. Kulin Lalbhai – Vice Chairman and Non-Executive Director	Chairman	1	1
2.	Mr. Nilesh Shah – Independent Director	Member	1	0
3.	Ms. Amisha Jain – Executive Director*	Member	1	0
4.	Mr. Govind Shrikhande – Independent Director	Member	1	1

*Ms. Amisha Jain became the member of the SRC Committee effective from November 3, 2025.

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

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

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

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

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

Name and Designation of Compliance Officer:

Ms. Lipi Jha

Company Secretary

IV. Risk Management Committee

Composition of the Committee as on March 31, 2026

The Board of Directors of the Company has constituted the Risk Management Committee ("RMC") in compliance with the Regulation 21 of the SEBI Listing Regulations. The RMC of the Company comprises five (5) Directors out of which three (3) are Independent Directors, one (1) is Non-Executive Non-Independent Directors and one (1) is Executive Director .

During the year, the Board of Directors, in their meeting held on November 3, 2025, had re-constituted Risk Management Committee by way of appointing Ms. Amisha Jain (DIN 05114264), MD & CEO as a member of the Committee with immediate effect. Mr. Shailesh Chaturvedi, former MD & CEO resigned from the position of member of RMC Committee as on September 30, 2025.

Details of Members' participation at the Meetings of the Committee are as under:

During the year under review, the RMC met two (2) times on August 19, 2025 & January 28, 2026 and the Attendance of Members at the meeting was under:

S. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings Attended
1.	Mr. Nagesh Pinge – Independent Director	Chairman	2	2
2.	Mr. Suresh Jayaraman – Non-Executive Non-Independent Director	Member	2	2
3.	Ms. Amisha Jain – Executive Director*	Member	2	1
4.	Ms. Ananya Tripathi – Independent Director	Member	2	0
5.	Mr. Nilesh Shah – Independent Director	Member	2	1
6.	Mr. Shailesh Chaturvedi** - Former Executive Director	Member	2	0

*Ms. Amisha Jain became a member of the Committee on November 3, 2025.

**Mr. Shailesh Chaturvedi resigned from membership of committee as on September 30, 2025

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

a) To formulate a detailed risk management policy which shall include;

   1. A framework for the identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   2. Measures for risk mitigation including systems and processes for internal control of identified risks.

   3. Business continuity plan.

b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

V. Corporate Social Responsibility Committee

Composition of the Committee as on March 31, 2026

The Company has in place a Corporate Social Responsibility (CSR) Committee in line with the provisions of Section 135 of the Act to recommend the amount of expenditure to be incurred on the activities prescribed as per the approved policy and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Committee comprises three (3) Directors out of which two (2) are Non-Executive Non-Independent Director and one (1) is Independent Director.

Details of Members' participation at the Meetings of the Committee are as under:

During the year under review, the CSR committee met one (1) time on May 17, 2025 and the Attendance of Members at the Meeting was under:

S. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings Attended
1.	Mr. Kulin Lalbhai – Non-Executive Non-Independent Director	Chairman	1	1
2.	Mr. Punit Lalbhai – Non-Executive Non-Independent Director	Member	1	1
3.	Mr. Nilesh Shah – Independent Director	Member	1	0

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

a. Formulate and Recommend to the Board, a CSR Policy indicating the activities to be undertaken by Company as specified in Schedule VII of the Act;

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

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

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

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

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

The Company Secretary acts as Secretary to the CSR Committee.

VI. Committee of Directors

Composition of the Committee as on March 31, 2026

The Board of Directors has re-constituted the Committee of Directors in its meeting held on November 3, 2025, by way of appointing Ms. Amisha Jain (DIN 05114264), MD & CEO as a member of the Committee with immediate effect. Hence, Committee of Directors comprises of five (5) Directors out of which four (4) are non-executive non-independent and one (1) is Executive Director.

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

Details of Members' participation at the Meetings of the Committee are as under:

During the year, nineteen (19) Committee of Directors Meetings were held on various dates. The Attendance of Members at meetings was as under:

S. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings Attended
1.	Mr. Kulin Lalbhai – Non-Executive Non-Independent Director	Member	19	18
2.	Mr. Punit Lalbhai – Non-Executive Non-Independent Director	Member	19	19
3.	Mr. Sanjay Lalbhai – Non-Executive Non-Independent Director	Member	19	19
4.	Mr. Suresh Jayaraman - Non-Executive Non-Independent Director	Member	19	1
5.	Ms. Amisha Jain – Executive Director*	Member	19	1
6.	Mr. Shailesh Chaturvedi – Former Executive Director**	Member	19	1

*Ms. Amisha Jain became a member of the Committee on November 3, 2025.
**Mr. Shailesh Chaturvedi resigned from membership of the Committee as on September 30, 2025

4. Particulars of Key Managerial Personnel and Senior Management and changes since the last Financial Year

Details of the Senior Management Personnel as on March 31, 2026, as defined under Regulation 16(1)(d) of SEBI Listing Regulations are as follows:

S. No.	Name	Designation
1.	Mr. Amitabh Suri	CEO – USPA & Flying Machine
2.	Mr. Nitesh Kumar Kanchan	CEO- Arrow
3.	Mr. Saikot Das	Chief Brand & Strategy Officer
4.	Mr. Anurag Pandey	CEO – Footwear Division
5.	Mr. Rajat Arora	Chief Supply Chain Officer**
6.	Mr. Lal Sudhakaran	Chief Sourcing Officer
7.	Mr. Girdhar Kumar Chitlangia	Chief Financial Officer
8.	Ms. Lipi Jha	Company Secretary
9.	Mr. Rohith Kumar A	Chief Human Resource Officer*
10.	Ms. Lakshmi Krishnan	Chief Human Resource Officer***

During the period under review, following changes took place –

- **Resignation** - Mr. Mallikaarjun Yarabolu, Chief Revenue Officer and Mr. Anand Aiyer – Arrow Brand CEO - resigned from the Company and therefore, ceased to be part of Senior Management Personnel.

  *Mr. Rohith Kumar, Chief Human Resource Officer resigned from the Company on April 30, 2026.

  **Mr. Rajat Arora, Chief Supply Chain Officer, Officer resigned from the Company on May 22, 2026.

- **Appointment** - Mr. Saikot Das has been appointed as Chief Brand & Strategy Officer on August 19, 2025, and designated as Senior Management Personnel of the Company.

  ***Ms. Lakshmi Krishnan has been appointed as the Chief Human Resource Officer of the Company on May 25, 2026.

5. Code of Conduct for Directors and Senior Management Personnel:

In terms of the provisions of the SEBI Listing Regulations, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company at https://www.arvindfashions.com/corporate-governance/. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct.

The Chairman and Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct.

6. Prohibition of Insider Trading Code:

The Company has adopted codes viz. "Code of Conduct for Prohibition of Insider Trading" and the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information" in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), as amended from time to time.

The Code is applicable to Promoters, members of the Promoters' Group, all Directors and such Designated Persons and their immediate relatives who are expected to have access to unpublished price-sensitive information relating to the Company. The Chief Financial Officer is the Compliance Officer and is responsible for the implementation of the Code and monitoring adherence to the said PIT Regulations. The Code allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

Further, the details of the trading by Designated Persons are placed before the Audit Committee on a quarterly basis.

7. Whistle Blower Policy:

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

The Company has a Whistleblower Policy (WB Policy) that provides a framework and avenue for all Directors, Employees, Business Associates and other Stakeholders which are a part of the business ecosystem of the Company for reporting, in good faith, instances of unethical/improper conduct in the Company and commitment in adhering to the standards of ethical, moral and fair business practices, if any. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

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

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

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

Toll Free No.: 1800 200 8301

Dedicated Email ID: arvind@ethicshelpline.in

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

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

8. Related Party Transactions:

The Company has a Policy on Related Party Transactions ('RPT Policy'), which is disclosed on the website of the Company at https://www.arvindfashions.com/wp-content/uploads/2026/05/RPT-Policy-06052026-.pdf As a process, all Related Party Transactions that are in the ordinary course of business, on arm's length basis and repetitive in nature are approved as part of omnibus approval by the Audit Committee.

This approval also applies to unforeseen transactions, as long as they are in line with the Company's RPT Policy and within prescribed limits.

The RPTs entered by the Company are reviewed by the Audit Committee on a quarterly/annual basis. All the material Related Party Transactions are subject to approval by the Shareholders as per the RPT Policy. Transactions with Related Parties are disclosed in the Financial Statements. During FY 2025-26, there were no Related Party Transactions that had potential conflict with the interests of the Company at large.

9. Subsidiary Companies:

The Company has a Policy for Determining Material Subsidiaries, which is disclosed on the website of the Company at https://www.arvindfashions.com/wp-content/uploads/2026/05/Policy-on-Material-Subsidiary-06052026.pdf.

The Audit Committee of the Company reviews the Financial Statements, particularly, the investments made by the Company's unlisted subsidiary companies.

The minutes of the Board Meetings of the Subsidiary Companies along with significant transactions and arrangements entered into by the Subsidiary Companies are periodically placed before the Board of Directors of the Company.

The Company has following material subsidiary as on March 31, 2026.

S. No.	Name of Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of Statutory Auditors	Date of Appointment of Statutory Auditors
1.	Arvind Lifestyle Brands Limited	February 13, 1995	Ahmedabad	Deloitte Haskins & Sells#	September 30, 2021

#Board has approved the re-appointment of M/s. Deloitte Haskins & Sells on May 6, 2026 for the 2nd term of five consecutive years subject to the approval of the members of the Company at the ensuing AGM.

10. Regulatory Compliance Monitoring Systems:

The Company has a Compliance tool management and dedicated compliance team to oversee the timely compliance with the applicable regulatory requirements. Statutory Compliance Monitoring Tool has been implemented to facilitate compliance monitoring and tracking of all the regulatory compliances. The system also generates functional compliance reports at a regular frequency for assurance to the Audit Committee.

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

The details of stock options granted to the eligible employees and directors under Arvind Fashions Limited – Employee Stock Option Scheme 2016 (ESOS-2016), Arvind Fashions Limited – Employee Stock Option Scheme 2018 (ESOS-2018), Arvind Fashions Limited – Employee Stock Option Scheme 2022 (ESOS-2022) and Arvind Fashions Limited – Employee Stock Option Scheme 2025 (ESOS-2025) are provided in the Directors' Report of the Company.

Please refer to Point no. 8 of Directors' Report for Employee Stock Option Scheme.

12. Information on General Meeting

Annual General Meeting (AGM):

The details of AGMs convened during the last three (3) years are as follows:

Date	Time	Venue
August 26, 2025	11:00 A.M.	The Registered Office was deemed venue of the meeting as the meeting was held through Video Conference (VC)/Other Audio Visual Means (OAVM)
August 19, 2024	11:00 A.M.	The Registered Office was deemed venue of the meeting as the meeting was held through Video Conference (VC)/Other Audio Visual Means (OAVM)
September 12, 2023	11:00 A.M.	The Registered Office was deemed venue of the meeting as the meeting was held through Video Conference (VC)/Other Audio Visual Means (OAVM)

Special Resolution passed in the last 3 Annual General Meetings:

Financial Year	Details of Special Resolution
2024-25	1. To appoint Ms. Amisha Jain (DIN 05114264) as Managing Director & CEO of the Company, to hold office for a period of 5 consecutive years with effect from August 13, 2025 up to August 12, 2030 and be paid remuneration by way of salary, perquisites, benefits and allowances, performance incentive etc. as detailed in the Explanatory Statement annexed to the notice, pursuant to Section 102(1) of the Companies Act. 2. To create, offer, issue and allot at any time in one or more tranches to permanent employees of the Company, such number of stock options exercisable into not more than 27,00,000 (Twenty-Seven Lakhs only) equity shares of the Company of face value of ₹4 each, under one or more Employee Stock Option Schemes of the Company. 3. To create, offer, issue and allot at any time in one or more tranches to permanent employees of the subsidiaries of the Company, such number of stock options exercisable into not more than 27,00,000 (Twenty-Seven Lakhs only) equity shares of the Company of face value of ₹4 each, under one or more Employee Stock Option Schemes of the Company.
2023-24	NIL
2022-23	1. Special Resolution for approving payment of the Commission to the Non-Executive Directors of the Company. 2. Special Resolution to revise the overall remuneration payable to Mr. Shailesh Chaturvedi (DIN: 03023079), Managing Director & CEO of the Company. 3. Special Resolution to re-appoint Mr. Nagesh Pinge (DIN: 00062900) as an Independent Director of the Company. 4. Special Resolution to re-appoint Mr. Achal Bakeri (DIN: 00397573) as an Independent Director of the Company.

Extra-Ordinary General Meeting (EGM):

Apart from the Annual General Meeting, no other General Meeting was held during the Financial Year 2025-26.

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

During the year, the Company has passed the below resolutions through Postal Ballot on March 11, 2026

I. To approve administration of 'Arvind Fashions Limited - Employee Stock Option Scheme 2025' through an irrevocable employee welfare trust

II. To approve secondary acquisition of shares through Trust route for the implementation of 'Arvind Fashions Limited - Employee Stock Option Scheme 2025'

III. To approve administration of 'Arvind Fashions Limited - Employee Stock Option Scheme 2022' through an irrevocable employee welfare trust

IV. To approve secondary acquisition of shares through Trust route for the implementation of 'Arvind Fashions Limited - Employee Stock Option Scheme 2022'

V. To approve administration of 'Arvind Fashions Limited - Employee Stock Option Scheme 2016' through an irrevocable Employee Welfare Trust

VI. To approve secondary acquisition of shares through Trust route for the implementation of 'Arvind Fashions Limited - Employee Stock Option Scheme 2016'

VII. To approve provision of money by the Company to acquire its own shares by Trust under the 'Arvind Fashions Limited - Employee Stock Option Scheme 2025','Arvind Fashions Limited - Employee Stock Option Scheme 2022' and 'Arvind Fashions Limited - Employee Stock Option Scheme 2016'("Schemes")

Procedure for Postal Ballot:

The Postal Ballot is carried out in compliance with Regulation 44 of the SEBI Listing Regulations and as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with various circulars issued by the Ministry of Corporate Affairs. The Postal Ballot notice was dispatched containing resolution together with the explanatory statement and remote e-Voting instructions through electronic mode to all those members whose e-mail address were registered with the Company/Registrar and Share Transfer Agent ("RTA") or Depository/Depository Participants and whose names appeared in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories.

The Company engages National Securities Depository Limited for providing e-Voting facility to all its members, to enable them to cast their votes electronically. In terms of relaxation provided by the Ministry of Corporate Affairs, only e-Voting facility was provided, and physical ballot papers were not provided to the members. The Company had also published notices in the newspapers about the Postal Ballot and the process as required under the Act and applicable rules.

The Board of Directors appoints scrutiniser as required under the Act for conducting the Postal Ballot through remote e-Voting process in a fair and transparent manner. The consolidated results of the voting were submitted by the scrutiniser to the Company Secretary within the period specified in the Postal Ballot notice and the same was simultaneously submitted with the stock exchanges and displayed on the Company's website at https://www.arvindfashions.com/corporate-governance/ and NSDL at www.evoting.nsdl.com.

13. Means of Communication

The quarterly, half-yearly and yearly Financial Results are published in the Financial Express - All India Editions and Financial Express - Gujarati Edition of Ahmedabad. The quarterly/half-yearly, and yearly results are also uploaded on NSE's Electronic Application Processing System (NEAPS) and BSE Listing Centre and are also uploaded on the Company's website at www.arvindfashions.com.

The Company hosts the quarterly earnings call after the release of its quarterly, half-yearly and yearly results along with a discussion on the performance of the business which was well attended by the analysts and investors. This is followed by a question-and-answer session such that whosoever has a question for the Management can raise it in the forum. Transcripts of the conference calls are also made available on the Company's website. Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors. Presentations made to institutional Investors/Analysts are posted on the Company's website at https://www.arvindfashions.com/analyst-coverage/.

The Company's website contains a separate dedicated section on 'Investor Relations' that keeps the Investors Updated on the key and material developments of the Company. It contains comprehensive database of information for the Investors including the Financial Results, Annual Reports of the Company, presentations made to Institutional Investors or to the Analyst, business activities and the services rendered/facilities extended by the Company to our Investors, in a user-friendly manner. The basic information about the Company as required in terms of Listing Regulations is also provided on the Company's website, and the same is updated regularly.

NSE's Electronic Application Processing System (NEAPS') and BSE Listing Centre ('Listing Centre'') is a web-based system designed by NSE and BSE for corporates. The shareholding pattern, Corporate Governance report, corporate announcements, Financial Results and other event-based updates/announcements, etc. are also filed electronically on NEAPS and Listing Centre, which can be accessed at www.nseindia.com and www.bseindia.com.

The investors' complaints are also being processed through the centralized web-based complaint redressal system. The salient features of SCORES are the availability of a centralized database of complaints, uploading online Action Taken Reports (ATRs) by the Company. Through SCORES, the investors can view online the actions taken and the status of the complaints.

14. Interaction with Institutional Investors and Analysts

The Managing Director and the Chief Financial Officer of the Company periodically meet and interact with the Analysts and Institutional Investors as and when requested. The schedule of such meetings is disseminated to the stock exchanges in compliance with the SEBI Listing Regulations and is also made available on the website of the Company at https://www.arvindfashions.com/overview/ No price sensitive information is disclosed by the Company officials during such interactions.

15. General Shareholder Information

I. Annual General Meeting:

Date & Time	August 19, 2026, 2:30 P.M
Venue	Through VC/OAVM
Record Date for dividend	August 7, 2026
Remote E-Voting Period	9 A.M - August 16, 2026 till 5 P.M August 18, 2026
Dividend Payment Date	Dividend shall be paid within 30 days of the AGM date

- **Equity Shares-**

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

- **Non-Convertible Debentures-**

None

Scrip Code – Not Applicable

Debenture Trustee – Not Applicable

The Company has paid Annual Listing Fees for the year 2025-26 to the above Stock Exchanges.

III. Credit Rating:

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

IV. Category wise Shareholding as on March 31, 2026:

Category	Number of Shares	percentage (%) of shareholding
Promoters and Promoter Group	46907667	35.10
Mutual Funds	25257290	18.90
Financial Institutions, Banks, Insurance Companies, Alternative Investment Funds & Central/State Government	7666988	5.74
Foreign Portfolio Investors, Foreign Institutional Investors, NRIs, Foreign Banks, Foreign Nationals	17277322	12.93
NBFCs registered with RBI	2030	0.00
Bodies Corporate	5477590	4.10
Individuals (Including partly paid-up)	29784395	22.28
Trusts	16881	0.01
Hindu Undivided Family	1002534	0.75
Clearing Members	261540	0.20
Overseas Bodies Corporate	752	0.00
Total Shareholding	**133654989**	**100**

V. Distribution of Shareholding as on March 31, 2026:

S. No.	Share Range			Number of Shareholder	Total Shares for the range	% of Issue Capital
1.	1	to	500	171699	7956406	5.9540
2.	501	to	1000	4302	3069090	2.2967
3.	1001	to	2000	1960	2837375	2.1233
4.	2001	to	3000	612	1527869	1.1434
5.	3001	to	4000	332	1176114	0.8801
6.	4001	to	5000	185	852648	0.6381
7.	5001	to	10000	386	2792368	2.0896
8.	10001	to	*********	547	113418430	84.8749
Total				**180022**	**133630300**	**100.00**

*Excluding 24,689 partly paid up equity shares.

VI. Share Transfer System:

Delegation of Share Transfer Formalities:

As mandated by SEBI, securities of the Company can be transferred/traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialised. During the year, the Company obtained a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange and deletion of names were issued as required under Regulation 40(9) of the SEBI (LODR) Regulations 2015. The Certificate was duly filed with the Stock Exchange. The Stakeholders Relationship Committee meet as and when required to, inter alia, consider the issue of duplicate share certificates and attend to Shareholder's grievances etc.

Share Transfer Details for the period from April 1, 2025, to March 31, 2026:

Transactions	Physical
Number of Transfers	29
Average Number of Transfers per month	2.41
Number of Shares Transferred	425
Average Number of Shares Transferred per month	35.41
No. of Pending Share Transfers	0

VII. Investors' Grievances:

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

Details of Complaints/Queries received and redressed during the year are as follows:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
1	15	16	0

All the complaints/queries have been redressed to the satisfaction of the complainants and one complaint/query was pending at the end of the year.

VIII. Dematerialisation of Shares and Liquidity:

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on March 31, 2026, 13,31,99,912 shares representing 99.67% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form.

Demat ISIN:

Equity Shares fully paid: INE955V01021

IX. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments and Conversion Date and likely Impact on Equity:

The company has not issued any GDRs/ADRs/Warrants or any convertible instruments, hence this is not applicable.

X. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company does not engage in commodity trading, hedging activities.

Forex Risk:

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

XI. Plant Locations:

The Company does not have any manufacturing plants.

XII. Unclaimed Dividend:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to an unpaid dividend account shall also be transferred to the IEPF Authority.

XIII. Transfer of Unclaimed Dividend to the IEPF:

Year	Dividend	Date of Declaration	Due Date for transfer to IEPF
2022-23	Final Dividend	September 12, 2023	October 19, 2030
2023-24	Final Dividend	August 19, 2024	September 26, 2031
2024-25	Final Dividend	August 25, 2025	October 01, 2032

Nomination Facility:

Shareholders holding shares in physical form desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act are requested to submit the prescribed Form SH-13 for this purpose. Shareholders can access the desired form from the website of the Company at https://www.arvindfashions.com/wp-content/uploads/2022/01/Form-No.-SH-13-Registration-of-Nomination.pdf or alternatively may an e-mail write to the Company at investor.relations@arvindfashions.com.

XIV. Transfer of Equity Shares to Unclaimed Suspense Account and Suspense Escrow Demat Account:

The Company had opened a Suspense Escrow Demat Account with the Depository Participants for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of Confirmation to the Shareholders in lieu of physical share certificates to enable them to make a request to DP for dematerialising their shares. The unclaimed share certificates as detailed below have been transferred to the Suspense Escrow Demat Account of the Company, during the year. The Company has also released the shares to certain claimants in dematerialised form basis application made by them.

Below are the details of share transferred to the Shareholders from Escrow Account during the FY 2025-26:

Opening Balance	Shares Transferred to Escrow Account during the year	Shares Transferred to the Shareholders	Closing Balance
142	149	107	184

XV. Registrar and Transfer Agent:

MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)
5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1),
Beside Gala Business Centre (GBC), Near St. Xavier's College Corner,
Off. C. G. Road, Ellisbridge, Ahmedabad-380006.
Phone Nos. 079-26465179/86/87
E-mail: investors.helpsdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

XVI. Address for Correspondence:

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

Arvind Fashions Limited Secretarial Department Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 382345. Phone Nos: 079-68268000/68268108-09 E-mail: investor.relations@arvindfashions.com Website: www.arvindfashions.com	MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) 5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre (GBC), Near St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad - 380006. Phone No. 079-26465179/86/87 Fax No. 079-26465179 E-mail: investors.helpdesk@in.mpms.mufg.com Website: www.in.mpms.mufg.com

XVII. Certification from Company Secretary in Practice:

- Mr. N. V. Kathiria, Proprietor of M/s. N. V. Kathiria & Associates, Practicing Company Secretaries, have conducted the Secretarial Audit of the Company for FY 2025-26. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made thereunder, the SEBI Listing Regulations, other applicable SEBI Regulations, Secretarial Standards and other laws applicable to the Company. The Secretarial Audit Report forms part of te Directors' Report.
- In accordance with Regulation 24 A of the SEBI Listing Regulations, the Company has obtained Secretarial Compliance Report from M/s. N. V. Kathiria & Associates, Practicing Company Secretaries confirming compliances with all appliable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2026.
- We have also obtained a certificate from M/s. N. V. Kathiria & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any such statutory authority.

16. OTHER DISCLOSURES

I. There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management or their relatives or subsidiaries etc. that had potential conflict with the Company's interest at large or which warrants the approval of the Shareholders. Suitable disclosure as required by the Indian Accounting Standard has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's Website at https://www.arvindfashions.com/wp-content/uploads/2026/05/RPT-Policy-06052026-.pdf

II. Transactions with related parties are disclosed in detail in "Notes forming part of the Accounts" annexed to the Financial Statements for the year. There were no related party transactions having potential conflict with the interests of the Company at large.

III. Loans and advances in the nature of loans to firms/companies in which Directors are interested by the Company and its subsidiaries is NIL.

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

V. The Company is in full compliance with the matters related to capital market and that no Strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Security Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

VI. The Company has formed the policy for determining material subsidiaries as required by Regulation 16 of the SEBI Listing Regulations, and the same is disclosed on the Company's website. The Web link is https://www.arvindfashions.com/wp-content/uploads/2026/05/Policy-on-Material-Subsidiary-06052026.pdf

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings and the same is uploaded on the website of the Company at https://www.arvindfashions.com/financial-reports/.

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

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

VIII. Complaints pertaining to Sexual Harassment:

The details of the complaints received during the financial year under review are as follows:

S. No.	Particulars	Number of Complaints
1.	Complaints filed during the Financial Year	0
2.	Complaints disposed off during the Financial Year	0
3.	Complaints pending as on end of the Financial Year	0

IX. Details of Total Fees Paid to Statutory Auditors:

Details relating to fees paid to the Statutory Auditors are given in Note 23(a) to the Standalone Financial Statements and Note 23(a)of the Consolidated Financial Statements.

X. Disclosure of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation 92) of Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirements), 2015:

Regulation No.	Particulars	Compliance Status
17.	Board of Directors	Yes
18.	Audit Committee	Yes
19.	Nomination and Remuneration Committee	Yes
20.	Stakeholders Relationship Committee	Yes
21.	Risk Management Committee	Yes
22.	Vigil Mechanism	Yes
23.	Related Party Transactions	Yes
24.	Corporate Governance Requirements with respect to subsidiary of the Company	Yes
25.	Obligations with respect to Independent Directors	Yes
26.	Obligations with respect to Directors and Senior Management	Yes
27.	Other Corporate Governance requirements	Yes
46(2)(b)	Website	Yes

XI. CEO/CFO Certification:

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

XII. Disclosure of certain types of agreements binding listed entities:

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

XIII. Details of Compliance with Mandatory Requirements and Adoption of the Non-Mandatory Requirements:

- During the year, the Company has fully complied with the mandatory requirements as stipulated under SEBI Listing Regulations.
- The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI Listing Regulations, is provided below:

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

ii. **Shareholder Rights:** Half-yearly and other quarterly Financial Statements are published in newspapers but the same are not being sent to the shareholders.

iii. **Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified Financial Statement. Auditors have raised no qualification on the Financial Statements.

iv. **Separate posts of Chairperson and Chief Executive Officer:** Mr. Sanjay S. Lalbhai is the Chairman and Ms. Amisha Jain is the Managing Director & CEO of the Company.

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

The above Report was placed before the Board at its meeting held on May 06, 2026, and the same was approved.

For and on behalf of the Board

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329

Place: Ahmedabad
Date: May 6, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN: 05114264

Place: Bangalore
Date: May 6, 2026

CEO/CFO Certification

To
The Board of Directors,
Arvind Fashions Limited,

Re: Financial Statements for the year 2025-26

We, Amisha Hemchand Jain, Managing Director & CEO and Girdhar Kumar Chitlangia, Chief Financial Officer of Arvind Fashions Limited, hereby certify to the Board that:

A. We have reviewed Financial Statements and the cash flow statement for the year ended March 31, 2026 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

C. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee

1. Significant changes in internal control over Financial Reporting during the year.
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company’s internal control system over Financial Reporting.

Amisha Hemchand Jain
Managing Director and CEO
DIN: 05114264

Place: Bangalore
Date: May 6, 2026

Girdhar Kumar Chitlangia
Chief Financial Officer

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

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

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2026.

Place: Bangalore
Date: May 6, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN: 05114264

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of
Arvind Fashions Limited

We, N. V. Kathiria & Associates, Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para–C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**).

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

Our examination was limited to a review of the procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para–C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended on March 31, 2026.

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

Date: May 6, 2026

For, N. V. KATHIRIA & ASSOCIATES
Company Secretaries
N.V KATHIRIA
PROPRIETOR
FCS 4573, COP 3278
PR Cert. No. 7661/2026
UDIN: F004573H000372072

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Arvind Fashions Limited
Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad- 382345. (Gujarat)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Arvind Fashions Limited** having **CIN: L52399GJ2016PLC085595** and having registered office at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad- 382345 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Sanjaybhai Shrenikbhai Lalbhai	00008329	February 7, 2017
2.	Mr. Nagesh Dinkar Pinge	00062900	October 10, 2018
3.	Mr. Achal Anil Bakeri	00397573	October 10, 2018
4.	Mr. Nilesh Dhirajlal Shah	01711720	February 7, 2017
5.	Ms. Amisha Hemchand Jain	05114264	August 13, 2025
6.	Mr. Suresh Jayaraman	03033110	August 1, 2018
7.	Mr. Punit Sanjay Lalbhai	05125502	April 2, 2019
8.	Mr. Kulin Sanjay Lalbhai	05206878	February 7, 2017
9.	Mr. Manoj Nakra	08566768	July 1, 2022
10.	Ms. Ananya Tripathi	08102039	March 14, 2023
11.	Mr. Govind Shridhar Shrikhande	00029419	October 9, 2023

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date: May 6, 2026

For, N.V. KATHIRIA & ASSOCIATES
Company Secretaries
N.V KATHIRIA
PROPRIETOR
FCS 4573, COP 3278
PR Cert. No. 7661/2026
UDIN: F004573H000372347

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L52399GJ2016PLC085595
2.	Name of the Listed Entity	Arvind Fashions Limited
3.	Year of incorporation	2016
4.	Registered office address	Arvind Limited, Naroda Road, Ahmedabad – 382345, Gujarat, India
5.	Corporate address	Duparc Trinity, Service Road, M G Road, Bangalore – 560001
6.	E-mail	investor.relations@arvindfashions.com
7.	Telephone	080 - 4155 0601
8.	Website	Arvind Fashions - Powering Fashion in India
9.	Financial Year for which reporting is being done	FY2025-26
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE India Limited (Scrip Code: 542484) 2. NSE India Limited (SYMBOL: ARVINDFASN)
11.	Paid-up Capital	₹53.46 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Girdhar Kumar Chitlangia Telephone: +91 – 804048 8814 Email id: girdhar.c@arvindfashions.com investor.relations@arvindfashions.com
13.	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on consolidated basis
	Name of the Subsidiaries/JVs/Associate Companies	**CIN Number**
	Arvind Lifestyle Brands Limited	U64201GJ1995PLC024598
	Arvind Youth Brands Private Limited	U52100GJ2020PTC112995
	Value Fashion Retail Limited	U52609DL2020PLC362661
	PVH Arvind Fashion Private Limited	U52190GJ2011PTC084513
14.	Name of assurance provider	Not Available
15.	Type of assurance obtained	Not Available

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY25)
1	Wholesale and Retail Trading of Ready-Made Garments and Accessories	Wholesale and Retail Trading of Apparel and Non-Apparel Fashion Products (Footwear, Belts, Bags etc.)	100%

17. **Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Wholesale Trading of Fashion Brands	4641	55%
2	Retail Trading of Fashion Brands	4771	45%

III. Operations

18. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	0	7*	7
International	0	0	0

*Note: The Head Office is located in Bangalore, with three Regional Offices situated in Gurgaon, Mumbai, and Kolkata. The Company operates a total of seven warehouses, out of which operational control is maintained over three: Hoskote, Chintamani, and Narasapura. Accordingly, this report covers data from the Head Office, all three Regional Offices, and the three warehouses under operational control.

19. **Markets served by the entity:**

a. **Number of locations**

Locations	Number
National (No. of States/UTs)	28 states and 8 UTs
International (No. of Countries)	12

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

0.72%

c. **A brief on types of customers**

Considering the nature of business, we deal with customers from multiple geographies.

IV. Employees

20. **Details as at the end of Financial Year:**

a. **Employees and Workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1092	796	73%	296	27%
2.	Other than Permanent (E)	6649	5416	81%	1233	19%
3.	**Total employees (D + E)**	7741	6212	80%	1529	20%
WORKERS						
4.	Permanent (F)	NA				
5.	Other than Permanent (G)					
6.	**Total workers (F + G)**					

b. **Differently abled Employees and Workers**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total differently abled employees (D + E)**	0	0	0%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	**Total differently abled workers (F + G)**	0	0	0%	0	0%

21. **Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors (BOD)	11	2	18%
Key Management Personnel (KMP)	3	2	67%

22. **Turnover rate for permanent employees and workers**

	FY2025-26			FY2024-25			FY2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.3%	24.1%	18.6%	21.5%	24.6%	22.3%	25.8%	28.1%	26.3%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) **Names of holding/subsidiary/associate companies/joint ventures**

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by Listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Arvind Lifestyle Brands Limited	Subsidiary	100	Yes
2	Arvind Youth Brands Private Limited	Subsidiary	100	Yes
3	Value Fashion Retail Limited	Subsidiary	100	Yes
4	PVH Arvind Fashion Private Limited	Joint Venture	50	No

VI. CSR Details

24. (i) **Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)** - Yes

(ii) **Turnover (in ₹)** - 710.86 Crores (Standalone) and 5,266.8419 Crores (Consolidated)

(iii) **Net worth (in ₹)** - 2,327.81 Crores (Standalone) and 943.64 Crores (Consolidated)

VII. Transparency and Disclosures Compliances

25. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) If Yes, then provide web-link for grievance redressal policy)	FY2025-26 Current Financial Year			FY2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	https://www.arvindfashions.com/investor-support/	0	0	-	0	0	-
Communities	https://www.arvindfashions.com/contact-us/	0	0	-	0	0	-
Shareholders	https://www.arvindfashions.com/investor-support/	16	1	Subsequently Resolved	14	1	Subsequently Resolved
Employees and workers	https://www.arvindfashions.com/wp-content/uploads/2024/07/Arvind-Equal-Opportunity-Policy.pdf https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf	0	0	-	0	0	-
Customers	https://www.arvindfashions.com/contact-us/	1,10,959	303	Subsequently Resolved	2,07,089	0	-
Value Chain Partners	https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf	0	0	-	0	0	-
Others	https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf	0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	Opportunity and Risk	Risk: While energy contributes to the growth of textiles & apparel industry, resulting emissions are a dampener for environmental health. Increasing demand of textile and apparels in the world, followed by increased production is the cause of higher GHG emissions. Opportunity: Improving upon the energy efficiency and increasing renewable usage will support us in cutting down the energy expenses and achievement of pertinent emission reduction commitments.	Arvind Fashions has developed an energy policy to continually improve the energy performance, flatten the energy demand curve and reduce the carbon footprint. Additionally, Arvind Fashions is focusing on increasing renewable energy uptake in the energy mix.	Positive: Initially there will be additional cost to adopt new technologies, however in the long run it will shield from fossil fuel price increase. Negative: Increased production cost due to change in input prices of fossil fuels.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Water and Wastewater Management	Opportunity and Risk	Risk: Increased water consumption and constrained water supply are among the most critical global risks. Considering Arvind's huge dependency on water for the viability of its operations, it is identified as a material risk. Opportunity: Arvind Fashions has made commitments to reduce their water use; thus, adopting water saving practices will give us an edge.	Arvind Fashions has made commitments to reduce the water consumption in both production and domestic use by using water conservation technologies such as working with the factories whose ETP is ZLD and reducing freshwater consumption by promoting rainwater harvesting.	Positive: Initially there will be additional cost to adopt new technologies. However, in the long run, it will shield from water price and availability issues. Thus, helping maintain a control over the operating expenses. Negative: Increased production cost due to change in input prices of water, driven by water availability and quality issues.
3	Circularity	Opportunity	Focusing on shifting from liner model 'Take > Make > Dispose' to a circular model of 'Make > Use > Return'. For the better use of resources, extend material usage life and also contribute to reducing the generation of associated emissions and waste.	Th organisation has a standard procedure to receive, accept, and process damaged products which are then reused and resold.	Positive
4	Health Safety and Wellbeing	Risk	Failure to identify risk related to employees' welfare can lead to injuries, illness and even fatalities. Consumers and Stakeholders increasingly value ethical and sustainable practices. Failing to address health and safety risks can tarnish the organisation's reputation, leading to decreased consumer trust and loyalty. In a globalised supply chain, risks related to health and safety can affect the entire production process.	Regular training programmes and health check-ups have been conducted for the employees. Heath insurance has been provided to the employees and their dependents. Partnered with third-party vendor to offer discounted diagnostic services to employees. Regularly conduct wellness sessions for the employees by experienced ergonomic specialists from a third-party agency.	Negative: Any fatalities or medical cost will directly have impact on cost.
5	Talent Attraction and Retention	Risk	Inability to retain trained, skilled employees or attract candidates with the right skill set may lead to increase in cost of operations. Talent attraction and retention directly impact an organisation's ability to achieve its goals. High turnover or difficulties in attracting skilled individuals can hinder productivity, innovation, and the overall quality of work delivered.	Industry benchmarking of compensation on annually basis for salaries and benefits. Streamlining of recruitment processes to attract the right candidates and ensure smooth onboarding experiences to enhance retention. Developing robust succession plans and talent management strategies to identify and nurture future leaders within the organisation. Providing clear career paths, continuous learning opportunities, and development programs to engage employees and foster loyalty.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Human Rights	Risk	Violation of human rights triggers conflicts and instability and causes severe risk in the overall reputation on the organisation.	The Company's Code of Conduct and the HR policies and processes adequately address the aspects of human rights.	Negative
7	Data Privacy and Cybersecurity	Risk	In today's world, where entire business operations/activities are largely dependent on the internet or usage of technology, technology failures or cyber attacks can disrupt operations, leading to downtime and loss of productivity. Risks such as data breaches or unauthorised access can compromise sensitive information, resulting in financial loss, legal implications, and damage to reputation. Technology-related risks can also impact customer trust and loyalty.	Regular assessment helps to identify potential technology risks, including cybersecurity threats, system vulnerabilities, compliance gaps, and technological obsolescence. Enhancement of cybersecurity by implementing firewalls, encryption, multi-factor authentication, regular security audits and education of employees about cybersecurity best practices to mitigate human error. Established and maintained robust backup and disaster recovery plans to ensure data integrity and minimise downtime in case of system failures, cyber attacks, or natural disasters.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Corporate Governance - Arvind Fashions Some policies which are meant for internal stakeholders are available at the Company's internal portal.								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	a) Flame penetration test certificate from The Automotive Research Association of India (ARAI) and BIS for Footwear b) IGBC green building certification for FCONSO warehouse, Hoskote.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Arvind Fashions has carried out materiality assessment to arrive at their key material aspects relevant to their business. Future goals and targets on the key material aspects will be set and performance will be monitored								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-								

Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The global apparel industry, while being one of the largest consumer sectors, is also among the most environmentally and socially impactful. As a prominent player in this space, we are deeply conscious of the environmental footprint and social responsibilities associated with our operations and remain committed to advancing sustainability initiatives across our entire value chain. As we conclude FY2025 - 26, AFL has witnessed a period of significant transformation. The industry continues to evolve rapidly within an increasingly fast fashion landscape, where brands are embracing sustainable materials, circular business models such as recycling and resale, and enhanced supply chain transparency to address ESG imperatives. While challenges related to scale and cost remain, our unwavering focus at AFL has been to align with the highest ethical and ESG standards, ensuring that the brands we represent continue to operate at the forefront of responsible business practices. In the area of sustainable sourcing, we have taken meaningful steps to embed circularity and reduce our environmental impact. We have continued our transition towards 100% compostable polybags, while all product labels are now made from recycled polyester, reinforcing our commitment to sustainable materials. Our efforts extend beyond sourcing into our operational practices. During the year, we integrated renewable energy into our operations, consuming and avoiding approximately 86 tCO_2e emissions. We also improved energy efficiency through the implementation of motion sensor lighting, resulting in electricity savings of up to 50% for lighting. Further strengthening our commitment to green infrastructure, our Hoskote warehouse was awarded the prestigious Platinum certification by the Indian Green Building Council (IGBC), recognising excellence in sustainable design and operational practices. We have also continued to advance our responsible sourcing framework. Procurement from MSMEs and small producers increased to 46% in FY 2025–26, up from 38% in the previous year, while we maintained a strong domestic sourcing base, with 75% of procurement originating within India. These efforts reflect our commitment to fostering inclusive growth, supporting local ecosystems, and building a resilient supply chain. As we move forward in our journey towards responsible and sustainable growth, we remain focused on driving continuous improvement, embedding ESG principles at the core of our strategy, and maintaining transparency in our disclosures. Our objective is to create enduring value for our Stakeholders while contributing meaningfully to a cleaner, more sustainable, and resilient future.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Name: Ms. Amisha Jain DIN: 05114264 Designation: Managing Director & CEO
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, the Company has a Board-level, Enterprise Risk Management Committee, which is responsible for decision-making on sustainability related issues and chaired by Non-Independent, Non-Executive Director. The ERM team focuses on environmental and social issues, the impact of such issues on the continuity of the business and way forward to address such issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Committee of the Board									Half-Yearly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Committee of the Board									Half-Yearly								

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	The Company has not carried out assessment/evaluation by an external agency.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)	Not Applicable								
Any other reason (please specify)	Not Applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentages of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	4	1. Updating about scale and operations of the Company 2. Updating on recent changes in the regulatory requirement 3. Updating on the rights and liabilities of the directors in line with the statutory 4. Updating the Board on 5 years' strategy	100%
Key Managerial Personnel (KMPs)	7	1. Arvind Management Essentials 2. Value Workshop 3. DPDP Act Workshop 4. AI Workshop 5. POSH 6. Code of Conduct 7. Insider Trading	100%
Employees other than BoD and KMPs	30	1. Generative AI Tools - Unveiling ChatGPT 2. Advanced Excel 3. Business Story Telling 4. Art of Retailing: Retail Management & Business Acumen 5. Planning & Organizing 6. Power Query 7. Power BI 8. Story Telling with Data 9. Customer Centricity 10. Arrow Team - Xpert Connect on Buying 11. Performance Feedback Workshop 12. Master your Brain to Master Yourself 13. OKR masterclass 14. Legal Metrology Session 15. Adobe Illustrator Phase – 2 16. Influencing & Persuading Skills 17. Arvind Self Development Program 18. BLHP - Basic Lab on Human Processes 19. Digital Transformation Program 20. Business Communication Program for BD Team – Virtual 21. Omni Session 22. Project Management Professional Program 23. VM - Xpert Connect – Arrow 24. Microsoft Copilot Session 25. PMP Bootcamp 26. Arvind Management Essentials 27. Value Workshop 28. DPDP Act Workshop 29. AI Workshop 30. Due Diligence Documentation Process Program	81%
Workers	NA	NA	NA

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
	a. **Monetary**				
Penalty/Fine	-	-	0	-	-
Settlement	-	-	0	-	-
Compounding fee	-	-	0	-	-
	b. **Non-Monetary**				
	NGRBC Principle	Name of the regulatory/enforcement agencies/Judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-		-
Punishment	-	-	-		-

No fines and penalties (monetary or non-monetary) were reported against any Directors and KMPs in the financial year.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
-	-

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Anti-bribery or anti-corruption is a part of the Company's Code of Conduct, whistle blower policy, ethics policy which articulates the group's dedication to conducting business with integrity, adhering to relevant anti-bribery laws and standards. These policies aim to provide clear guidance, ensure compliance with anti-corruption laws, foster an ethical culture, and protect its employees' reputations while minimising the risk of fines and penalties. These policies are applicable universally to all employees of the Company and its group companies. The Company also expects adherence to these principles from its business partners, which include suppliers, service providers, agents, and channel partners (such as dealers and distributors). These policies are available on the website of the Company as well as internal platform created by the Company for the convenient access to all the employees. www.arvindfashions.com/corporate-governance/

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption.**

	FY2024-25 Current Financial Year	FY2023-24 Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

	FY2024-25 Current Financial Year		FY2023-24 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	There are no complaints received in relation to the conflict of interest against Directors and KMPs in the current financial year	0	There are no complaints received in relation to the conflict of interest against Directors and KMPs in the current financial year
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0		0	

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

8. **Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:**

	FY2025-26 Current Financial Year	FY2024-25 Previous Financial Year
Number of days of accounts payables	211 days	199 days

9. **Openness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY2025-26 Current Financial Year	FY2024-25 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	55.47%	53.13%
	b. Number of dealers/distributors to whom sales are made	648	701
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributor	58.17%	57.59%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0.00	0.009
	b. Sales (Sales to related parties/Total Sales)	0.0001	0.002
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties/Total Investments made)	Nil	Nil

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
The Awareness on the AFL Responsible Supply chain is given to all of the vendors who are onboarding as a business partners	Broader topics of Labor Standards, Human Rights, Health and Safety and Unethical practices	100%

2. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, Arvind Fashions has a Code of Conduct for Directors and Senior Management Personnel.

Each Board Member or Senior Management Personnel should endeavor to avoid having his or her private interests interfere with (i) the interests of the Company or (ii) his or her ability to perform his or her duties and responsibilities objectively and effectively. Board Members and Senior Management Personnel should avoid receiving or permitting members of their immediate family to receive, improper personal benefits from the Company including loans from or guarantees of obligations by the Company. A Board Member should make a full disclosure to the entire Board of any transaction or relationship that such a Board Member reasonably expects could give rise to an actual conflict of interest with the Company and seek the Board's authorisation to pursue such transactions or relationships.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY2024-25 Current Financial Year	FY 2023-24 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Not applicable	Not applicable	We do not allocate a separate capital expenditure for R&D; however, research and development are integral to our process when developing trims and products
Capex	Not applicable	Not applicable	

2. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, Arvind Fashions has procedures in place for sustainable sourcing.

b. **If yes, what percentage of inputs were sourced sustainably?**

- 100% of all polybags are 100% compostable.

- 50% of the total thread volume used consists of recycled polyester thread.
- 100% of all labels are made from recycled polyester.
- 50% Hand tags are FSC certified papers.
- 20% of shopping bags are made from textile waste recycle, balance 80% are FSC certified Papers.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

We at Arvind Fashions has framed waste management policy and below are the actions taken to dispose of the waste generated

(a) **Plastic Wastes:** All the plastic wastes generated from the packaging are disposed off to SPCB approved Recycler for recycling.

(b) **E wastes:** All the E wastes (Tube Lights, Computer Scraps) are disposed to SPCB approved Recycler for recycling.

(c) **Hazardous Waste:** NA

(d) **Other Wastes:** Other wastes viz., Carton box wastes, paper wastes are disposed to SPCB approved Recycler for recycling.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Arvind Fashions is registered under EPR regulations, and the plastic wastes are categorised under Compostable and PET.

Arvind Fashions, in association with Arvind Envisol, is engaged in plastic waste recycling across India. During the previous financial year (FY2024–25), a total of 334 metric tonnes (MT) of plastic waste was collected and recycled, fulfilling the Extended Producer Responsibility (EPR) obligations. For the current financial year (FY2025–26), the annual EPR target stands at 309 MT.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
No LCA was carried out for the reporting year					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
No LCA was carried out for the reporting year		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY2025-26 Current Financial Year	FY2024-25 Previous Financial Year
Recycled Polybag	100% of all polybags are compostable	100% of all polybags are compostable
Recycled Polyester Thread	50% of total thread volume	50% of total thread volume
Recycled Labels	100% of all labels are made of recycled polyester	100% of all labels are made of recycled polyester
FSC Certified papers	50% of all the Handtags 80% of all the Shopping bags	-
Textile waste recycle	20% of all the shopping bags	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY2025-26 (Current Financial Year)			FY2025-26 (Previous Financial Year)		
	Re-Used	Recycled	Safely disposed	Re-Used	Recycled	Safely disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	796	796	100%	796	100%	0	0%	796	100%	563	71%
Female	296	296	100%	296	100%	296	100%	0	0%	124	42%
Total	1092	1092	100%	1092	100%	296	27%	796	73%	687	63%
Other than Permanent employees											
Male	5416	5416	100%	5416	100%	0	0%	5416	100%	0	0%
Female	1233	1233	100%	1233	100%	1233	100%	0	0%	0	0%
Total	6649	6649	100%	6649	100%	1233	19 %	5416	81%	0	0%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	Not Applicable										
Female											
Total											
Other than Permanent workers											
Male	Not Applicable										
Female											
Total											

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format**

	FY2025-26 Current Financial Year	FY2024-25 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the Company	0.11%	0.35%

2. Details of retirement benefits.

Benefits	FY2025-26 Current Financial Year			FY2024-25 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers Covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI	100%	NA	Yes	100%	NA	Yes
Other	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the offices of the Company are accessible to diffferently-abled employees and workers in line with Rights of Persons with Disabilities Act, 2016. The installed features include ramps and lift facilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Arvind Fashions Limited ensures that the employees are treated fairly and with equality, regardless of their race, sex, or disability. All the employees have equal chance to apply for any internal job postings or promotions, and training opportunities at the workplace.

The policy is available internally at https://brands.onearvind.com/

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	90%	NA	NA
Female	100%	85%	NA	NA
Total	100%	87%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Arvind Fashions has a grievance mechanism and link to the website is given below: Whistleblower policy (arvindfashions.com)	
Other than Permanent Workers		
Permanent Employees		
Other than Permanent Employees		

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY2025-26 Current Financial Year			FY2024-25 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	NA	NA	0%	NA	NA	0%
Male	NA	NA	0%	NA	NA	0%
Female	NA	NA	0%	NA	NA	0%
Total Permanent Workers	NA	NA	0%	NA	NA	0%
Male	NA	NA	0%	NA	NA	0%
Female	NA	NA	0%	NA	NA	0%

8. Details of training given to employees and workers:

Category	FY2025-26 Current Financial Year					FY2024-25 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	796	402	50.50%	636	80%	795	485	61.01%	299	37.61%
Female	296	155	52.36%	253	85%	284	161	56.69%	130	45.77%
Total	1092	557	51%	881	81%	1079	646	59.87%	429	39.76%
Permanent Workers										
Male	Not applicable									
Female										
Total										

9. **Details of performance and career development reviews of employees and worker:**

Category	FY2025-26 Current Financial Year			FY2024-25 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	796	796	100%	795	795	100%
Female	296	296	100%	284	284	100%
Total	1092	1092	100%	1079	1079	100%
Permanent Workers						
Male	Not applicable					
Female						
Total						

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?**

Yes, Arvind Fashions has Safety, Health & Environment (SHE) policy which endeavors to create safe and healthy working environment at all our facilities.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Arvind Fashions follows the Hazard Identification and Risk Assessment (HIRA) framework for identifying work-related hazards and risk assessment. This framework helps in carrying out systematic identification of potential risks, evaluate existing safeguards available to control these risks and develop additional control measures to reduce the risk to acceptable level.

c. **Whether you has processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, Arvind Fashions has a process in place for workers to report the work-related hazards and it is included in the Occupational Health and Safety Procedures Manual. Additionally, Arvind Fashions conducts trainings, mock drills, safety talks and seminars for raising awareness among workers.

d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services?**

The employees are covered for health and accidental insurance. Additionally, basic paramedical services within the premises are provided to everyone.

11. **Details of safety-related incidents, in the following format:**

Safety Incident/Number	Category	FY2025-26 Current Financial Year	FY2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

At Arvind Fashions, HIRA has been carried out for all the operations involved in the daily routines and every floor is provided with Secondary Exits equipped with Emergency Evacuation Plan. Regular Fire Mock Drills and health check-ups are provided to the employees for a better safe and healthy workplace. In addition to these following practices are observed and carried out in the premises:

- First Aid box provided on all the floors of the office.
- Medical Room with doctor and nurse available during working hours.
- Routine health check-up, medical camp with blood donation and eye examination are organised on a regular basis.
- Safety drill and fire drill are organised frequently among employees, housekeeping staff and security staff.

13. **Number of complaints on the following made by employees and workers**

	FY2025-26 Current Financial Year			FY2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	There are no complaints received	0	0	There are no complaints received
Health & Safety	0	0		0	0	

14. **Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

No significant risks or concerns were highlighted in the assessment carried out for the financial year.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, at Arvind Fashions, Arvind Care covers wide range of benefits like term life insurance, EDLI, death benefit voluntary contribution to the employees.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Arvind Fashions ensures that all statutory dues have been deducted and deposited by the value chain partners in accordance with applicable laws and regulations.

3. **Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2024-25 Current Financial Year	FY2023-24 Previous Financial Year	FY2024-25 Current Financial Year	FY2023-24 Previous Financial Year
Employees	0	0	0	0
Workers	NA	NA	NA	NA

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

   No, Arvind Fashions currently does not provide any transition assistance programs.

5. **Details on assessment of value chain partners:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	100%, We will conduct audit on the Principles of Responsible Supply chain (RSC) guidelines with acceptable limit of Sedex 4 Pillars certification which covers the Health and Safety practices, Labor and Human Rights regulations where the supply chain needs to be met. The audit will be conducted every year.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   No such significant risks/concerns were observed during the assessment of health and safety practices and working conditions of value chain partners.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Internal and external group of stakeholders have been identified. Presently the given stakeholder groups have the immediate impact on the operations and working of the Company. This includes Employees, Shareholders & Investors, Customers, Communities and Vendors.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails/Meetings Townhall	Ongoing process	1. Employee Welfare Programs 2. Health and Safety Trainings 3. Learning and Personnel Skill Development Programs
Value Chain Partners	No	Frequent Vendor communication/ Vendor meeting	Ongoing process	1. Arvind Fashions RSC Guidelines 2. Social compliance requirement
Customers	No	SMS, Email, Website and social media	Ongoing process	Customer complaints
Regulatory Bodies	No	Meetings, Emails	Ongoing process	1. Submission of Annual regulatory reports 2. Attending the meetings held by regulatory bodies
Community	Yes	Meetings, Emails	Ongoing process	Impact Assessment and CSR Intervention Monitoring and Evaluation

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Board of Directors at Arvind Fashions has constituted various Board Committees - Stakeholder's Relationship Committee, Environmental Social and Governance Committee, Enterprise Risk Management Committee. Meetings of these committees are convened by the respective Committee Chairman/Company Secretary. The various Board Committees receive their inputs based on interactions between the Stakeholders and our various departments. These departments engage with Stakeholders and the feedback of these discussions are provided to the Board by placing the meeting minutes of these committees before the Directors for their perusal and noting.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the environmental and social topics identification was done in tandem with the stakeholder identification. During this assessment, key material issues were identified by us. For managing these issues, we have incorporated various policies and procedures and implemented various initiatives.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Not Applicable

Principle 5: Businesses should respect and promote human rights.

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1092	1092	100.00%	1079	1079	100.00%
Other than Permanent	6649	6649	100.00%	5966	5966	100.00%
Total Employees	7741	7741	100.00%	7045	7045	100.00%
Workers						
Permanent	Not applicable					
Other than permanent						
Total workers						

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	796	0	0%	796	100%	795	2	0.25%	793	100%
Female	296	0	0%	296	100%	284	0	0%	284	100%
Total	1092	0	0%	1092	100%	1079	2	0.19%	1077	100%
Other than Permanent										
Male	5416	4258	79%	1158	21%	4880	3809	78%	1071	22%
Female	1233	947	77%	286	23%	1086	825	76%	261	24%
Total	6649	5205	78%	1444	22%	5966	4634	78%	1332	22%

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent										
Male	Not Applicable									
Female										
Total										
Other than Permanent										
Male	Not applicable									
Female										
Total										

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)*	10	₹0.1015 Crores	2	₹0.101 Crores
Key Managerial Personnel**	1	₹0.294 Crore	2	₹0.1108 Crore
Employees other than BoD and KMP	795	₹0.133 Crore	294	₹0.120 Crore
Workers	NA	-	NA	-

*Median remuneration of BoDs includes only sitting fee and commission

** Among the three KMPs, a female MD and CEO joined on August 13, 2025, while the male MD and CEO stepped down on September 30, 2025.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY2025-26 Current Financial Year	FY2024-25 Previous Financial Year
Gross wages paid to females as % of total wages	26.61%	22.29%

*The data for FY 2024-25 has been revisited and recalculated.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Arvind Fashions has Individuals and Committees that looks into the matters addressed with respect to human rights impacts or issues caused or contributed to by the business. A Committee with 4 internal and external members exist in each of the offices located in Bangalore (Corporate and Regional Office), Delhi (Regional Office), Mumbai (Regional Office) and Kolkata (Regional Office) that address the issues reported with respect to human rights. These committees act as a Disciplinary Committee in the respective locations. In addition to the committees, Arvind Fashions also has a team of DEI (Diversity, Equity and Inclusion) Champions to look into the overall diversity of the organisation.

5. Describe the internal mechanisms in place to redress grievances related to Human Rights issues.

Grievances related to human rights impacts or issues at Arvind are addressed via the Whistle Blower Committee and/or the Internal Grievance Redressal Body depending upon the nature of the matter.

6. Number of Complaints on the following made by employees and workers:

	FY2 025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending Resolution at the end of year	Remarks	Filed during the year	Pending Resolution at the end of year	Remarks
Sexual Harassment	0	0	No cases found	5	1	All the Sexual Harassment cases reported during the year FY2024-25 in Arvind Fashions and its subsidiaries have been satisfactorily addressed before March 31, 2025, except the one which was reported on March 11, 2025 and it's closed in June, 2025
Discrimination at workplace	0	0	No cases found	0	0	No cases found
Child Labour	0	0	No cases found	0	0	No cases found
Forced Labour/ Involuntary Labour	0	0	No cases found	0	0	No cases found
Wages	0	0	No cases found	0	0	No cases found
Other human rights related issues	0	0	No cases found	0	0	No cases found

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	5
Complaints on POSH as a % of female employees/workers	0.00%	0.36%
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

For handling the complaints of discrimination, harassment, or any other complaint under the scope of the Whistle Blower and POSH Policies, the identification of the complainant is kept confidential. Further every internal and external Stakeholder has set obligations to follow, to prevent the adverse consequences to the complainant by adhering to the following mechanism (for more details refer to the Whistle Blower and POSH policies) Ensure that the complainant is not victimised for doing so and is adequately protected against any such incident. Treat victimization as a serious matter including initiating disciplinary action on such person/(s) that subjects or threatens to subject the other person to any detriment.

Ensure complete confidentiality by,

- Maintaining complete confidentiality/secrecy of the matter
- Not discussing the matter in any informal/social gatherings/meetings
- Discussing only to the extent of or with the persons required for the purpose of completing the process and investigations
- Not keeping the papers unattended anywhere at any time
- Keeping the electronic mails/files under password

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Code of Conduct of Arvind Fashions covers the human rights requirements, below listed policies are pertaining to human rights requirements:

- Equal Opportunity Policy
- POSH Policy
- Whistle Blower Policy

10. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% The Company is in compliance with the laws, as applicable
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not applicable

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

Not applicable as no such modifications have been introduced in the current reporting year.

2. Details of the scope and coverage of any human rights due diligence conducted

At Arvind Fashions Limited, we believe that it is of utmost importance to undertake our business with honesty and integrity while ensuring a safe and conducive work environment for everyone, free of discrimination and harassment. We are committed to upholidng and respecting human rights across all our operations and businesses.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the offices of the Company are accessible to differently abled visitors in line with Rights of Persons with Disabilities Act, 2016. The installed features include ramps and lift facilities.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	100% At Arvind Fashions, we conduct audit on the Principles of Responsible Supply chain (RSC) guidelines which covers POSH, Labour and human rights, Minimum wages regulations where every supply chain needs to be meet. The audit is conducted every year
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format*:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
From renewable sources (GJ)		
Total electricity consumption (A)	437	1,130
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	437	1,130
From non-renewable sources (GJ)		
Total electricity consumption (D)	7,875	4,410
Total fuel consumption (E)	517	641
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	8,392	5,052
Total energy consumed (A+B+C+D+E+F)	8,829	6,182
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations, GJ/INR)	0.00000017	0.000000134
Energy intensity per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) (GJ/USD)	0.00000341	0.00000276
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*In addition to data of Corporate Office located in Bangalore, Karnataka, the total energy consumption data includes our regional offices at Delhi, Mumbai and Kolkata and our exclusive warehouses at Hoskote, Chintamani and Narasapura all located in the state of Karnataka.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/evaluation/assurance has been carried out by an external agency for energy data.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Arvind Fashions does not fall under designated consumer category in Performance, Achieve and Trade (PAT) scheme of Bureau of Energy efficiency (BEE).

3. Provide details of the following disclosures related to water, in the following format :

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water withdrawal by source (in kilolitres) *		
4(i) Surface water	-	-
(ii) Groundwater	912.6	-
(iii) Third party water (Municipal water supplies)	9040.7	6970
(iv) Seawater/desalinated water	-	-
(v) Others (Rainwater storage)	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9953.3	6970
Total volume of water consumption (in kilolitres)	6483.5	3095
Water intensity per Rupee of turnover (Total water consumption/Revenue from operations, KL/INR)	0.00000012	0.000000067
Water intensity per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.0000025	0.00000138
Water intensity in terms of physical output		-
Water intensity (optional) – the relevant metric may be selected by the entity		-

*In addition to data of Corporate Office located in Bangalore, Karnataka, the total water consumption data includes our regional offices at Delhi, Mumbai and Kolkata and our exclusive warehouses at Hoskote, Chintamani and Narasapura all located in the state of Karnataka.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/evaluation/assurance has been carried out by an external agency for water withdrawal and consumption data

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)*		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	3,470	3,875
- No treatment (Water sent for treatment to Central Effluent Treatment Plant) *	3,470	3,875
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – Tertiary treatment	-	-
Total water discharged (in kilolitres)	3,470	3,875

*The use of water in Arvind Fashions is primarily only for drinking and domestic purposes.

At certain sites where a Sewage Treatment Plant (STP) is not available, a limited quantity of greywater is generated. This wastewater is collected by an authorised external vendor and sent for recycling to ensure responsible disposal and reuse.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/evaluation/assurance has been carried out by an external agency for water discharge data.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Arvind Fashions is not a production/manufacturing facility and does not generate any industrial wastewater, but certain vendor facilities working for Arvind Fashions operate Zero Liquid Discharge system and are meeting the State Pollution Control Board norms.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format :**

Parameter	Please specify unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
NOx	Tonnes	0.0032	0.00495
SOx	Tonnes	0.0019	0.0027
Particulate Matter	Tonnes	0.0077	0.0086
Persistent Organic Pollutants (POP)	Parts Per Million (PPM)	NA	NA
Volatile Organic Compounds (VOC)	Parts Per Million (PPM)	NA	NA
Hazardous Air Pollutants (HAP)	Parts Per Million (PPM)	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency for air emissions data.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	38.5	47.8
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	1,553.1	890.7
Total Scope 1 and Scope 2 emissions	Metric tons of CO2 equivalent	1,591.6	938.32
Total Scope 1 and Scope 2 emission intensity per Rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	Metric tons of CO2 equivalent Per INR	0.0000000302	0.0000203
Total Scope 1 and Scope 2 emission intensity per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	Metric tons of CO2 equivalent Per USD	0.000000615	0.00000042
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

In addition to data of Corporate Office located in Bangalore, Karnataka, the total emissions data includes our regional offices at Delhi, Mumbai and Kolkata and our exclusive warehouses at Hoskote, Chintamani and Narasapura all located in the state of Karnataka.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency for emissions data.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Currently we have included Renewable power in FCONSO where Company consumed 1,21,412 units of solar power resulting in a emissions avoidance of 86 tCO2e.

Motion sensor lights saving up to 50% of the cost due to electricity requirement for lighting.

Our Hoskote warehouse received the prestigious Platinum certification from IGBC (Indian Green Building Council) for outstanding green concepts and techniques.

9. **Provide details related to waste management by the entity, in the following format :**

Parameter	FY 2024-25 Current Financial Year	FY2 023-24 Previous Financial Year
Total Waste generated (in metric tons)		
Plastic waste (A)	0	0
E-waste (B)	1.35	0.46
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	4
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste: Haz. waste from processes + Haz. waste from pollution control equipment + filter bed sand + filter bags + etc.	0	0
Other Non-hazardous waste generated (H) – Corrugated boards	534.75	813

Parameter	FY 2024-25 Current Financial Year	FY2 023-24 Previous Financial Year
Total (A+B + C + D + E + F + G + H)	536.10	817.46
Waste intensity per Rupee of turnover (Total waste generated in Metric tons/ Revenue from operations in INR)	0.0000000102	0.000000018
Waste intensity per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP) (MT/ USD)	0.000000207	0.00000037
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	536.10	813.46
(ii) Reused	0	0
(iii) Other recovery operations	0	0
Total	536.10	813.46
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	4
(iii) Other disposal operations	0	0
Total	0	0

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

From the perspective of the nature of its business, Arvind Fashions does not generate any hazardous wastes and toxic chemicals. All the non-hazardous and other wastes generated in the facilities are recycled by an approved State Pollution Control Board recycler.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Arvind Fashions operating facilities is in the premises which have the requisite building permits and fire departments clearance for carrying out the operations			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
No such project requiring EIA has been undertaken in the current or previous reporting year					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company is in compliance with all the applicable environmental law/regulations/guidelines in India				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption, and discharge in the following format:

The use of water in Arvind Fashions is primarily for drinking and domestic purposes.

2. Please provide details of total Scope 3 emissions & its intensity

We plan to carry out a Scope 3 emissions assessment starting this year, covering the applicable categories.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Arvind Fashions does not have operations in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	RE Adoption	Currently we have included Renewable power in FCONSO warehouse where Company consumed 1,21,412 units of solar power	Emission avoidance of 86 tCO2e
2.	Motion Sensor Lights	Motion sensor lights have been adopted in the warehouses	Saving up to 50% of the cost due to electricity requirement for lighting.
3.	IGBC Green Building Certification	IGBC Green Building Certified FCONSO warehouse	The FCONSO warehouse of Arvind Fashions at Hoskote is a Platinum Certified green building by IGBC

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes. Arvind Fashions has implemented a robust and well-structured Business Continuity and Disaster Recovery Framework designed to safeguard critical operations, ensure service continuity, and maintain high levels of reliability and resilience in the face of disruptions.

Arvind Fashion's Disaster Recovery Configuration and Recovery Procedures:

1) Applications and Databases: Utilisation of various applications, databases and server networks in the recovery procedure.

2) DR (Disaster Recovery) Replication Configuration: Replication setting between the primary production data center to the disaster recovery data center and the replication of store information to the production and disaster recovery data center.

3) Replication Configuration: This configuration consists of Active-Active Configuration, Active-Passive Configuration, Backup Restoration and Store Database Restoration

4) Verification Procedures: Verify user access, system connectivity, job recovery, application availability, and report generation from the DR (Disaster Recovery) site.

5) Testing and Data Validation: Periodic reviews and validation

The Disaster Recovery (DR) setup covers key databases and applications including XCENTER, RELATE, PORTAL, and supporting servers. XCENTER uses an active-active configuration with 15-minute replication, while other systems follow an active-passive model with daily incremental backups for restoration. Store databases replicate every minute to both production and DR sites, enabling swift failovers. Regular verification ensures applications, databases, and connectivity are functional at the DR site. Periodic testing and validation confirm data accuracy, job continuity, and system readiness, with final signoff from IT and business owners to ensure successful recovery without data loss.

6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

No significant adverse impact to the environment arising from the value chain of the entity were observed for the FY 2025-26.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Arvind Fashions procures goods from licensed and certified vendors and suppliers. The 'Responsible Sourcing Guidelines' contain the minimum sustainability & compliance standards that the vendors and suppliers are expected to meet and good practices that may be adopted. Arvind Fashions conducts supplier assessments through two separate audits, a Quality Management System (QMS) audit and an audit by the Responsible Sourcing Team, which evaluates environmental and social aspects based on Arvind's Responsible Sourcing Guidelines.

8. How many Green Credits have been generated or procured

a) By the listed entity: Nil

b) By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Nil

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with and industry chambers/associations.

4

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Retailers' Association of India (RAI)	National
2	Retailers' Association's Skill Council of India (RASCI)	National
3	India Retail Forum (IRF)	National
4	Confederation of Indian Industry (CII)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

No incidents of anti-competitive behaviour reported

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/Others – please specify)	Web Link, if available
Not Applicable					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
No such project requiring SIA has been undertaken in the current or previous reporting year. Hence, not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY(In ₹)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

We actively engage with the local community through various interactions and activities through Investor Relations Department, and through the institutions promoted and partnered by us. The receiving and redressing of any grievance by the local community is done in accordance with the Whistle Blower Policy.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY2025-26 Current Financial Year	FY2024-25 Previous Financial Year
Directly sourced from MSMEs/small producers	46%	38%
Directly from within India*	75%	77%

*Directly from within India inclusive of sourcing from MSMEs.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent or on contract basis) in the following locations, as % of total wage cost:

Location	FY2025-26 Current Financial Year	FY2024-25 Previous Financial Year
Rural	0.00%	0.00%
Semi-urban	0.80%	0.70%
Urban	24.01%	20.50%
Metropolitan	75.19%	78.80%

Leadership Indicators

1 **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
The Company has not conducted any Social Impact Assessment in the current financial year. Hence, not applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

State	Aspirational District	Amount Spent (In Rs.)
As of FY2025-26, no CSR Projects have been undertaken by the entity in the designated aspirational districts as identified by government bodies		

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

No, Arvind Fashions currently does not have a preferential procurement policy, however purchase from MSME Vendors is carried out as part of the procurement process of Arvind Fashions.

(b) **From which marginalised/vulnerable groups do you procure?**

Not Applicable

(c) **What percentage of total procurement (by value) does it constitute?**

Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Projects	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	STEMSpark - Stem Labs	300	100%
2	Buildback- School Infrastructure	1785	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has a Customer Care team which is available through dedicated phone numbers, email, website to enable customers to log any complaints or feedbacks. Customer can also provide feedback through social media, which gets picked up by our concerned team for necessary action. These complaints are regularly tracked for resolution.

2. **Turnover of products and/or services as a percentage of turnover from all products/service that carry information about:**

Parameter	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

3. **Number of consumer complaints in respect of the following:**

	FY 2025-26 (Current Financial Year)		Remarks	FY 2024-25 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber security	0	0	-	0	0	-
Delivery of essential Services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	1,10,959	303	Customer Complaints, which were subsequently resolved	2,07,089	0	Customer Complaints

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, Arvind Fashions Limited has an information security policy and the purpose of this policy is to state the organisations directive towards data confidentially and to ensure adequate safeguards to prevent misuse or loss of information. Arvind Fashions has taken adequate precautions for the protection of data and has ensured that information related to its employees is secure. Appropriate controls are in place to prevent unauthorised disclosure or modification.

The policy can be found at: https://brands.onearvind.com/brand/index (Internal Website)

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

No such incident related to the mentioned topics has been reported.

7. **Provide the following information related to data breaches:**

a. **Number of instances of data breaches**

No instance of data breach has been reported

b. **Percentage of data breaches involving personally identifiable information of customers**

0%

c. **Impact, if any, of the data breaches**

NIL

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Comprehensive information about Arvind Fashions, including details about the Company, its brands, and the latest news, can be found on their official website- https://www.arvindfashions.com/.

For online shopping and to access a wide range of Arvind Fashions' brands with the latest offers, visit https://www.nnnow.com/.

Additionally, Arrow's specific digital platforms and social media –

- https://www.instagram.com/arrow_1851/?hl=en
- https://www.facebook.com/arrowlif
- https://www.youtube.com/@arrowlife6751

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Every product comes with a necessary tag and a wash care label which gives a necessary information about the product regarding the safe and responsible usage.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Yes, as part of the Company's ERP system, contact details such as email addresses and phone numbers are maintained. This information can be used to intimate them about any risk of disruption or discontinuation of services.

4. **Does the entity display product information on the product over & above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief? Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, customer feedback is considered as an important factor. Preferences of the customers are considered through their feedbacks at the store levels and through social handles.

Independent Auditor's Report

To The Members of Arvind Fashions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Arvind Fashions Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year 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, 2026, its profit and other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. This matter was addressed in the context of our Audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue Recognition (Wholesale business): [Assertion- Cut off] and provision for sales return. Revenue recognition involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised at a point of time and provision for sales return. Cut-off is the key assertion in so far as revenue recognition is concerned. There is a risk that revenue is recognised on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS 115 "Revenue from Contracts with Customers". Also, Company has contracts with customers which entitles them to right of return. At year end, amount of expected returns that have not yet been settled with the customers are estimated and accrued. Estimating the amount of such accrual at year end is considered a key audit matter due to assumptions and judgments required to be made by management.	**Principal Audit Procedures Performed:** The details of audit procedures performed by us are as follows: • Evaluated the Company's accounting policies with respect to Revenue Recognition and provision for sales return in accordance with Ind AS 115 "Revenue from Contracts with customer". • Selected a sample and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • We obtained an understanding of process and evaluated the design and operating effectiveness of key controls, over timing of revenue recognition and calculating, reviewing and approving sales returns. • Selected samples and performed the following procedures: - Read, analysed and identified the distinct performance obligations in these contracts and compared these performance obligations with that identified and recorded by the Company. - For the selected samples, tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues with comparative period. - Analysed historical trends for returns and held discussions with Management to understand changes in provisioning norms/additional provisions made based on Management's assessment of market conditions and based on that, we have tested the estimates of returns related accruals with underlying documentation such as Management approved norms, customer agreements, sales data and customer reconciliations, as applicable. • At the year-end on the selected samples, we have performed early and late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with Proof of Delivery (POD) to confirm the recognition of sales.

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

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

Responsibilities of Management and Board of Directors 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 judgements 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 are 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the 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, 2026 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2026 from being appointed as a Director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note 25 to the Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39(a)(iv)(I) to the Financial Statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person/(s) or entity/(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other person/(s) or entity/(ies), identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under Sub-Clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in Note 41 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the Financial Year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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
(Partner)
(Membership No. 106189)
(UDIN: 26106189KQFBDH8111)

Place: Bengaluru
Date: May 06, 2026

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to Standalone Financial Statements of Arvind Fashions Limited (the "Company") as at March 31, 2026 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and Board of Directors are 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 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, 2026, 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
(Partner)
(Membership No. 106189)
(UDIN: 26106189KQFBDH8111)

Place: Bengaluru
Date: May 06, 2026

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 programme 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 programme, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed/transfer deed/provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Financial Statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) and Intangible Assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventories except for Goods in Transit, 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 ₹5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, including the revised submissions made by the Company to its lead bankers based on closure of books of accounts at the year end, the revised quarterly returns or statements comprising Stock Statements, Book Debt Statements, Credit Monitoring Arrangement Reports, Statements on Ageing Analysis of the Debtors/Other Receivables, and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

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

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

(₹ In crores)

Particulars	Loans	Guarantees
A. Aggregate amount granted during the year:		
Subsidiaries	-	829.63
Others	0.08	-
B. Balance outstanding as at balance sheet date in respect of above cases:*		
Subsidiaries	100.00	829.63
Others	0.02	-

* includes opening balances

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

b) The investments made, guarantees provided, and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, not prejudicial to the Company's interest.

c) The Company has granted loans to its subsidiaries, which are payable on demand. In our opinion, the repayments of principal and interest amounts (when demanded) are regular. In respect of loans granted by the Company to others, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date.

e) None of the loans granted by the Company which have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) According to the information and explanations given to us and based on the audit procedures, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms 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 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 been regularly deposited by it with the appropriate authorities.

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, 2026 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, 2026 on account of disputes are given below:

(₹ In crores)

Name of Statute	Nature of Dues	Amount involved	Amount unpaid	Period to which the Amount Relates	Forum where Dispute is pending
The Income Tax Act, 1961	Income Tax	1.14	1.14	2023-24	Income Tax Appellate Tribunal
Goods & Services Tax Act, 2017	Goods & Service Tax	15.67	14.89	2017-18 2019-20	Joint Commissioner of Haryana State Tax (Appeals)
		10.82	10.82	2019-20 2020-21	GST Commissioner Appeals (Karnataka)

The above-mentioned figures represent the unpaid amount as of March 31, 2026 against disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under Clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entities or persons on account of or to meet the obligations of its subsidiaries during the year and hence, reporting under Clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on Clause (ix)(f) of the order is not applicable.

(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, 2013, 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, 2026.

(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 realisation 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
(Partner)
(Membership No. 106189)
(UDIN: 26106189KQFBDH8111)

Place: Bengaluru
Date: May 06, 2026

Standalone Balance Sheet

for the year ended March 31, 2026

(₹ In crores)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
I. Non-current assets			
(a) Property, Plant and Equipment	5	33.88	27.64
(b) Right-of-use Asset	33	137.14	48.60
(c) Intangible Assets	6	5.28	28.05
(d) Intangible Assets Under Development	6(a)	-	0.15
(e) Financial Assets			
(I) Investments	7(a)	2,027.53	1,988.91
(II) Other Financial Assets	7(f)	11.61	3.39
(f) Deferred Tax Assets (Net)	24	16.32	16.11
(g) Non-Current Tax Assets (Net)	8	14.65	15.79
(h) Other Non-Current Assets	9	0.89	0.26
Total Non-current Assets		**2,247.30**	**2,128.90**
II. Current assets			
(a) Inventories	10	149.58	94.42
(b) Financial Assets			
(i) Trade Receivables	7 (b)	212.84	255.47
(ii) Cash and Cash Equivalents	7 (d)	1.65	7.64
(iii) Bank Balance other Than (II) Above	7 (e)	1.31	1.29
(iv) Loans	7 (c)	100.02	100.19
(v) Others Financial Assets	7 (f)	9.10	2.75
(c) Other Current Assets	9	115.52	102.33
Total Current Assets		**590.02**	**564.09**
Total Assets		**2,837.32**	**2,692.99**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	53.46	53.32
(b) Other Equity	12	2,274.35	2,278.72
Total Equity		**2,327.81**	**2,332.04**
Liabilities			
I. Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	33	106.70	39.90
(II) Other Financial Liabilities	13 (d)	12.73	5.94
(b) Provisions	14	7.06	5.80
Total Non-Current Liabilities		**126.49**	**51.64**
II. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13 (a)	101.45	61.68
(ii) Lease Liabilities	33	34.38	10.44
(iii) Trade Payables			
-Total outstanding dues of micro enterprises and small enterprises	13 (b)	19.22	16.53
-Total outstanding dues of creditors other than micro enterprises and small enterprises	13 (b)	108.72	91.62
(iv) Trade Credits	13 (c)	92.96	102.39
(iv) Other Financial Liabilities	13 (d)	19.99	15.15
(b) Other Current Liabilities	15	5.67	10.60
(c) Provisions	14	0.63	0.90
Total Current Liabilities		**383.02**	**309.31**
Total Equity and Liabilities		**2,837.32**	**2,692.99**
Material Accounting Policies	3		

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

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner
Place: Bengaluru
Date: May 06, 2026

For and on behalf of the Board of Directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329
Place : Bengaluru
Date: May 06, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN - 05114264
Place : Bengaluru
Date: May 06, 2026

Girdhar Kumar Chitlangia
Chief Financial Officer
Place : Bengaluru
Date: May 06, 2026

Lipi Jha
Company Secretary
Place : Bengaluru
Date: May 06, 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in Crores except per share data)

Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
I. Income			
Revenue from Operations			
Sale of Products	16	710.56	665.35
Operating Income	16	0.30	0.56
Revenue from operations		**710.86**	**665.91**
Other Income	17	65.58	64.24
Total Income (I)		**776.44**	**730.15**
II. Expenses			
Purchases of Stock-in-Trade	18	462.64	455.06
Changes in Inventories of Stock-in-Trade	19	(55.16)	(34.47)
Employee Benefits Expense	20	83.94	56.83
Finance Costs	21	30.21	21.44
Depreciation and Amortisation Expense	22	68.25	42.78
Other Expenses	23	184.10	142.15
Total Expenses (II)		**773.98**	**683.79**
III. Profit/(Loss) before exceptional items and tax (I-II)		**2.46**	**46.36**
IV. Exceptional Item	23(b)	(5.06)	-
V. Profit/(Loss) Before Tax (III+IV)		**(2.60)**	**46.36**
VI. Tax Expense			
Current Tax	24	1.77	6.71
(Excess)/Short Provision Related to Earlier Years		(5.57)	-
Deferred Tax Charge/(credit)		(0.15)	1.88
Total Tax Expense		**(3.95)**	**8.59**
VII. Profit/(Loss) for the year (V-VI)		**1.35**	**37.77**
VIII. Other Comprehensive Income			
Items that will not to be reclassified to Profit or Loss:			
Remeasurement gains/(losses) on Defined Benefit Plans	29	(0.21)	(0.09)
Income Tax Effect	24	0.05	0.03
Total Other Comprehensive Income/(Loss) for the year (Net of Tax)		**(0.16)**	**(0.06)**
IX. Total Comprehensive Income/(Loss) for the year (VII+VIII)		**1.19**	**37.71**
X. Earnings Per Share			
Nominal Value per Share - ₹4			
Basic - ₹		0.10	2.84
Diluted - ₹		0.10	2.83
Material Accounting Policies	3		

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

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner
Place: Bengaluru
Date: May 06, 2026

For and on behalf of the Board of Directors of Arvind Fashions Limited

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Chairman & Director
DIN - 00008329
Place : Bengaluru
Date: May 06, 2026

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Managing Director & CEO
DIN - 05114264
Place : Bengaluru
Date: May 06, 2026

Girdhar Kumar Chitlangia
Chief Financial Officer
Place : Bengaluru
Date: May 06, 2026

Lipi Jha
Company Secretary
Place : Bengaluru
Date: May 06, 2026

Standalone Statement of Changes In Equity

for the year ended March 31, 2026

A. Equity Share Capital

(₹ In crores)

Balance	Amount
As at April 01, 2024	**53.19**
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32)	0.13
As at March, 31, 2025	**53.32**
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32)	0.14
As at March, 31, 2026	**53.46**

B. Other Equity

(₹ In crores)

Particulars	Reserves and Surplus				Total Other equity
	Share Based Payment Reserve	Securities premium	Retained Earnings	Capital Reserve	
	Note 12	Note 12	Note 12	Note 12	
Balance as at April 1, 2024	**19.45**	**2,155.62**	**35.69**	**39.89**	**2,250.65**
Profit/(Loss) for the Year	-	-	37.77	-	37.77
Other Comprehensive Income/(Loss) for the year	-	-	(0.06)	-	(0.06)
Total Comprehensive Income/(Loss) for the Year	**-**	**-**	**37.71**	**-**	**37.71**
Share Issued During the Year	-	5.12	-	-	5.12
Share Based Payment Expense	1.89	-	-	-	1.89
Transfer to Securities Premium	(2.27)	-	-	-	(2.27)
Transfer from Share Based Payment Reserve	-	2.27	-	-	2.27
Dividend Paid During the Year	-	-	(16.65)	-	(16.65)
Balance as at March 31, 2025	**19.07**	**2,163.01**	**56.75**	**39.89**	**2,278.72**
Balance as at April 1, 2025	**19.07**	**2,163.01**	**56.75**	**39.89**	**2,278.72**
Profit/(Loss) for the Year	-	-	1.35	-	1.35
Other Comprehensive Income/(Loss) for the Year	-	-	(0.16)	-	(0.16)
Total Comprehensive Income/(Loss) for the Year	**-**	**-**	**1.19**	**-**	**1.19**
Share Issued During the Year	-	9.70	-	-	9.70
Share Based Payment Expense	6.09	-	-	-	6.09
Transfer to Securities Premium	(4.17)	-	-	-	(4.17)
Transfer from Share Based Payment Reserve	-	4.17	-	-	4.17
Dividend Paid During the Year	-	-	(21.35)	-	(21.35)
Balance as at March 31, 2026	**20.99**	**2,176.88**	**36.59**	**39.89**	**2,274.35**

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

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner
Place: Bengaluru
Date: May 06, 2026

For and on behalf of the Board of Directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329
Place : Bengaluru
Date: May 06, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN - 05114264
Place : Bengaluru
Date: May 06, 2026

Girdhar Kumar Chitlangia
Chief Financial Officer
Place : Bengaluru
Date: May 06, 2026

Lipi Jha
Company Secretary
Place : Bengaluru
Date: May 06, 2026

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(₹ In crores)

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A	**Cash Flow from Operating Activities**		
	Profit/(Loss) before Tax	**(2.60)**	**46.36**
	Adjustments to Reconcile Profit/(Loss) before Tax to Net Cash Flows:		
	Depreciation and Amortisation Expense	68.25	42.78
	Interest Income	(11.92)	(10.61)
	Finance Costs	30.21	21.44
	Loss/(Gain) of Mark to Market of Derivatives Financial Instruments	(0.15)	0.24
	Financial Guarantee Commission	(3.06)	(3.39)
	Allowance/(Reversal) of Doubtful Debts	0.43	0.65
	Net Unrealised Foreign Exchange (Gain)/Loss	0.67	(0.31)
	(Profit)/Loss on Disposal of Property, Plant & Equipment (Net)	0.02	(0.01)
	Provision for Non-Moving Inventory and Returnable Assets	(1.01)	(3.81)
	Equity Settled Share-Based Payment Expense	5.51	1.23
	Gain on Reassessment of Lease	(0.06)	(0.14)
	Dividend Income	(50.03)	(50.03)
	Operating Profit before Working Capital Changes	**36.26**	**44.40**
	Adjustments for Changes in Working Capital :		
	(Increase)/Decrease in Inventories	(51.95)	(32.07)
	(Increase)/Decrease in Trade Receivables	42.49	(29.84)
	(Increase)/Decrease in Other Assets	(15.99)	19.89
	(Increase)/Decrease in Other Financial Assets	(19.78)	(7.35)
	Increase/(Decrease) in Trade Payables and Trade Credits	9.41	41.34
	Increase/(Decrease) in Other Liabilities	(4.93)	(3.20)
	Increase/(Decrease) in Other Financial Liabilities	10.16	(12.34)
	Increase/(Decrease) in Provisions	0.77	1.14
	Net Changes in Working Capital	**(29.82)**	**(22.43)**
	Cash Generated from Operations	**6.43**	**21.97**
	Income Taxes Paid (Net of Income Tax Refund)	4.93	(7.54)
	Net Cash Received from/(used in) Operating Activities (A)	**11.37**	**14.43**
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant & Equipment and Other Intangible Assets	(15.31)	(15.56)
	Proceeds from Sale of Property, Plant & Equipment	0.33	0.03
	Redemption of Perpetual Debt of Subsidiary	100.00	-
	Investments in Subsidiary	(135.00)	-
	Changes in Other Bank Balances not Considered as Cash and Cash Equivalents	0.05	(0.02)
	Loans (Given)/Received Back (Net)	0.17	27.78
	Interest Received	10.68	10.36
	Dividend Received	50.03	50.03
	Net Cash Received from/(used in) Investing Activities (B)	**10.95**	**72.62**
C	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Equity Shares	9.84	5.25
	Repayment of Long Term Borrowings	(8.68)	(15.41)
	Proceeds/(Repayment) from Short Term Borrowings (Net)	48.45	(26.00)
	Finance Cost Paid	(15.83)	(17.56)
	Principal Payment of Lease Liabilities	(27.04)	(8.00)
	Interest Paid on Lease Liabilities	(13.70)	(4.27)
	Dividend Paid	(21.35)	(16.65)
	Net Cash Received from/(used in) Financing Activities (C)	**(28.31)**	**(82.64)**

Standalone Statement of Cash Flows

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**(5.99)**	**4.41**
Cash & Cash Equivalent at the Beginning of the Year	7.64	3.23
Cash & Cash Equivalent at the End of the Year	1.65	7.64
Figures in Brackets Indicate Outflows		
Reconciliation of Cash & Cash Equivalents		
Cash and Cash Equivalents Comprise of: (Refer Note 7(d))		
Cash on Hand	-	-
Balances with Banks	1.65	7.64
Cash and Cash Equivalents	**1.65**	**7.64**
The accompanying notes are an integral part of these Financial Statements.		

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

Particulars of Liabilities Arising from Financing Activity	Note No.	As at April 1, 2025	Net cash flows	Non Cash Changes		As at April 1, 2026
				Impact of Ind AS 116	Other Changes*	
Borrowings:						
Long term Borrowings	13(a)	8.68	(8.68)	-	-	-
Short term Borrowings	13(a)	53.00	48.45	-	-	101.45
Interest Accrued but not Due	13(d)	0.67	(0.67)	-	1.36	1.36
Lease Liabilities	33	50.34	(40.74)	117.78	13.70	141.08
Total		**112.69**	**(1.64)**	**117.78**	**15.06**	**243.89**

Particulars of Liabilities Arising from Financing Activity	Note No.	As at April 1, 2024	Net cash flows	Non Cash Changes		As at April 1, 2025
				Impact of Ind AS 116	Other Changes*	
Borrowings:						
Long term Borrowings	13(a)	24.09	(15.41)	-	-	8.68
Short term Borrowings	13(a)	79.00	(26.00)	-	-	53.00
Interest accrued but not Due	13(d)	1.07	(1.07)	-	0.67	0.67
Lease Liabilities	33	24.29	(12.27)	34.05	4.27	50.34
Total		**128.45**	**(54.76)**	**34.05**	**4.94**	**112.69**

* The same Relates to Amount charged in Statement of Profit and Loss.

Notes:

1) The above standalone statement of cash flows has been prepared under the 'Indirect Method' as set out in the 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: Bengaluru
Date: May 06, 2026

For and on behalf of the Board of Directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329
Place : Bengaluru
Date: May 06, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN - 05114264
Place : Bengaluru
Date: May 06, 2026

Girdhar Kumar Chitlangia
Chief Financial Officer
Place : Bengaluru
Date: May 06, 2026

Lipi Jha
Company Secretary
Place : Bengaluru
Date: May 06, 2026

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

1. Corporate Information

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

The Company's Standalone Financial Statements have been approved by Board of Directors in the meeting held on May 06, 2026.

2. Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation and Presentation and Statement of Compliance

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

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

The Standalone Financial Statements comprising of Standalone Balance Sheet, Standalone Statement of Profit and Loss including other comprehensive income, Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows as at March 31, 2026 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III of the Companies Act, 2013 (Ind AS Compliant Schedule III) as applicable to Standalone Financial Statement.

2.2 Historical Cost Convention

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

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

2.3 Rounding Off

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

3. Summary of Material Accounting Policies

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

3.1 Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

The Company classifies all other liabilities as non-current.

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

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

3.2 Use of Estimates and Judgements

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

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

3.3 Foreign Currencies

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

Transactions and Balances

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

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

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

3.4 Property, Plant and Equipment

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

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

Derecognition

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

Depreciation

Depreciation on Property, Plant and Equipment is provided so as to write off the cost of assets less

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

residual values over their useful life of the assets, using the straight-line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for following assets category as shown in table below.

Asset	Estimated Useful Life
Buildings	30 Years
Plant & Machinery	5 to 8 Years
Office Equipment	6 to 8 Years
Furniture & Fixture	6 to 9 Years
Motor Cars	4 Years
Computers, Servers and Network	3 Years

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

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

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

The residual values, useful life and methods of depreciation of Property, Plant and Equipment are reviewed at each Financial Year end and adjusted prospectively, if appropriate.

3.5 Leases

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

At the date of commencement of the lease, the Company recognises 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 recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

3.6 Intangible Assets

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

The useful life of Intangible Assets is 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.

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

Software and Website are amortised over Management estimate of its useful life of 5 years on straight-line basis.

Acquired Trademark are amortised over Management estimate of its useful life of 2 years on straight-line basis.

3.7 Inventories

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

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

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

3.8 Impairment

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

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

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

3.9 Revenue Recognition

The Company derives revenues primarily from sale of traded goods and related services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements.

a) Sale of Goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, i.e., generally on delivery of the goods and when the property in goods and control are transferred for a price and no effective ownership control is retained. Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances trade discounts and volume rebates, taking into accounts contractually defined terms of payment excluding taxes and duties collected on behalf of the government. In case of sales made through franchisee revenue is measured on gross basis and consideration payable to franchisee is recognised as expenses. Goods and Services Tax (GST) is not received by the Company in its own accounts. Rather, it is collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded form revenue. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Variable Consideration

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

i. Rights of Return

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

ii. Discounts

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

b) Assets and Liabilities Arising from Returns

i. Returnable Asset

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

ii. Refundable Liabilities

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

c) Sale of goods – Customer Loyalty Programme (Deferred Revenue)

The Company has Loyalty Points Programme, which allows customers to accumulate points that can be redeemed to settle the price of a future sale. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customers.

When estimating stand-alone selling price of the loyalty points, the Company considers the likelihood that customer will redeem the points. The Company updates its estimates of the points that will be redeemed and any adjustments to the contract liability are charged against revenue.

d) Gift Vouchers

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

e) Interest Income

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

f) Profit or Loss on Sale of Investments

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

g) Dividend

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

3.10 Financial Instruments – Initial Recognition and Subsequent Measurement

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

a) Financial Assets

i) Initial Recognition and Measurement of Financial Assets

All financial assets are recognised initially at fair value 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (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 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

Notes to the Standalone Financial Statements

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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 12 Months Approach' for recognition of impairment loss allowance on:

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

The application of Simplified 12 Months 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 is 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) recognised during the period is recognised as income/expense in the Statement of Profit and Loss (P&L). This amount is reflected in a separate line under the head "Other Expenses" in the P&L. The Balance Sheet presentation for various financial instruments is described below:

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

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

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

b) Financial Liabilities

i) Initial Recognition and Measurement of Financial Liabilities

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

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

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

ii) Subsequent Measurement of financial Liabilities

The measurement of financial liabilities

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for the year ended March 31, 2026

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

- **Loans and Borrowings**

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

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

  This category generally applies to borrowings.

  As at 31st March, 2026, the Group was in compliance with all financial covenants under its borrowing facilities, with no breaches occurring during the year or subsequent to the reporting date. Pursuant to the amendments to Ind AS 1 effective April 1, 2025, liabilities are classified as non-current if the entity has a substantive right at the reporting date to defer settlement for at least twelve months, determined without considering future covenant tests projected to fail solely due to events after the reporting date. Accordingly, all borrowings continue to be classified as non-current, as no covenant waivers were required and projected compliance ratios as at the reporting date remain within lender thresholds.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

c) Offsetting of Financial Instruments

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

3.11 Investment in Subsidiary Companies

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

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

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

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

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

3.12 Cash and Cash Equivalents

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

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

3.13 Taxes

Tax expense comprises of current income tax and deferred tax.

Current Income Tax

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

Current income tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Poss. 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

Notes to the Standalone Financial Statements

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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 reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

The Company recognises 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 recognises tax credits as an asset, the said asset is created by way of tax credit to the Statement of Profit and Loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred Tax includes MAT Tax Credit.

3.14 Employee Benefit

a) Short Term Employee Benefit

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

b) Post-Employment Benefits

i) Defined Contribution Plan

The Company's approved Provident Fund Scheme, Superannuation Fund Scheme, Employees' State Insurance Fund Scheme and Employees' Pension Scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

ii) Defined Benefit Plan

The employee's Gratuity Fund Scheme and Post-Retirement Medical Benefit Schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Remeasurements, 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. Remeasurements 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

d) Termination Benefits:

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

3.15 Share-based Payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-Settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share-Based Payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.16 Earnings Per Share

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

3.17 Dividend

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

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

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

3.18 Provisions and Contingencies

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

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

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

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

3.19 Segment Reporting

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

3.20 Events after the Reporting Period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The Financial Statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

3.21 Exceptional Items

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

4. Significant Accounting Judgements, Estimate and Assumptions

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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. (Refer Note 16).

4.2 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. Refer Note 7 (b) for further details.

4.3 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 calculated using simplified 12 months ECL approach based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into Homogeneous Groups and assessed for impairment collectively. Individual trade receivables are written off when Management deems them not to be collectible. The carrying amount of allowance for doubtful debts under ECL method is ₹14.67 Crore (March 31, 2025 – ₹14.24 Crore). Refer Note 7 (b) for further details.

4.4 Share-based Payments

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

4.5 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.

4.6 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.

4.7 Provisions and Contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognised 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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).

4.8 Control over Subsidiaries

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

4.9 Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules from time to time. MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements (classification of liabilities as current or non-current, including liabilities with covenants), Ind AS 12 – Income Taxes (International Tax Reform – Pillar Two Model Rules), Ind AS 21 – The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability), and Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures (Supplier Finance Arrangements), effective from April 1, 2025. The Company has reviewed these amendments and based on its evaluation, has determined that they do not have any impact on the Company's Financial Statements. However, pursuant to the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company has provided the required disclosures relating to liabilities under supplier finance arrangements in the notes to the Financial Statements.

4.10 New Standards or Amendments not yet Adopted

The below amendments to the existing standard which are notified by Ministry of Corporate Affairs but are not yet effective:

Amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants. The amendment includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026 retrospectively, as outlined below: a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of Financial Statements to not demand payment as a consequence of breach. b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment. c) Disclose information about the timing of settlement to understand the impact of the liability on the Financial Statements. The Company does not expect this amendment to have an impact on its operations or Financial Statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Arvind Fashions Limited
CIN - L52399GJ2016PLC085595

Note 5 : Property, Plant and Equipment

(₹ In crores)

Particulars	Buildings	Plant & Machinery	Furniture & Fixture	Vehicles	Leasehold Improvements	Office Equipment	Computers, Servers and Network	Total
Gross Carrying Value								
As at March 31, 2024	**6.94**	**5.13**	**21.29**	**1.96**	**6.05**	**0.79**	**8.67**	**50.83**
Additions	-	0.64	7.16	-	3.75	0.74	0.87	13.16
Deductions	-	-	-	-	0.02	-	0.05	0.07
As at March 31, 2025	**6.94**	**5.77**	**28.45**	**1.96**	**9.78**	**1.53**	**9.49**	**63.92**
Additions	-	1.23	6.19	-	4.50	1.64	0.39	13.95
Deductions	-	-	0.00	1.06	0.02	0.00	-	1.08
As at March 31, 2026	**6.94**	**7.00**	**34.64**	**0.90**	**14.26**	**3.17**	**9.88**	**76.79**
Accumulated Depreciation								
As at March 31, 2024	**1.12**	**5.08**	**13.17**	**0.94**	**3.39**	**0.66**	**7.02**	**31.38**
Depreciation for the year	0.22	0.13	2.66	0.45	0.85	0.07	0.57	4.95
Deductions	-	-	-	-	0.01	-	0.04	0.05
As at March 31, 2025	**1.34**	**5.21**	**15.83**	**1.39**	**4.23**	**0.73**	**7.55**	**36.28**
Depreciation for the year	0.23	0.44	3.47	0.20	1.83	0.33	0.85	7.35
Deductions	-	-	-	0.72	0.00	0.00	-	0.72
As at March 31, 2026	**1.57**	**5.65**	**19.30**	**0.87**	**6.06**	**1.06**	**8.40**	**42.91**
Net Carrying Value								
As at March 31, 2026	**5.37**	**1.35**	**15.34**	**0.03**	**8.20**	**2.11**	**1.48**	**33.88**
As at March 31, 2025	**5.60**	**0.56**	**12.62**	**0.57**	**5.55**	**0.80**	**1.94**	**27.64**

Notes:

1) For Properties Pledge as Security Refer Note 13 (a).

2) Refer Note 26 for disclosure of Capital Commitments for the acquisition of Property, Plant & Equipment.

Note 6 : Intangible Assets

(₹ In crores)

Particulars	Computer Software	Trade Mark	Product Development	Website	Total Intangible Assets
Gross Carrying Value					
As at March 31, 2024	**11.50**	**47.40**	**8.09**	**2.46**	**69.45**
Additions	4.71	-	-	-	4.71
Deductions	-	-	-	-	-
Adjustments*	8.09		(8.09)		-
As at March 31, 2025	**24.30**	**47.40**	**-**	**2.46**	**74.16**
Additions	2.22	-	-	-	2.22
Deductions	-	-	-	-	-
As at March 31, 2026	**26.52**	**47.40**	**-**	**2.46**	**76.38**
Amortisation					
As at March 31, 2024	**10.64**	**-**	**5.81**	**2.46**	**18.91**
Amortisation for the Year	3.50	23.70	-	-	27.20
Deductions	-	-	-	-	-
Adjustments*	5.81	-	(5.81)	-	-
As at March 31, 2025	**19.95**	**23.70**	**-**	**2.46**	**46.11**
Amortisation for the Year	1.29	23.70	-	-	24.99
Deductions	-	-	-	-	-
As at March 31, 2026	**21.24**	**47.40**	**-**	**2.46**	**71.10**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Net Carrying Value					
As at March 31, 2026	**5.28**	**-**	**-**	**-**	**5.28**
As at March 31, 2025	**4.35**	**23.70**	**-**	**-**	**28.05**

*Adjustments includes intra-head re-grouping.

Note 6(a) : Intangible Assets Under development

(₹ In crores)

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a Period of				
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total Amount
As on 31st March, 2026					
Project in Progress	-	-	-	-	-
As on 31st March, 2025					
Project in Progress	0.15	-	-	-	0.15

Note 7 : Financial assets

7 (a) Investments

(₹ In crores)

Particulars	Face Value per share in ₹	As at March 31, 2026	As at March 31, 2025
Non-current Investment			
Investment in Equity Shares (Fully paid up)			
Subsidiaries - Measured at Cost (Unquoted)			
Arvind Lifestyle Brands Limited (Refer Note 1, 2 ,3 and 6 below)	10	1,727.48	1,724.60
(March 31, 2026: 15,75,00,000, March 31, 2025: 15,75,00,000)			
PVH Arvind Fashion Private Limited (Refer Note 2 and 8 below)	10	117.60	117.40
(March 31, 2026: 25,01,589; March 31, 2025: 25,01,589)			
Arvind Youth Brands Private Limited (Refer Note 1, 2, 3 and 7 below)	10	47.45	46.91
(March 31, 2026: 4,46,32,601 , March 31, 2025: 4,46,32,600)			
Total Equity Investments		**1,892.53**	**1,888.91**
Investment in Debentures & Preference Share			
1,35,00,000 (Previous Year: Nil) Compulsory Convertible Preference Share Capital of ₹100 Each of Arvind Youth Brands Private Limited (Refer Note 8 below)		135.00	-
Nil (Previous year: 10,00,00,000) 8% Unsecured Perpetual Non-Convertible Debentures of ₹10 Each of Arvind Lifestyle Brands Limited (Refer Note 5 below)		-	100.00
Total Investments		**135.00**	**100.00**
Total Investments		**2,027.53**	**1,988.91**
Aggregate amount of quoted investments		-	-
Aggregate amount of unquoted investments		2,027.53	1,988.91
Aggregate impairment in value of investment		-	-

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

(₹ In crores)

Subsidiaries	2025-26	2024-25
Arvind Lifestyle Brands Limited	0.60	0.62
Arvind Youth Brands Private Limited	-	0.05

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

(₹ In crores)

Subsidiaries	2025-26	2024-25
Arvind Lifestyle Brands Limited	2.28	2.38
Arvind Youth Brands Private Limited	0.54	0.55
PVH Arvind Fashion Private Limited	0.20	0.52

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

The Company has pledged 4,05,75,090 equity shares of Arvind Youth Brands Retail Private Limited as a security against working capital loans availed by the Company.(Refer Note 13(a)).

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

Note 5: The Company had subscribed to 8% Perpetual Non-Convertible Debentures aggregating to ₹100 Crores issued by Arvind Lifestyle Brands Limited on March 29, 2022. The investment was classified as a financial asset and measured at amortised cost in accordance with Ind AS 109.

During the current year, the Issuer exercised its call option and redeemed the entire outstanding debentures at par value. The Company has received ₹100 Crores from the issuer towards such redemption.

Note 6: The carrying amounts of long-term investments in equity shares of Arvind Lifestyle Brands Limited ("ALBL") is Rs. 1727.48 crore. The ALBL has erosion in net worth as compared to investment made by the Company as at March 31, 2026. The Company has determined the recoverable amounts to be higher of (i) value in use and (ii) fair value less cost to sell as applicable.

The value in use has been determined based on management's best estimates, which require the application of significant judgment. These estimates involve forecasting future cash flows, primarily relating to revenue growth, profitability, terminal growth rate, and discount rates. Furthermore, the Company applies sensitivity analysis to key inputs to ensure the value in use reflects potential variability in future cash flows.

Fair value less cost to sell, wherever applicable, has been determined using the Comparable Companies Multiple (CCM) approach, as evaluated by the Company with the assistance of an external valuation expert in previous year. Also, the management has conducted look back analysis and considering the actual performance and evaluation of the aforesaid factors, the Company has concluded that no provision for impairment in respect of such investments are considered necessary at this stage.

Note 7: The carrying amounts of long-term investments in equity shares and compulsory convertible preference share of Arvind Youth Brands Private Limited ("AYBPL") aggregates to Rs. 182.45 crore, indirect investment from ALBL in AYBPL by Rs. 68.16 crores as at March 31, 2026. The AYBPL has erosion in net worth as compared to investment made by the Company as at March 31, 2026. The Company has determined the recoverable amounts to be higher of (i) value in use and (ii) fair value less cost to sell as applicable.

The value in use has been determined based on management's best estimates, which require the application of significant judgment. These estimates involve forecasting future cash flows, primarily relating to revenue growth, profitability, terminal growth rate, and discount rates. Furthermore, the Company applies sensitivity analysis to key inputs to ensure the value in use reflects potential variability in future cash flows.

Fair value less cost to sell, wherever applicable, has been determined using the Comparable Companies Multiple (CCM) approach, as evaluated by the Company with the assistance of an external valuation expert. Also, the management has conducted look back analysis and considering the actual performance and evaluation of the aforesaid factors, the Company has concluded that no provision for impairment in respect of such investments are considered necessary at this stage.

Note 8: Company has considered PVH Arvind Fashion Limited as a subsidiary even though the company has 50% ownership interest in the entity. Based upon the contractual agreement between the company and other investor, the company has power to appoint the chairman of the board of directors and has the power to direct the relevant activities. Therefore,the directors of the company concluded that they have the practical ability to direct the power to affect the relevant activities and thus,criteria for effective control are fulfilled.

Note 9: During the year, the company has entered into a Share Purchase Agreement (SPA") with Flipkart India Private Limited ("Seller") to acquire its entire 31.25% stake, on a fully diluted basis, in Arvind Youth Brands Private Limited ("AYBPL") for Rs. 135.00 crores, and the transaction was completed on December 29, 2025.

7 (b) Trade Receivables - Current

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered Good- Trade Receivables	404.73	438.59
Credit Impaired	14.67	14.24
Less : Allowance for Doubtful Debts	(14.67)	(14.24)
	404.73	438.59
Less : Refund liability - Refer Note 3 below	(191.89)	(183.12)
Total Trade Receivables	**212.84**	**255.47**

Notes:

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Allowance for Doubtful Debts

The Company has provided allowance for Doubtful Debts based on the simplified 12 months ECL approach using provision matrix.

Movement in Allowance for Doubtful Debt : (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	14.24	13.59
Add : Allowance for the year (Refer note 23)	0.43	0.65
Balance at the end of the year	**14.67**	**14.24**

Trade Receivables Ageing Schedule:

As at March 31, 2026 (₹ In crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered Good	316.70	79.36	8.68	-	-	-	404.74
Undisputed Trade Receivables - Credit Impaired	-	-	3.33	0.67	0.55	3.85	8.40
Disputed Trade Receivables - Credit Impaired	-	-	-	-	3.01	3.26	6.27
Total	**316.70**	**79.36**	**12.01**	**0.67**	**3.56**	**7.11**	**419.40**
Less: Allowance for Doubtful Debts							14.67
Less: Refundable Liability							191.89
Net Trade Receivables							**212.84**

As at March 31, 2025 (₹ In crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered Good	354.47	81.51	2.61	-	-	-	438.59
Undisputed Trade Receivables - Credit Impaired	-	-	2.62	0.92	1.50	2.93	7.97
Disputed Trade Receivables - Credit Impaired	-	-	-	3.01	0.22	3.04	6.27
Total	**354.47**	**81.51**	**5.23**	**3.93**	**1.72**	**5.97**	**452.83**
Less: Allowance for Doubtful Debts							14.24
Less: Refundable Liability							183.12
Net Trade Receivables							**255.47**

7 (c) Loans (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, Considered Good Unless Otherwise Stated)		
Current		
Loans to Related Parties (Refer Note 30)	100.00	100.00
Loans to Employees (Short term)	0.02	0.19
	100.02	**100.19**
Total Loans	**100.02**	**100.19**

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Loans to related parties that are repayable on demand

Type of Borrower	As at March 31, 2026		As at March 31, 2025	
	Loan Outstanding	Loan Outstanding (%)	Loan Outstanding	Loan Outstanding (%)
Related Parties	100.00	99.98%	100.00	99.81%

7 (d) Cash and Cash Equivalent (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on Hand	-	-
Balance with Bank		
Current Accounts and Debit Balance in Cash Credit Accounts	1.65	7.64
Total Cash and Cash Equivalents	**1.65**	**7.64**

7 (e) Other Bank Balance (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
In **Deposit Account**		
Unpaid Fractional Shares and Rights Issue (Refer note 13(d))	1.03	1.04
Unpaid Dividend Account (Refer note 13(d))	0.17	0.10
Held as Margin Money*	0.11	0.15
Total Other Bank Balances	**1.31**	**1.29**

*Under lien with bank as Secutity for Guarantee Facility & Margin on current account.

7 (f) Other Financial Assets (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, Considered Good Unless Otherwise Specified)		
Non-Current		
Security Deposits	11.61	3.39
	11.61	**3.39**
Current		
Security Deposits	6.22	1.52
Insurance Claim Receivable	0.41	0.11
Other Receivables - Related Parties (Refer note 30)	1.79	0.84
Other Receivables	0.53	0.27
Mark to Market of Derivative Financial Instruments	0.15	-
	9.10	**2.75**
Total Financial Assets	**20.71**	**6.14**

Notes: 1) Other current financial assets are given as security for borrowings as disclosed under Note 13(a).

7 (g) Financial Assets by Category (₹ In crores)

Particulars	FVTPL	FVOCI	Amortised Cost
March 31, 2026			
Trade Receivables	-	-	212.84
Loans	-	-	100.02
Cash & Bank Balances	-	-	2.96
Other Financial Assets	0.15	-	20.56
Total Financial assets	**0.15**	**-**	**336.38**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

March 31, 2025			
Trade Receivables	-	-	255.47
Loans	-	-	100.19
Cash & Bank Balances	-	-	8.94
Other Financial Assets	-	-	6.14
Total Financial Assets	**-**	**-**	**370.74**

Notes :

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

Note 8 : Non-Current Tax Assets (Net)

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current Tax Assets (Net)		
Tax Paid in Advance (Net of Provision)	14.65	15.79
Total	**14.65**	**15.79**

Note 9: Other Assets

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, Considered Good Unless Otherwise Stated)		
Non-current		
Prepaid Expenses	0.86	0.26
Sales Tax Paid Under Protest (Deposit)	0.35	0.35
Less : Provision	0.35	0.35
Sales Tax Paid Under Protest (Net of Provision)	-	-
Capital Advances*	0.03	0.00
	0.89	**0.26**
Current		
Advance to Suppliers	3.93	1.16
Advance to Employee	0.06	0.10
Balance with Government Authorities (Refer Note 1 below)	16.30	7.73
GST Paid Under Protest	0.80	0.81
Export Incentive Receivable	0.08	0.10
Returnable Asset (Refer Note 3 below)	70.78	70.49
Prepaid Expenses	4.65	4.18
Other Current Asset (Refer Note 5 below)	18.92	17.76
	115.52	**102.33**
Total	**116.41**	**102.59**

*Represents amounts less than ₹50,000/-

Notes :

1. Balance with Government Authorities mainly consist of input tax credit availed.
2. Other current assets are given as security for borrowings as disclosed under Note 13(a).
3. Returnable Asset are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers and are accounted, considering the nature of inventory, ageing and net realisable value. Accordingly ₹10.36 Crores (March 31, 2025 ₹8.17 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement of profit & loss.
4. No advances are due from Directors or promoters of the Company either severally or jointly with any person.
5. Other current assets represents Goods and Service Tax paid on refund liability component.

Note 10 : Inventories (At Lower of Cost and Net Realisable Value)

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Stock-in-Trade (Branded Apparels and Accessories)	149.58	94.42
Total	**149.58**	**94.42**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ In crores)

Notes :

1) Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for ₹14.07Crores (Previous year ₹17.28 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss
2) Inventories are given as security for borrowings as disclosed under Note 13(a)

Note 11 : Equity Share Capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ In crores	No. of Shares	₹ In crores
Authorised Share Capital				
Equity shares of ₹4 each (March 31, 2025: ₹4 each)	18,75,00,000	75.00	18,75,00,000.00	75.00
Issued and Subscribed Share Capital				
Equity shares of ₹4 each (March 31, 2025: ₹4 each)	13,36,54,989	53.46	13,33,00,510.00	53.32
Subscribed and Fully Paid Up				
Equity shares of ₹4 each (March 31, 2025: ₹4 each)	13,36,30,300	53.45	13,32,75,821.00	53.31
Subscribed and Partly Paid Up				
Equity shares of ₹2 each (March 31, 2025: ₹2 each)	24,689	(₹49,378/-)	24,689.00	(₹49,378/-)
Total	**13,36,54,989**	**53.46**	**13,33,00,510**	**53.32**

11.1. Reconciliation of Shares Outstanding at the Beginning and at the end of the Reporting Period

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ In crores	No. of Shares	₹ In crores
Outstanding at the beginning of the period	**13,33,00,510**	**53.32**	**13,29,84,460.00**	**53.19**
Add: Shares allotted pursuant to exercise of employee	3,54,479	0.14	3,16,050.00	0.13
Stock Option Plan (Refer Note 32)				
Outstanding at the end of the period	**13,36,54,989**	**53.46**	**13,33,00,510.00**	**53.32**

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 ₹4 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting (Refer Note-41). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding. However no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by shareholders.

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
Aura Securities Private Limited	4,16,18,605	31.14%	4,16,18,605	31.22%
Axis Mutual Fund Trustee Limited A/C Axis Various Mutual Funds	54,73,793	4.10%	72,10,785	5.41%

11.4. Shareholding of Promoters

Promoter Name	As at March 31, 2026			As at March 31, 2025		
	No. Shares	% of Total Shares	% Change During the Year	No. Shares	% of Total Shares	% Change During the Year
Aura Securities Private Limited	4,16,18,605	31.14%	0.00%	4,16,18,605	31.22%	-4.59%
Aura Merchandise Private Limited	18,30,701	1.38%	0.00%	18,30,701	1.37%	0.00%
Atul Limited	15,96,105	1.19%	0.00%	15,96,105	1.20%	0.00%
Aura Business Ventures LLP	10,36,706	0.78%	0.00%	10,36,706	0.78%	0.00%
Aagam Holdings Private Limited	7,25,553	0.54%	0.00%	7,25,553	0.54%	0.00%
Anusandhan Investments Limited	44,470	0.03%	0.00%	44,470	0.03%	0.00%

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Aayojan Resources Private Limited	35,190	0.03%	0.00%	35,190	0.03%	0.00%
Adhinami Investment Private Limited	7,153	0.01%	0.00%	7,153	0.01%	0.00%
Swati S Lalbhai	3,754	0.00%	0.00%	3,754	0.00%	0.00%
Sunil Siddharth Lalbhai	2,101	0.00%	0.00%	2,101	0.00%	0.00%
Taral S Lalbhai	1,573	0.00%	0.00%	1,573	0.00%	0.00%
Punit S. Lalbhai	1,544	0.00%	0.00%	1,544	0.00%	0.00%
Swati Siddharth Lalbhai (trustee of Siddharth Family Trust)	1,399	0.00%	0.00%	1,399	0.00%	0.00%
Sanjay S Lalbhai (as representative trustee of discretionary trust)	565	0.00%	0.00%	565	0.00%	0.00%
AsthaLalbhai	385	0.00%	0.00%	385	0.00%	0.00%
VimlaSLalbhai	194	0.00%	0.00%	194	0.00%	0.00%
Jayshreeben Sanjaybhai Lalbhai	152	0.00%	0.00%	152	0.00%	0.00%
Sanjaybhai Shrenikbhai Lalbhai	76	0.00%	0.00%	76	0.00%	0.00%
Akshita Holdings Private Limited	51	0.00%	0.00%	51	0.00%	0.00%
Aura Business Enterprise Private Limited	38	0.00%	0.00%	38	0.00%	0.00%
Aura Securities Private Limited	38	0.00%	0.00%	38	0.00%	0.00%
Kalpanaben Shripalbhai Morakhia	-	0.00%	-100.00%	3	0.00%	0.00%
Sunil Siddharth HUF	3	0.00%	0.00%	3	0.00%	0.00%
Total	**4,69,06,356**	**35.10%**		**4,69,06,359**	**35.19%**	

11.5. Issue of Equity Shares on Preferential Basis

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

11.6. Issue of Shares under Right Issue

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

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

11.7. Shares reserved for issue under options and contracts :

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

11.8. Objective, policy and procedure of capital Management:

Refer Note 38.

Note 12 : Other Equity

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Reserves & Surplus		
Capital Reserve		
At the beginning of the year	39.89	39.89
Balance at the end of the year	**39.89**	**39.89**
Securities Premium Account		
At the beginning of the year	2,163.01	2,155.62
Addition during the year	9.70	5.12
Transfer from share based payment reserve	4.17	2.27
Balance at the end of the year	**2,176.88**	**2,163.01**
Share Based Payment Reserve (Refer Note 32)		
At the beginning of the year	19.07	19.45
Addition during the year	6.09	1.89
Transfer to Securities Premium	(4.17)	(2.27)
Balance at the end of the year	**20.99**	**19.07**
Retained Earnings		
At the beginning of the year	56.75	35.69
Profit/(Loss) for the year	1.35	37.77
OCI for the year	(0.16)	(0.06)
Appropriation from reserves on account of dividend payout	(21.35)	(16.65)
Balance at the end of the year	**36.59**	**56.75**
Total Reserves & Surplus	**2,274.35**	**2,278.72**
Total Other equity	**2,274.35**	**2,278.72**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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. This reserve is utilised in accordance with the provisions of the Companies Act.

c. Share Based Payment Reserve

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

d. Retained Earnings

Retained earnings are the profit that the Company has earned to date, less dividends, or other distributions paid to equity shareholders. Retained earnings include remeasurement loss/(gain) on defined benefit plans, net of taxes, that will not be reclassified to the Statement of Profit & Loss.

Note 13 : Financial liabilities

(₹ In crores)

13 (a) Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Short-Term Borrowings (Refer Note 1 below)		
Secured (at Amortised Cost)		
Current Maturities of Long Term Borrowings (Refer Note 1(a) below)	-	8.68
Working Capital Loans Repayable on Demand from Banks	101.45	53.00
Total Short-Term Borrowings	**101.45**	**61.68**
Total Borrowings	**101.45**	**61.68**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

1. Secured Borrowings

(a) Current Maturities of Long Term Borrowings

Particulars	As at March 31, 2026		As at March 31, 2025	Security	Terms of Repayment
	Rate of Interest	₹ in Crores	₹ in Crores		
Rupee Loans	-	-	8.60	1. Guaranteed By National Credit Guarantee Trustee Company Ltd. 2. Second charge on all current assets of borrower both present and future 3. Extension of second ranking charge over existing primary and collateral securities created in favour of the bank (including but not limited to hypothecation on present and future stock, book debts and movable fixed assets of the Company and assets of the borrower created out of this Facility	Repayable in 48 monthly installments beginning from April 2022
Rupee Loans	-	-	0.08	Secured by hypothecation of related vehicles	Monthly payment of Equated Monthly Installments beginning from the month subsequent to taking the loans

(b) Short Term

Particulars	As at March 31, 2026		As at March 31, 2025	Security	Pledge of Shares
	Rate of Interest	₹ in Crores	₹ in Crores		
Working Capital Loans	6.91% to 9.10%	31.22	25.00	First pari passu charge on entire Stock and Receivables of the Company both present and future	Secured against Pledge of 175,82,539 shares of Arvind Youth Brands Private Limited (AYBPL)
Working Capital Loans	7.10% to 8.25%	47.09	15.00	First pari passu charge on entire Stock and Receivables of the Company both present and future	Secured against Pledge of 148,77,533 shares of Arvind Youth Brands Private Limited (AYBPL)
Working Capital Loans	8.13% to 8.40%	23.10	13.00	First pari passu charge on entire Stock and Receivables of the Company both present and future	Secured against Pledge of 81,15,018 shares of Arvind Youth Brands Private Limited (AYBPL)
Working Capital Loans	11.10%	0.04	-	First pari passu charge on entire Stock and Receivables of the Company both present and future	

2. All necessary charges or satisfaction are registered with ROC within the statutory period.
3. The Company has Fund based and Non-Fund based limits of working capital from Banks and Financial Institutions. For the said facility, the revised submissions made by the Company to its lead bankers based on closure of book of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
4. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

13 (b) Trade Payable - Current

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables (Refer Note below)		
Total outstanding dues of Micro Enterprises and Small Enterprises	19.22	16.53
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	108.72	91.62
Total	**127.94**	**108.15**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

As at March 31, 2026 (₹ In crores)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Micro Enterprises and Small Enterprises	19.22	-	-	-	-	19.22
Other	65.79	8.95	0.05	0.28	0.83	75.90
Unbilled Dues	32.82	-	-	-	-	32.82
Total	**117.83**	**8.95**	**0.05**	**0.28**	**0.83**	**127.94**

As at March 31, 2025 (₹ In crores)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Micro Enterprises and Small Enterprises	16.53	-	-	-	-	16.53
Other	60.23	2.97	0.26	0.68	1.40	65.54
Unbilled Dues	26.08	-	-	-	-	26.08
Total	**102.84**	**2.97**	**0.26**	**0.68**	**1.40**	**108.15**

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

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
i) Principal	18.68	14.69
ii) Interest	0.54	1.84
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.54	1.84
(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	0.54	1.84

13 (c) Trade Credits (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Trade Credits (Refer note below)	92.96	102.39
Total	**92.96**	**102.39**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note : The Company participates in a supplier finance arrangement under which its suppliers may elect to receive early payment of their invoices from a bank. Under this arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Company and the Company repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

From the Company's perspective, the arrangement does not significantly extend the payment terms beyond the normal terms agreed with other suppliers that are not participating; however, the arrangement does provide participating suppliers with the benefit of early payment. The financing terms are negotiated by the Company, and it bears interest in the range of 6-9% on the credit availed beyond the due date, and the interest cost has been presented under finance costs.

During the current year, the Company has regrouped interest-bearing short term trade credits which are availed from financial institutions and banks for payments to suppliers, have been reclassified from trade payable and shown as a separate line item under financial liabilities as trade credits, to provide user with a clearer assessment of the impact on the liabilities, cash flows and liquidity risk. The comparative figures have also been classified in line with the current year's presentation. The said reclassification by the Company is for better presentation and does not have any impact on profit or total equity of the Company.

(₹ In crores)

Carrying amount	As at March 31, 2026	As at March 31, 2025*
Liabilities under Supplier Finance Arrangement	92.96	Not Applicable
of which supplier has received the payment from finance provider	86.82	Not Applicable
Range Of Payment Dues		
Liabilities under Supplier Finance Arrangement	Upto 180 days	Not Applicable
of which supplier has received the payment from finance provider	Upto 180 days	Not Applicable

*The Company has applied transitional relief and accordingly comparative information, wherever applicable, for the above disclosures is not presented in the first year of adoption of the amendment.

The Company doesn't provide any collateral or guarantees to the finance provider.

13 (d) Other Financial Liabilities

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Security Deposit	12.73	5.94
	12.73	**5.94**
Current		
Security Deposit- Current	2.07	-
Interest Accrued but Not Due on Borrowings	1.36	0.67
Payable to Employees	11.30	12.19
Payable for Capital Goods	1.51	0.75
Payable to Related Parties (Refer Note 30)	0.09	0.08
Mark to Market of Derivative Financial Instruments	-	0.24
Financial Guarantee Contract (Refer Note-1 below)	0.03	0.08
Unclaimed Dividend Payable (Refer Note 7(e))	0.17	0.10
Others*	3.46	1.04
	19.99	**15.15**
Total	**32.72**	**21.09**

Financial Guarantee Contract

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

*This includes Unpaid Fractional Shares Amount of ₹1.03 Crores (previous year ₹1.04 Crores) and due for refund for the excess money received on Right Issue of ₹14,400 (previous year ₹14,400)

13 (d) : Financial Liabilities by Category

(₹ In crores)

Particulars	FVOCI	FVTPL	Amortised Cost
March 31, 2026			
Borrowings	-	-	101.45
Trade Payables	-	-	127.94
Trade Credits			92.96
Lease Liabilities		-	141.08
Security Deposits	-	-	14.80
Payable to Employees	-	-	11.30
Financial Guarantee Contract	-	0.03	-
Interest Accrued but not Due	-	-	1.36
Payable in Respect of Capital Goods	-	-	1.51
Mark to Market of Derivative Financial Instruments	-	-	-
Payable to Related Parties	-	-	0.09
Unclaimed Dividend Payable	-	-	0.17
Others	-	-	3.46
Total Financial Liabilities	**-**	**0.03**	**496.12**
March 31, 2025			
Borrowings	-	-	61.68
Trade Payables	-	-	108.15
Trade Credits			102.39
Lease Liabilities	-	-	50.34
Security Deposits	-	-	5.94
Payable to Employees	-	-	12.19
Financial Guarantee Contract	-	0.08	-
Interest Accrued but not Due	-	-	0.67
Payable in Respect of Capital Goods	-	-	0.75
Mark to Market of Derivative Financial Instruments	-	0.24	-
Payable to Related Parties	-	-	0.08
Unclaimed Dividend Payable	-	-	0.10
Others	-	-	1.04
Total Financial Liabilities	**-**	**0.32**	**343.33**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

Note 14: Provisions

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Long-Term		
Provision for Employee Benefits (Refer Note 29)		
Provision for Leave Encashment-Long Term	2.20	1.78
Provision for Gratuity-Long Term	4.86	4.02
	7.06	**5.80**
Short-Term		
Provision for Employee Benefits (Refer Note 29)		
Provision for Leave Encashment	0.51	0.48
Provision for Gratuity	0.12	0.42
	0.63	**0.90**
Total	**7.69**	**6.70**

Note 15: Other Current Liabilities

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Advance from Customers	3.15	5.66
Statutory Dues Including Provident Fund and Tax Deducted at Source	0.81	3.16
Contract Liabilities		

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Deferred Income of Loyalty Program Reward Points (Refer Note 16 (II) and Note (a) below)	1.35	1.38
Deferred Revenue (Refer Note 16 (II) and Note (b) below)	0.37	0.40
Total	**5.68**	**10.60**

(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:

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	1.38	0.98
Provision made during the year(net) (Refer Note 16)	1.96	2.23
Less: Redemption made during the year	2.00	1.83
Balance at the end of the year	**1.34**	**1.38**

(b) Deferred Revenue

The Company has deferred the revenue and movement in deferred revenue are given below:

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	0.40	0.18
Addition during the year	4.58	0.40
Less: Deduction during the year	4.61	0.18
Balance at the end of the year	**0.37**	**0.40**

Note 16: Revenue from Operations

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Sale of Products	710.56	665.35
Operating Income		
Export Incentives	0.29	0.44
Foreign Exchange Fluctuation on Vendors and Customers (Net)	-	0.12
Miscellaneous Receipts	0.01	-
	0.30	**0.56**
Total	**710.86**	**665.91**

I. Disaggregation of Revenue from Contracts with Customers

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A. Revenue based on Geography		
i. Domestic	695.02	644.48
ii. Export	15.84	21.43
	710.86	**665.91**
B. Revenue based on Business Segment		
Branded Apparels and Accessories	**710.86**	**665.91**

II. Contract Balances

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Contract Assets		
Trade receivables (Refer note 7(b)	212.84	255.47
Contract Liabilities		
Advance from customers (Refer note 15)	3.15	5.66
Deferred Revenue (Refer Note 15)	0.37	0.40
Deferred income of Loyalty Program Reward Points (Refer Note 15)	1.35	1.38

Note : Contract Liabilities Include Transaction Price of Loyalty Points not Yet Redeemed

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

III. Reconciliation of Revenue from Operation with Contract Price

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Contract Price	1,206.96	1,148.70
Less:		
Sales Return	321.92	305.21
Schemes and Discounts	172.22	175.35
Customer Loyalty Program	1.96	2.23
Total Revenue from Operations	**710.86**	**665.91**

Note 17: Other Income

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest Income	2.18	0.20
Interest Income on ICD (Refer Note 30)	8.50	10.16
Intereston Fair Valuation of Securty Deposit	1.24	0.25
Dividend Income (Refer Note 30)	50.03	50.03
Financial Guarantee Commission (Refer Note 1 below)	3.06	3.39
Profit on Sale of Property, Plant & Equipment (Net)	-	0.01
Gain On Reassessment - Lease	0.06	0.14
Gain of Mark to Market of Derivatives Financial Instruments	0.39	-
Miscellaneous Income	0.11	0.06
Total	**65.57**	**64.24**

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

Note 18: Purchases of Stock-in-Trade

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Branded Apparels and Accessories	462.64	455.06
Total	**462.64**	**455.06**

Note 19: Changes in Inventories

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Stock at the End of the Year		
Stock-in-Trade	149.58	94.42
Stock at the Beginning of the Year		
Stock-in-Trade	94.42	59.95
Increase/(Decrease) in Inventories	**(55.16)**	**(34.47)**

Note 20: Employee Benefits Expense

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, Wages, Gratuity, Bonus, Commission, Etc. (Refer Note 29)	70.54	51.49
Contribution to Provident and Other Funds (Refer Note 29)	2.90	2.36

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Welfare and Training Expenses	4.99	1.75
Share Based Payment to Employees (Refer Note 32)	5.51	1.23
Total	**83.94**	**56.83**

Note 21: Finance Costs

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest Expenses on		
Loans	6.90	8.50
Lease Liabilities (Refer Note 33)	13.70	4.27
Others	1.28	0.46
Other finance cost	8.33	8.21
Total	**30.21**	**21.44**

Note 22: Depreciation and Amortization Expense

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of Property, Plant & Equipment (Refer Note 5)	7.35	4.95
Amortization of Intangible Assets (Refer Note 6)	24.99	27.20
Depreciation of Right-of-use-Assets (Refer Note 33)	35.91	10.63
Total	**68.25**	**42.78**

Note 23: Other Expenses

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Power and Fuel	1.24	0.33
Insurance	0.35	0.50
Processing Charges	2.13	1.56
Printing, Stationery & Communication	1.16	1.18
Rent Expenses (Refer Note 33)	1.74	0.35
Commission & Brokerage	21.62	9.45
Rates and Taxes	1.22	1.03
Repairs :		
To Building	0.08	0.21
To Others	5.57	1.16
Royalty on Sales	35.53	32.47
Freight, Insurance & Clearing Charge	6.28	5.24
Legal & Professional Charges	14.46	13.44
Computer Expenses	2.19	2.28
Conveyance & Travelling Expense	6.70	5.55
Advertisement and Publicity	24.10	17.48
Outsource Services	42.17	36.02
Sampling and Testing Expenses	4.54	3.30
Director's Sitting Fees and Commission	1.12	0.94
Allowance for Doubtful Debts	0.43	0.65
Auditor's Remuneration - (Refer Note 23(A) below)	1.29	1.17
Bank Charges	1.22	0.52
Warehouse Charges	5.49	4.86

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Exchange Difference (Net)	1.41	-
Loss on Assets Sold, Demolished, Discarded and Scrapped	0.02	-
Miscellaneous Expenses	2.00	2.48
Total	**184.06**	**142.15**

Note 23(a): Breakup of Auditor's Remuneration

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Payment to Auditors as		
Statutory Auditor Fees	1.22	1.10
Certification Fee	0.01	0.01
For Reimbursement of Expenses	0.07	0.06
Total	**1.29**	**1.17**

Note 23(b): Exceptional items

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Provision for Gratuity and Leave Encashment as per New Labour code (Refer Note (a) below)	5.06	-
Total	**5.06**	**-**

Note :

(a) On November 21, 2025, the Government of India notified the four Labour Codes — the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 — consolidating 29 existing labour laws (collectively, the "New Labour Codes"). Based on its assessment, the Company has recognised a one-time incremental provision towards gratuity and compensated absences payable to its own employees and contract workforce, aggregating to ₹5.06 Crores, which has been presented as an Exceptional item. Such increase is primarily arising due to change in the definition of "wages" for employees and contract labours. The Company continues to monitor the developments pertaining to the New Labour Codes and the impact, if any, will be accounted in accordance with applicable accounting standards.

Note 24: Income Tax

The major components of income tax expense: (₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Statement of Profit and Loss		
Current tax		
Current Income Tax	1.77	6.71
Excess Provision Related to Earlier Years	(5.57)	-
Deferred tax		
Deferred Tax Charge/(Credit)	(0.15)	1.88
Mat Creditit Entitlement Reversal		
Income Tax Expense Reported in the Statement of Profit and Loss	**(3.95)**	**8.59**

OCI Section (₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Statement to Other Comprehensive Income (OCI)		
Deferred Tax Related to Items Recognised in OCI During the Year		
Net Loss/(gain) on Actuarial Gains and Losses	(0.05)	(0.03)
Deferred Tax Charged to OCI	**(0.05)**	**(0.03)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

A) Current Tax (₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Accounting Profit/(loss) before Tax	(2.60)	46.36
Tax Rate	25.17%	34.944%
Current Tax Expenses on Profit before Tax at the Enacted Income Tax Rate in India	(0.65)	16.20
Adjustments		
Guarantee Commission Income	(0.77)	(1.18)
Recognition of Deferred Tax on Unrecognised Business Losses	(1.62)	-
Interest on MSME	0.04	-
MAT Credit Utilisation	-	(4.96)
Short Provision of the Earlier Years	(5.57)	-
Difference on Account of moving to New Tax Regime as per Section 115BAA of the Income Tax Act, 1961 (Refer note below)	6.19	-
Expenditure not Deductible for Tax/Income not Liable to Tax	(1.56)	(1.47)
At the Effective Income Tax	**(3.95)**	**8.59**
Effective Income Tax Rate %	**151.76%**	**18.53%**

Note :- The Management of the Company has opted to exercise the option under Section 115BBA of the Income Tax Act, 1961. Consequently, the Company has remeasured its deferred tax assets and liabilities using the tax rate specified in the section, resulting in a deferred tax charge of ₹6.19 crores. The full impact of this change has been recognised in the statement of Standalone Financial Results for the quarter ended December 31, 2025 and the year ended March 31, 2026.

B) Deferred Tax (₹ In crores)

Particulars	Standalone Balance Sheet	Statement of Standalone Profit & Loss and Other Comprehensive Income	Standalone Balance Sheet	Statement of Standalone Profit & Loss and Other Comprehensive Income
	As at March 31, 2026	Year ended March 31, 2026	As at March 31, 2025	Year ended March 31, 2025
Accelerated Depreciation for Tax Purposes	5.31	2.26	7.57	0.18
Expenditure Allowable on Payment basis over the Period	2.62	(0.29)	2.33	(0.09)
Expenses on Employee Stock Option	-	-	-	1.99
Allowance for Doubtful Receivables/Advances	3.78	1.32	5.10	(5.09)
Unused tax credit available for offsetting against future taxable income	1.62	(1.62)	-	4.96
Unabsorbed Depreciation And Business Loss	-	-	-	(0.67)
Impact of Ind As 116	2.94	(1.83)	1.11	0.59
Others	0.05	(0.05)	-	(0.02)
Net Deferred Tax Assets/(Liabilities)	**16.32**	**(0.21)**	**16.11**	**1.85**

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) At the reporting date, the Company has unused tax losses of ₹8.37 Crore (March 31, 2025: ₹6.03 Crore) available for offset against future profits. Out of the same, tax credits on entire losses have been recognised on the basis that the recovery is probable in the foreseeable future.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Reconciliation of Deferred Tax Assets/(Liabilities), Net (₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the Beginning of the Year	16.11	17.96
Deferred Tax Income/(expense) during the period Recognised in Profit or Loss	0.16	(1.88)
Deferred Tax Income/(expense) during the period Recognised in OCI	0.05	0.03
Balance at the end of the year	**16.32**	**16.11**

Note 25: Contingent liabilities and Other Commitment

(a) Contingent liabilities (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Contingent liabilities not provided for		
Disputed Demands in Respect of (Refer Notes below)		
Income Tax	1.14	6.17
GST	20.63	10.03

Notes :

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

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

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

(b) Other Commitment

In the previous year, the Company has entered into an Share Purchase Agreement(SPA) for the sale of erstwhile subsidiary company, wherein the Company has agreed to indemnify the Purchaser against the legal matters pertaining to the period prior to the sale of the subsidiary.

During the year, the erstwhile subsidiary has received various GST-related litigations pertaining to the said period amounting to INR 10.69 crores , which are currently under adjudication. The Company has evaluated the potential obligations arising from these matters and has disclosed them as other commitments.

Based on the assessment of the underlying facts and circumstances, the management believes that the claims are unsubstantiated and not tenable. Accordingly, no provision is considered necessary in the standalone financial statements as at March 31, 2026.

Note 26: Capital Commitment

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	4.14	2.11

Note : The Company has provided letters of financial support to one of its subsidiary Company.

Note 27: Foreign Exchange Derivatives and Exposures

The Company has taken various derivatives to hedge its risk associated with foreign exchange fluctuations. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. Foreign exchange contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purpose are entered, which are available at the settlement date of certain payables and receivables.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount (In Crores)	Amount (₹ In crores)	Amount (In Crores)	Amount (₹ In crores)
Hedging of Trade Payables				
Forward Contracts	USD 0.19	17.80	USD 0.40	34.56

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

The Details of Foreign Currency Exposures not Hedged by Derivative Instruments are as under:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount (In Crores)	Amount (₹ In crores)	Amount (In Crores)	Amount (₹ In crores)
Trade Receivables	USD 0.04	3.93	USD 0.07	5.80
Trade Payables	USD 0.18	16.81	USD 0.08	6.77

Note 28: Segment Reporting

(₹ In crores)

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

Geographical Segment

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

Particulars	As at March 31, 2026	As at March 31, 2025
Segment Revenue*		
a) In India	695.02	644.48
b) Rest of the World	15.84	21.43
Total Sales	**710.86**	**665.91**
Carrying Cost of Segment Non Current Assets**		
a) In India	188.80	108.09
b) Rest of the world	-	-
Total	**188.80**	**108.09**

*Based on location of Customers

**Excluding Investment, Deferred Tax Assets & Non-current tax asset

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

The Company has two customers contributing ₹230.11 Crores (March 31, 2025, one customer contributing ₹197.10 Crores) to the revenue of the Company.

Note 29: Disclosure Pursuant to Employee benefits

A Defined Contribution Plans

The following amounts are recognised as expense and included in Note 20 "Employee benefit expenses" (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Contribution to Provident Fund	2.69	2.18
Contribution to National Pension Scheme	0.21	0.17
Contribution to ESI	(₹1,200/-)	(₹390/-)
Contribution to Labour Welfare Fund	(₹30,011/-)	(₹20,024/-)
Total	**2.90**	**2.35**

Note

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

B Defined Benefit Plans

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

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. The Gratuity plan is a Funded plan administered by the Company .

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

The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognised in other comprehensive income.

Changes in defined benefit obligation and plan assets as on March 31, 2026

(₹ In crores)

Particulars	Defined Benefit Obligation	Fair Value of Plan Assets	Total
Balance at the Beginning of the Year	**(4.91)**	**0.47**	**(4.44)**
Past Service Cost	(0.97)	-	(0.97)
Gratuity Cost Charged to Statement of Profit and Loss			
Current Service Cost	(0.70)	-	(0.70)
Net Interest (Expense)/Income	(0.29)	0.03	(0.26)
Sub-Total (A) included in Statement of Profit and Loss (Note 20)	**(0.99)**	**0.03**	**-0.96**
Benefit Paid	**0.68**	**(0.68)**	**-**
Remeasurement Gains/(Losses) in other Comprehensive Income			
Actuarial Changes Arising from changes in Demographic Assumptions	(0.51)	-	(0.51)
Actuarial Changes Arising from changes in Financial Assumptions	0.55	-	0.55
Actuarial Changes Arising from changes in Experience Adjustments	(0.25)	-	(0.25)
Sub-Total (B) Included in OCI	**(0.21)**	**-**	**(0.21)**
Change on Account of Inter-Company Transfer	(0.02)	-	(0.02)
Contributions by Employer	0.82	0.80	1.62
Total	**(5.60)**	**0.63**	**(4.98)**

*Represents amounts less than ₹50,000/-

Changes In Defined Benefit Obligation And Plan Assets As On March 31, 2025 (₹ In crores)

Particulars	Defined Benefit Obligation	Fair Value of Plan Assets	Total
Balance at the Beginning of the Year	**(4.06)**	**0.43**	**(3.63)**
Gratuity Cost Charged to Statement of Profit and Loss			
Current Service Cost	(0.58)	-	(0.58)
Net Interest (Expense)/Income	(0.26)	0.03	(0.23)
Sub-Total (A) included in Statement of Profit and Loss (Note 20)	**(0.84)**	**0.03**	**(0.81)**
Benefit Paid	**0.19**	**(0.19)**	**-**
Remeasurement Gains/(Losses) in other Comprehensive Income			
Return on Plan Assets (Excluding Amounts Included in Net Interest Expense/Income)	-	0.00	0.00
Actuarial Changes Arising from changes in Demographic Assumptions	(0.17)	-	(0.17)
Actuarial Changes Arising from changes in Financial Assumptions	0.15	-	0.15

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Actuarial Changes Arising from changes in Experience Adjustments	(0.07)	-	(0.07)
Sub-Total (B) Included In OCI	**(0.09)**	**0.00**	**(0.09)**
Change on Account of Inter-Company Transfer	**(0.11)**	**-**	**(0.11)**
Contributions by Employer	**-**	**0.20**	**0.20**
Total	**(4.91)**	**0.47**	**(4.44)**

Expenses recognised in statement of profit/loss (₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net Interest Cost	0.26	0.23
Current Service Cost	0.70	0.58
Past Service Cost (Refer Note 23(b))	0.97	-
Sub-Total (a) included in Statement of Profit and Loss	**1.93**	**0.81**

Note 29 : Disclosure Pursuant to Employee Benefits (Continued)

The Major Categories of Plan Assets of the Fair Value of the Total Plan Assets of Gratuity are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
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	As at March 31, 2026	As at March 31, 2025
Discount rate	6.90%	6.50%
Future Salary Increase	9.53%	11.10%
Expected Rate of Return on Plan Assets	6.90%	6.50%
Attrition Rate	17.90%	21.00%
Morality Rate during Employment	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

A Quantitative Sensitivity Analysis for Significant Assumptions is as shown below:

(₹ In crores)

Particulars	Sensitivity Level	Increase/(Decrease) in defined benefit Obligation (Impact)	
		Year ended March 31, 2026	Year ended March 31, 2025
Gratuity			
Discount Rate	50 basis points increase	(0.13)	(0.10)
	50 basis points decrease	0.15	0.10
Salary Increase	50 basis points increase	0.13	0.08
	50 basis points decrease	(0.12)	(0.08)
Attrition Rate	50 basis points increase	(0.03)	(0.03)
	50 basis points decrease	0.04	0.03

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 recognised 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 Company has a Gratuity plan as a part of its employee benefit program. This is a defined benefit scheme that exposes the Company to various risks. Some of the common risks associated with similar schemes are as follows:

Interest Rate Risk: The defined benefit obligation represents the present value of future cash flows expected to be paid from the plan, calculated using prevailing interest rates. Although changes in interest rates do not impact the actual cash flows from the scheme, they do not affect the value of the liability (defined benefit obligation), thereby impacting the Company's balance sheet and profit & loss statement.

Investment Risk: Plans funded with assets are exposed to market fluctuations in asset values. The Company may experience these fluctuations impacting its balance sheet and profit & loss statement.

Demographic Risk: When determining the defined benefit scheme, it is assumed that employees will follow certain patterns of attrition or morality. If the actual trend differs from these assumptions. The Company may incur costs different from those provisioned.

The following are the Expected Future Benefit Payments for the Defined Benefit Plan : (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Gratuity		
Within the Next 12 Months (next Annual Reporting Period)	0.75	0.90
Between 2 and 5 Years	4.21	3.77
Beyond 5 Years	6.30	4.24
Total Expected Payments	**11.26**	**8.91**

Weighted Average duration of Defined Plan Obligation (based on Discounted Cash Flows)

Particulars	As at March 31, 2026	As at March 31, 2025
Gratuity	5 years	4 years

Asset Liability Matching Strategy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiacy of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rates (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Leave Encashment

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

The Company has recognised following as expense and included in Note No. 20 'Employee benefit expense'' (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Leave Encashment	0.25	0.59
	0.25	**0.59**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Liability Recognised in Balance Sheet (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
a. Long Term Provisions	2.20	1.78
b. Short Term Provisions	0.51	0.48
	2.71	**2.26**

Note 30: Related Party Transactions

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

A	Name of Related Parties	Nature of Relationship
	Arvind Limited	Enterprise on which Non-Executive Director exercise significant influence
	Arvind Lifestyle Brand Limited	Subsidiary Company
	PVH Arvind Fashion Private Limited	Subsidiary Company
	Value Fashion Retail Limited	Subsidiary Company of Arvind Lifestyle Brands Limited
	Arvind Youth Brands Private Limited	Subsidiary Company of Arvind Lifestyle Brands Limited
	Arvind Smart Textile Limited	Enterprise on which Non-Executive Director exercise significant influence
	Arvind Envisol Limited	Enterprise on which Non-Executive Director exercise significant influence
	Aura Securities Private Limited	Entity with Significant Influence over the Company
	Aura Merchandise Private Limited	Enterprise on which Non-Executive Director exercise significant influence
	Atul Limited	Enterprise on which Non-Executive Director exercise significant influence
	Suresh Jayaraman	Non-executive director
	Shailesh Shyam Chaturvedi	Key Management Personnel, Managing Director & CEO (upto September 30, 2025)
	Girdhar Kumar Chitlangia	Key Management Personnel & Chief Financial Officer
	Lipi Jha	Key Management Personnel & Company Secretary
	Sanjay S. Lalbhai	Non Executive Director and Chairman
	Nithya Easwaran	Non Executive Director (upto September 23, 2024)
	Kulin S. Lalbhai	Non Executive Director and Vice-chairman
	Punit S. Lalbhai	Non Executive Director
	Nilesh D. Shah	Non Executive Director
	Nagesh D. Pinge	Non Executive Director
	Achal A. Bakeri	Non Executive Director
	Ananya Tripathi	Non Executive Director
	Manoj Nakra	Non Executive Director
	Govind Shrikhande	Non Executive Director
	Amisha Hemchand Jain	Key Management Personnel, Managing Director & CEO (Effective from 13.08.2025)

B Transactions with Related Parties for the Year Ended March 31, 2026 and Year Ended March 31, 2025 (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Purchase of Goods (Net of Returns)		
Arvind Limited	-	(0.01)
Arvind Smart Textile Limited	-	0.70
Purchase of Assets		
Arvind Lifestyle Brands Limited-Purchase of PPE	2.09	2.93
Arvind Lifestyle Brands Limited-Purchase of Deposits	8.17	2.79
Sale of Goods (Net of Returns)		
Arvind Lifestyle Brands Limited	152.02	197.10
Receiving of Services-Shared services		
Arvind Lifestyle Brands Limited	1.75	6.24
PVH Arvind Fashion Private Limited	0.49	0.83
Arvind Limited	8.44	3.00
Arvind Envisol Limited	0.02	0.03
Receiving of Services-Other services		
Retailers Association Of India	0.10	0.00
Guarantee Commission Income		
Arvind Lifestyle Brands Limited	2.33	2.33
Arvind Youth Brands Private Limited	0.54	0.54
PVH Arvind Fashion Private Limited	0.20	0.53
Rendering of Services-Shared service		
PVH Arvind Fashion Private Limited	1.50	2.48
Arvind Lifestyle Brands Limited	18.24	8.91
Arvind Youth Brands Private Limited	2.06	2.15
Interest Income		
Arvind Lifestyle Brands Limited	8.50	10.16
Remuneration to KMP	24.19	13.81
Directors' Commission and Sitting Fees	1.12	0.94
Dividend Paid		
Aura Securities Private Limited	6.66	5.20
Aura Merchandise Private Limited	0.29	0.23
Atul Limited	0.26	0.20
Others**	0.30	0.27
Loan Given		
Arvind Lifestyle Brands Limited	-	30.00
Loan Repayment		
Arvind Lifestyle Brands Limited	-	67.00
Investments made		
Arvind Lifestyle Brands Limited	2.88	3.01
Arvind Youth Brands Private Limited	0.54	0.59
PVH Arvind Fashion Private Limited	0.20	0.53
Dividend Income from Investments		
PVH Arvind Fashion Private Limited	50.03	50.03
(Liabilities)/Assets assumed on Inter-Company transfer of employees (amount realisable)		
Arvind Lifestyle Brands Limited	0.04	0.23
PVH Arvind Fashion Private Limited	-	(0.01)

**Represents payment made to related parties which are less than 1% of overall dividend paid.

C Balances (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Investments		
Arvind Lifestyle Brands Limited	1,727.49	1,724.60
Arvind Lifestyle Brands Limited - Perpetual Non Convertible Debentures	-	100.00
Arvind Youth Brands Private Limited - Compulsory Convertible Preference Shares	135.00	-
PVH Arvind Fashion Private Limited	117.60	117.40
Arvind Youth Brands Private Limited	47.44	46.91

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Trade and Other Receivable		
Arvind Lifestyle Brands Limited	121.47	153.66
PVH Arvind Fashion Private Limited	-	0.54
Arvind Youth Brands Private Limited	1.88	-
Trade and Other Payable		
Arvind Limited	6.16	-
PVH Arvind Fashion Private Limited	0.09	-
Arvind Smart Textile Limited	-	0.53
Value Fashion Retail Limited	0.09	0.08
Arvind Youth Brands Private Limited	-	0.30
Receivable in respect of Loans		
Arvind Lifestyle Brands Limited	100.00	100.00
Guarantee Given		
Arvind Lifestyle Brands Limited	645.13	651.80
Arvind Youth Brands Private Limited	135.00	67.50
PVH Arvind Fashion Private Limited	49.50	49.50

D Terms and Conditions of Transactions with Related Parties

1) Outstanding Balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.
2) Loans given to related party carries interest rate of 8.50% (March 31, 2025 : 8.50%).

E Commitments with Related Parties

The Company has not provided any commitment to the Related Party (March 31, 2025: ₹Nil).

F Transactions with key Management Personnel

Compensation of Key Management Personnel of the Company (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Short-Term Employee Benefits	18.85	12.21
Termination Benefits	2.77	-
Share Based Payments	2.57	1.60
Total Compensation Paid to Key Management Personnel	**24.19**	**13.81**

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

Loans and Advances in the nature of loans (₹ In crores)

Name of Related Party	Purpose	Balance as at March 31, 2026	Balance as at March 31, 2025	Maximum Outstanding during March 31, 2026	Maximum Outstanding during March 31, 2025
Loans and Advances					
Arvind Lifestyle Brands Limited	General Business	100.00	100.00	100.00	152.85
Corporate Guarantee given on behalf of					
Arvind Lifestyle Brands Limited	Facilitate Trade Finance	645.13	651.80	651.80	655.13
Arvind Youth Brands Private Limited	Facilitate Trade Finance	135.00	67.50	67.50	67.50
PVH Arvind Fashion Private Limited	Facilitate Trade Finance	49.50	49.50	49.50	139.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Note 31: Earnings Per Share - EPS (Basic and Diluted)

(₹ In crores)

Particulars		As at March 31, 2026	As at March 31, 2025
Profit/(Loss) for the Year		1.35	37.77
Adjusted Profit for the Year for EPS Calculation		**1.35**	**37.77**
Total No. of Equity Shares st yhe rnd of the Year		13,36,54,989	13,33,00,510
Weighted Average Number of Equity Shares			
For Basic EPS	No.	13,35,09,048	13,32,24,513
For Diluted EPS	No.	13,37,47,147	13,36,74,036
Nominal Value of Equity Shares	₹	4	4
Basic Earnings Per Share	₹	0.10	2.84
Diluted Earnings Per Share	₹	0.10	2.83
Weighted Average Number of Equity Shares			
Weighted Average Number of Equity Shares For Basic EPS		13,35,09,048	13,32,24,513
Effect Of Dilution: Share Options		2,38,099	4,49,523
Weighted Average Number of Equity Shares Adjusted for the effect of Dilution		13,37,47,147	13,36,74,036

#All numbers are ₹ in Crore Except Weighted Average Number of Equity Shares, Nominal Value of Shares and Basic and Diluted EPS

Note 32: Share-Based Payments

The Company has instituted Employee Stock Option Scheme 2016 (“ESOP 2016”), Employee Stock Option Scheme 2022 (“ESOP 2022”) and Employee Stock Option Scheme 2025 (“ESOP 2025”) pursuant to the approval of the Shareholders of the Company at their General Meeting held on October 15, 2016, September 26, 2022 and August 26, 2025 respectively. Up to March 31, 2026, 4,07,476 (March 31, 2025 – 2,68,463) options under ESOP 2016, and 4,15,000 (March 31, 2025 – 1,19,000) options under Employee Stock Option Scheme 2022 and 12,25,100 (March 31, 2025 – Nil) respectively are outstanding which are convertible into equal number of Equity Shares of face value of ₹4 each pertaining to the employees of the Company. The following table sets forth the particulars of the options granted during the year ended March 31, 2026 under ESOP 2022 and ESOP 2025.

The following table sets forth the particulars of ESOP 2022:

Scheme	March 31, 2026			March 31, 2025		
	ESOP 2022			ESOP 2022		
Date of Grant	19-May-25	04-Jun-25	30-Jul-25	31-Jul-24	31-Jan-25	07-Feb-25
Number of Options Granted	50,000	5,000	3,00,000	60,000	20,000	10,000
Exercise Price Per Option (₹)	468.65	464.9	540.80	505.65	481.55	476.10
Vesting Period	Up to 5 years from the date			Up to 5 years from the date		
Vesting Requirements	Time and performance based vesting			Time based vesting		
Exercise Period	3 Years from the date of vesting			3 Years from the date of vesting		
Method of Settlement	Equity			Equity		

The following table sets forth the particulars of ESOP 2025:

Scheme	March 31, 2026			March 31, 2025		
	ESOP 2025			ESOP 2025		
Date of Grant	29-Sep-25	10-Dec-25	23-Jan-26	NIL	NIL	NIL
Number of Options Granted	11,90,000	30,000	5,100	NIL	NIL	NIL
Exercise Price Per Option (₹)	518.75	484	449.45	NA	NA	NA
Vesting Period	Up to 5 years from the date			NA		
Vesting Requirements	Time and performance based vesting			NA		
Exercise Period	3 Years from the date of vesting			NA		
Method of Settlement	Equity			NA		

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	ESOP 2016			
	March 31, 2026	Weighted Average Exercise Price Per Option (₹)	March 31, 2025	Weighted Average Exercise Price Per Option (₹)
Options				
Outstanding at the Beginning of the Year	10,80,140	381.16	14,82,403	358.76
Vested but not Exercised at the Beginning of the Year	-	-	-	-
Granted During the Year	-	-	-	-
Forfeited During the Year	(1,72,558)	612.70	(89,214)	769.71
Exercised During the Year	(2,52,479)	259.95	(3,13,050)	164.35
Outstanding at the end of the Year	6,55,103	517.37	10,80,140	381.16
Exercisable at the end of the Year	6,55,103	517.37	13,77,477	472.16

Particulars	ESOP 2022			
	March 31, 2026	Weighted Average Exercise Price Per Option (₹)	March 31, 2025	Weighted Average Exercise Price Per Option (₹)
Options				
Outstanding at the Beginning of the Year	3,68,000	362.52	3,14,000	313.55
Vested but not Exercised at the Beginning of the Year	-	-	-	-
Granted During the Year	3,55,000	517.61	90,000	497.01
Forfeited During the Year	(54,333)	436.06	(33,000)	265.85
Exercised During the Year	(1,02,000)	312.39	(3,000)	335.30
Outstanding at the end of the Year	5,66,667	468.00	3,68,000	362.52
Exercisable at the end of the Year	1,65,000	279.43	1,35,666	312.39

Particulars	ESOP 2025			
	March 31, 2026	Weighted Average Exercise Price Per Option (₹)	March 31, 2025	Weighted Average Exercise Price Per Option (₹)
Options				
Outstanding at the Beginning of the Year	-	-	-	-
Issued During The Year	-	-	-	-
Vested but not Exercised at the Beginning of the Year	-	-	-	-
Granted During the Year	12,25,100	517.61	-	-
Forfeited During the Year	-	-	-	-
Exercised During the Year	-	-	-	-
Outstanding at the end of the Year	-	-	-	-
Exercisable at the end of the Year	12,25,100	517.61	-	-

Share Options Exercised Year ending March 31, 2026

Option Series	No. of Options	Exercise Date	Exercise Price
ESOS 2016	2,000	08-04-2025	148.20
ESOS 2016	2,000	08-04-2025	148.20
ESOS 2016	1,500	10-04-2025	148.20
ESOS 2016	10,000	11-04-2025	293.50
ESOS 2016	7,000	04-06-2025	148.20
ESOS 2016	1,50,000	09-06-2025	286.70
ESOS 2016	2,200	17-06-2025	286.70
ESOS 2016	1,000	17-07-2025	148.20
ESOS 2016	5,000	05-08-2025	148.20
ESOS 2016	3,000	18-08-2025	293.50
ESOS 2016	2,000	30-10-2025	293.50
ESOS 2016	3,000	10-10-2025	148.20
ESOS 2016	3,000	13-10-2025	293.50
ESOS 2016	1,279	16-10-2025	128.93
ESOS 2016	30,000	31-10-2025	286.70
ESOS 2016	2,500	11-11-2025	148.20
ESOS 2016	2,500	11-11-2025	153.17
ESOS 2016	5,000	18-11-2025	148.20
ESOS 2016	5,000	25-11-2025	153.17
ESOS 2016	7,500	10-12-2025	153.17
ESOS 2016	5,000	13-01-2026	153.17
ESOS 2016	2,000	22-01-2026	293.50
ESOS 2022	17,000	09-04-2025	265.85
ESOS 2022	3,000	05-09-2025	335.30
ESOS 2022	10,000	16-10-2025	306.10
ESOS 2022	11,000	23-10-2025	335.30
ESOS 2022	25,000	03-11-2025	335.30
ESOS 2022	11,000	17-11-2025	335.30
ESOS 2022	25,000	03-01-2026	335.30

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for the year ended March 31, 2026

Share Options Exercised Year ending March 31, 2025

Option Series	No. of Options	Exercise Date	Exercise Price
ESOS 2016	43,750	23-04-2024	137.32
ESOS 2016	1,80,000	23-04-2024	137.32
ESOS 2016	12,000	05-06-2024	137.32
ESOS 2016	6,000	05-06-2024	148.20
ESOS 2016	5,000	29-07-2024	148.20
ESOS 2016	1,500	06-08-2024	148.20
ESOS 2016	9,000	04-09-2024	286.70
ESOS 2016	1,000	17-09-2024	148.20
ESOS 2016	3,000	23-10-2024	148.20
ESOS 2016	8,000	23-10-2024	286.70
ESOS 2016	10,000	23-10-2024	293.50
ESOS 2016	5,200	24-10-2024	293.50
ESOS 2016	5,000	06-11-2024	293.50
ESOS 2016	2,000	05-12-2024	148.20
ESOS 2016	5,000	05-12-2024	148.20
ESOS 2016	4,800	03-01-2025	293.50
ESOS 2016	2,800	27-12-2024	286.70
ESOS 2016	4,000	05-03-2025	286.70
ESOS 2016	5,000	05-03-2025	286.70
ESOS 2022	3,000	26-09-2024	335.30

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Share Options Exercised Year ending March 31, 2025

Option Series	No. of Options	Exercise Date	Exercise Price

The share options outstanding at the end of the year under ESOP 2016 have a weighted average remaining contractual life of 3.26 years (March 31, 2025: 3.99 years). The range of exercise price is from ₹128.93 to ₹1,320.37

The share options outstanding at the end of the year under ESOP 2022 have a weighted average remaining contractual life of 5.70 years (March 31, 2025: 4.38 years). The exercise price is from ₹265.85 to ₹540.80

The share options outstanding at the end of the year under ESOP 2025 have a weighted average remaining contractual life of 7.47 years (March 31, 2025: Nil years). The exercise price is from ₹449.45 to ₹518.75

Particulars	ESOP 2016	ESOP 2022			ESOP 2025		
Share Price as at Measurement Date	No Grants made during the Period	₹458.05	₹468.65	₹547.55	₹518.20	₹480.00	₹436.75
Expected Volatility		38.82%	39.71%	38.61%	38.11%	37.18%	37.61%
Expected Life (Years)		3.04 years	1.00 years	3.38 years	3.44 years	2.50 years	1.96 years
Dividend Yield		0.34%	0.34%	0.29%	0.31%	0.33%	0.37%
Risk-Free Interest rate (%)		4.00%	5.58%	5.94%	5.98%	5.76%	5.83%

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 :

(₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employee Option Plan	5.51	1.23
Total Employee Share Based Payment Expense	**5.51**	**1.23**

Note 33: Leases

A. The Company has adopted modified retrospective approach as per para C8 (C) (i) of Ind AS 116 "Leases" to its leases.

B. The Company has taken showrooms, office building and warehouse on lease period of 1 to 11 years with option of renewal. Disclosures as per Ind AS 116 - Leases are as follows:

C. Changes in the Carrying Value of Right of use Assets (₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the Beginning of the Year	48.60	22.36
Recognition of ROU Asset on Deposits	6.59	2.67
Additions	119.91	36.46
Deletions	(2.05)	(2.26)
Depreciation (charged to Statement of Profit and Loss)	(35.91)	(10.63)
Balance at the end of the year	**137.14**	**48.60**

D. Movement in Lease Liabilities (₹ In crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the Beginning of the Year	50.34	24.29
Additions	119.89	36.46
Deletions	(2.11)	(2.41)
Finance Cost Accrued during the Year (charged to Statement of Profit and Loss)	13.70	4.27
Payment of Lease Labilities	(40.74)	(12.27)
Balance at the end of the Year	**141.08**	**50.34**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

E. Contractual Maturities of Lease Liabilities

The undiscounted maturity analysis of lease liability over the remaining Lease Term (₹ In crores)

As at March 31, 2026	Undiscounted Lease Payment	Interest Expense	Discount Lease Payments
Less than One Year	47.97	13.59	34.38
One to Five Years	127.43	24.50	102.93
More than Five Years	4.31	0.55	3.76
Total	**179.71**	**38.63**	**141.08**

As at March 31, 2025	Undiscounted Lease Payment	Interest Expense	Discount Lease Payments
Less than One Year	15.31	4.87	10.44
One to Five Years	43.73	8.98	34.75
More than Five Years	6.99	1.83	5.15
Total	**66.03**	**15.69**	**50.34**

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: (₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Rent Expense - Short-Term Lease and Leases of Low Value Assets	1.74	0.35
Depreciation of Right-of-use Assets	35.91	10.63
Interest Expense on Lease Liabilities	13.70	4.27
Gain on Reassessment/Cancellation of Lease	0.06	0.14

Note 34: 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 35: Fair Value Disclosures for Financial Assets and Financial Liabilities

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

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial Assets		
Investment in Perpetual Non-Convertible Debentures measured at Cost		
Carrying Amount	-	100.00
Fair Value	-	100.00
Investment in Compulsory Convertible Preference Share Capital at Cost		
Carrying Amount	135.00	-
Fair Value	135.00	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Financial Liabilities		
Borrowings		
Carrying Amount	101.45	61.68
Fair Value	101.45	61.68

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

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

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

Note 36: Fair Value Hierarchy

The following table provides the Fair Value measurement hierarchy of the Company's Assets and Liabilities. (₹ In crores)

Particulars	Date of Valuation	Fair Value Measurement Using			
		Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Measured at Fair Value					
Mark to Market of Derivative Financial Instruments	March 31, 2026	0.15	-	0.15	-
	March 31, 2025	-	-	-	-
Liabilities Measured at Fair Value					
Financial Guarantee Contract	March 31, 2026	0.03	-	-	0.03
	March 31, 2025	0.08	-	-	0.08
Mark to Market of Derivative Financial Instruments	March 31, 2026	-	-	-	-
	March 31, 2025	0.24	-	0.24	-

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 maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

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

Note 37: Financial Instruments Risk Management Objectives and Policies

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

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(a) Market Risk

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

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

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.

- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates/depreciates against all currencies by 2%.

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

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

The following assumption has been made in calculating the sensitivity analyses:
- The sensitivity of the relevant Statement of Profit or Loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at respective year end including the effect of hedge accounting.

Interest Rate Risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31,2026, none of the Company's Borrowings are at fixed rate of interest (March 31, 2025: 0.14%)

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:

(₹ In crores)

Particulars	Effect on Profit Before Tax
March 31, 2026	
Increase in 50 basis points	(0.51)
Decrease in 50 basis points	0.51
March 31, 2025	
Increase in 50 basis points	(0.31)
Decrease in 50 basis points	0.31

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 the Board as per established risk management policy. Details of the hedge & unhedged position of the Company given in Note 27.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Foreign Currency Sensitivity

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

(₹ In crores)

Particulars	Change in USD Rate	Effect on Profit Before Tax
March 31, 2026	+2%	(0.26)
	-2%	0.26
March 31, 2025	+2%	(0.12)
	-2%	0.12

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 Company periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade Receivables

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

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

Financial Instruments and Cash Deposits

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

(c) Liquidity Risk

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(₹ In crores)

Particulars	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
March 31, 2026				
Interest Bearing Borrowings	101.45	-	-	101.45
Trade Payables	127.94	-	-	127.94
Trade Credits	92.96	-	-	92.96
Other Financial Liabilities#	19.99	12.73	-	32.73
Lease Liability	47.97	127.43	4.31	179.71
	390.31	**140.16**	**4.31**	**534.79**
March 31, 2025				
Interest Bearing Borrowings	62.12	-	-	62.12
Trade Payables	210.54	-	-	210.54
Trade Credits	102.39	-	-	102.39
Other Financial Liabilities#	15.15	5.94	-	21.08
Lease Liability	15.31	43.73	6.99	66.03
	405.51	**49.67**	**6.99**	**462.16**

Other financial liabilities includes interest accrued but not due of ₹1.36 Crores (March 31, 2025 : ₹0.67 Crores)

Excessive Risk Concentration

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

Note 38: Capital Management

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

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

(₹ In crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest-Bearing Loans and Borrowings (Note 13(a))	101.44	61.68
Lease Laibility (Note-33)	141.08	50.34
Less: Cash and Bank Balances (Including other Bank Balance) (Note 7(B) And 7(D))	(2.96)	(8.94)
Net Debt	**239.56**	**103.08**
Equity Share Capital (Note 11)	53.46	53.32
Other Equity (Note 12)	2,274.35	2,278.72
Total Capital	**2,327.81**	**2,332.04**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Capital and Net Debt	**2,567.37**	**2,435.12**
Gearing Ratio	9.33%	4.23%

In order to achieve this overall objective, the Company's capital Management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest. There have been no breaches in the financial covenants of any long-term borrowing in the current period as of March 31, 2026. Accordingly, the Management has not created provision for penal interest.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025.

Note 39 (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 Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

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

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

(iv) Utilisation of borrowed funds and share premium

I. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as mentioned below.

(v) The Company has not invested or traded in Crypto Currency or Virtual Currency during the year.

(vi) The Company has no income surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(vii) The Company does not have any transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

Note 39(b): Audit Trail

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

Further no instance of audit trail feature being tampered with was noted and the audit trail has been preserved by the Company as per the statutory requirements for record retention for accounting software used by Company during the year.

Note 40: Ratio Analysis

(₹ In crores)

S. No	Particulars	Numerator	Denominator	For the year ended 31st March, 2026	For the year ended 31st March, 2025	% Variance	Reason for Variance
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.54	1.82	-16%	Not Applicable
2	Debt-Equity Ratio (In times)	Total Debt	Total Equity	0.04	0.03	65%	Note (a) below
3	Debt Service Coverage Ratio (In times)	Earnings available for Debt service	Debt Service	1.19	2.20	-46%	Note (b) below
4	Return on Equity Ratio (%)	Net Profit after Tax	Average Shareholder's Equity	0.06%	1.63%	-96%	Note (c) below
5	Inventory Turnover Ratio (In Times)	Revenue from Operations	Average Inventories	5.83	8.63	-32%	Note (d) below
6	Trade Receivables Turnover Ratio (In Times)	Revenue from Operations	Average Trade Receivables	3.03	2.76	10%	Not Applicable
7	Trade Payables Turnover Ratio (In Times)	Purchase of Goods	Average Trade Payables and Trade credits	2.14	2.39	-10%	Not Applicable
8	Net Capital Turnover Ratio (In Times)	Revenue from Operations	Working Capital	3.43	2.61	31%	Note (d) below
9	Net Profit Ratio (%)	Net Profit after Tax	Revenue from Operations	0.19%	5.68%	-97%	Note (c) below
10	Return on Capital Employed (%)	Profit before Interest, Exceptional Items and Tax	Total Capital Employed	1.14%	2.85%	-60%	Note (e) below
11	Return on Investment (%)	Refer (f) below		8.14%	-17.48%	-147%	Note (g) below

Notes :

(a) Increase in debt for the year compared to previous year.

(b) Decrease in earnings available for debt service.

(c) Decrease in net profit after tax for the year compared to previous year.

(d) Increase in average inventory compared to previous year.

(e) Decrease in profit before Interest, exceptional items and tax.

(f) Return on Investment compared to previous year

(MV(T1)-MV(T0)-Sum[C(t)])

(MV(T0)+Sum[W(t)*C(t)])

Where,

T1= End of time period

T0= Beginning of time period

t= Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

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

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

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

Note 41: Events Occurring after the Reporting Period

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. The Board of Directors recommended a final dividend of ₹1.60 per equity share of face value of ₹4 each, for the financial year ended March 31, 2026, subject to the approval of shareholders in the ensuing Annual General Meeting.

For and on behalf of the Board of Directors of

Arvind Fashions Limited

Sanjay S. Lalbhai Chairman & Director DIN - 00008329	**Amisha Hemchand Jain** Managing Director & CEO DIN - 05114264	**Girdhar Kumar Chitlangia** Chief Financial Officer	**Lipi Jha** Company Secretary
Place : Bengaluru Date: May 06, 2026	Place : Bengaluru Date: May 06, 2026	Place : Bengaluru Date: May 06, 2026	Place : Bengaluru Date: May 06, 2026

Independent Auditor's Report

To The Members of Arvind Fashions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of Arvind Fashions Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year 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, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters Section below, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2026, their consolidated profit and their consolidated other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) 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 Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters Section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Key Audit Matters

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

Key Audit Matter	How the Key Audit Matter Was Addressed in the Audit
Revenue Recognition (Wholesale Business): [Assertion- Cut off] and provision for sales return Revenue recognition involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised at a point of time and provision for sales return. Cut-off is the key assertion in so far as revenue recognition is concerned. There is a risk that revenue is recognised on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers". Additionally, Group has contracts with customers which entitles them to right of return. At year end, amount of expected returns that have not yet been settled with the customers are estimated and accrued. Estimating the amount of such accrual at year end is considered a key audit matter due to assumptions and judgments required to be made by management.	**Principal Audit Procedures Performed:** The details of audit procedure performed by us and component auditors are as follows: • Evaluated the company's accounting policies with respect to revenue recognition and provision for sales return in accordance with Ind AS-115 "Revenue from Contracts with customer". • We obtained an understanding of process and evaluated the design and operating effectiveness of key controls, over timing of revenue recognition, and calculating, reviewing and approving sales returns. • Selected a sample and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • Selected samples and performed the following procedures: - Read, analyzed and identified the distinct performance obligations in these contracts and compared these performance obligations with that identified and recorded by the Group. - For the selected samples, tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues with comparative period. - Analyzed historical trends for returns and held discussions with management to understand changes in provisioning norms/ additional provisions made based on Management's assessment of market conditions and based on that, we have tested the estimates of returns related accruals with underlying documentation such as management approved norms, customer agreements, sales data and customer reconciliations, as applicable. At the year-end on selected samples, we have performed early and late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales.

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

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Parent has adequate internal financial controls with reference to Consolidated 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated financial statements of which we are the independent auditors. For the entities included in the Consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements of 2 subsidiaries whose financial statements reflect total assets of ₹925.02 crores as at March 31, 2026, total revenues of ₹1,519.95 crores and net cash outflows amounting to ₹96.02 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subSection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters Section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group including relevant records so far as it appears from our examination of those books and the reports of the other auditors, except in relation to compliance with the requirements of audit trail, refer paragraph (i)(vi) below.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated financial statements.

    d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Parent as on March 31, 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

    g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

    h) 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 and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.

    i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i) The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 26 to the consolidated financial statements;

        ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

        iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 41(iv)(I) to the Consolidated 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 Parent or any of such subsidiaries 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 Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 41(iv)(II) to the Consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries which are company incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 46 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable

vi) Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Parent Company and its subsidiary companies have used an accounting software for maintaining their respective books of account for the year ended March 31, 2026, 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.

In respect of one subsidiary, audit trail feature was not enabled in one accounting software for certain changes made, if any, using privileged/administrative access rights, as reported by the other auditor.

Further, during the course of our audit, we and the respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating.

Additionally, audit trail that was enabled and operated for the year ended March 31, 2026, has been preserved by the Parent and above referred subsidiaries as per the statutory requirements for record retention, as stated in Note 45 to the consolidated financial statements.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the Consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Arvind Youth Brands Private Limited	U52100GJ2020PTC112995	Subsidiary	Clause (xvii)
			Clause (xix)
Value Fashion Retail Limited	U52609DL2020PLC362661	Subsidiary	Clause (xvii)

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

Place: Bengaluru
Date: May 06, 2026

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 26106189JTPSGC9591)

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

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

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of Arvind Fashions Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated 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 Consolidated 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 Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated financial statements included obtaining an understanding of internal financial controls with reference to Consolidated 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated 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 Consolidated 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to Consolidated 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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated financial statements and such internal financial controls with reference to Consolidated financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated financial statements insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 26106189JTPSGC9591)

Place: Bengaluru
Date: May 06, 2026

Consolidated Balance Sheet

for the year ended March 31, 2026

₹ In Crores

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
I. Non-current assets			
(a) Property, Plant and Equipment	5	204.13	167.91
(b) Capital Work-in-Progress	5 (a)	3.85	1.13
(c) Right-of-Use Asset	34	723.14	692.00
(d) Goodwill on Consolidation	6	111.23	111.23
(e) Other Intangible Assets	6	41.68	37.13
(f) Intangible Assets Under Development	6 (a)	-	1.69
(g) Financial Assets			
(i) Loans	7 (b)	0.09	0.01
(ii) Other Financial Assets	7 (e)	82.94	64.62
(h) Deferred Tax Assets (net)	25	229.64	260.55
(i) Non-Current Tax Assets (net)	10(a)	36.53	38.89
(j) Other Non-Current Assets	8	4.77	4.75
Total Non-Current Assets		**1,438.00**	**1,379.91**
II. Current Assets			
(a) Inventories	9	1,389.56	1,080.05
(b) Financial Assets			
(i) Trade Receivables	7 (a)	751.58	729.42
(ii) Cash and Cash Equivalents	7 (c)	50.81	150.88
(iii) Bank Balances Other than (ii) above	7 (d)	13.10	13.85
(iv) Loans	7 (b)	0.42	1.57
(v) Others Financial Assets	7 (e)	60.13	48.85
(c) Other Current Assets	8	512.18	404.65
Total Current Assets		**2,777.78**	**2,429.27**
Total Assets		**4,215.78**	**3,809.18**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	53.46	53.32
(b) Other Equity	12	890.18	903.80
Equity Attributable to Equity Holders of the Parent		**943.64**	**957.12**
Non-Controlling Interest		**216.87**	**207.38**
LIABILITIES			
I. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13 (a)	104.92	8.33
(ii) Lease Liabilities	34	611.43	601.04
(iii) Other Financial Liabilities	13 (d)	107.15	121.52
(b) Provisions	14	27.71	19.38
(c) Other Non Current Liabilities	15	0.32	0.75
Total Non-Current Liabilities		**851.53**	**751.02**
II. Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	426.42	381.24
(ii) Lease Liabilities	34	193.11	166.18
(iii) Trade Payables	13 (b)		
- Total outstanding dues of micro enterprises and small enterprises		156.14	151.67
- Total outstanding dues of creditors other than micro enterprises and small enterprises		728.47	680.99
(iv) Trade Credits	13 (c)	502.46	339.32
(v) Other Financial Liabilities	13 (d)	95.70	78.12
(b) Other Current Liabilities	15	73.67	62.67
(c) Provisions	14	11.05	7.77
(d) Current Tax Liabilities (net)	10(b)	5.13	3.50
(e) Liabilities Directly Associated with Assets Classified as held for Sale	42	11.59	22.20
Total Current Liabilities		**2,203.74**	**1,893.66**
Total Equity and Liabilities		**4,215.78**	**3,809.18**
Material Accounting Policies	3		

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

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place: Bengaluru
Date: May 06, 2026

For and on behalf of the Board of Directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329
Place : Bengaluru
Date: May 06, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN - 05114264
Place : Bengaluru
Date: May 06, 2026

Girdhar Kumar Chitlangia
Chief Financial Officer
Place : Bengaluru
Date: May 06, 2026

Lipi Jha
Company Secretary
Place : Bengaluru
Date: May 06, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

₹ In Crores

Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
I. Income			
Revenue from Operations			
Sale of Products	16	5,205.86	4,562.95
Sale of Services	16	58.86	54.66
Operating Income	16	1.47	2.23
Revenue from operations		**5,266.19**	**4,619.84**
Other income	17	40.79	34.64
Total income (I)		**5,306.98**	**4,654.48**
II. Expenses			
Purchases of Stock-in-Trade	18	2,712.02	2,320.15
Changes in Inventories of Stock-in-Trade	19	(309.51)	(170.61)
Employee Benefit Expense	20	321.75	268.65
Finance Costs	21	170.45	155.80
Depreciation and Amortisation Expense	22	289.68	255.72
Other Expenses	23	1,837.37	1,599.65
Total expenses (II)		**5,021.75**	**4,429.36**
III. Profit before Exceptional Items and Tax from Continuing Operations(I-II)		**285.23**	**225.12**
IV. Exceptional Items	24	(23.32)	-
V. Profit before Tax from Continuing Operations (III+IV)		**261.91**	**225.12**
VI. Tax Expense	**25**		
Current Tax		51.82	61.41
(Excess)/Short Provision Related to Earlier Years		(4.51)	-
Deferred Tax Charge/(Credit)		29.73	129.31
Total tax expense		**77.04**	**190.72**
VII. Profit/(Loss) for the Year from Continuing Operations (V-VI)		**184.87**	**34.40**
Discontinued Operations			
A. Profit/(Loss) before Tax for the Year from Discontinued Operations	42	(1.21)	(1.42)
B. Tax expense/(Credit) on Discontinued Operations		-	-
VIII. Profit/(Loss) for the Year from Discontinued Operations (A-B)		**(1.21)**	**(1.42)**
IX. Profit/(Loss) for the Year from Continuing and Discontinued Operations (VII+VIII)		**183.66**	**32.98**
X. Other Comprehensive Income (Net of Tax)			
A. Items that will not to be Reclassified to Profit or Loss:			
Remeasurement Gains/(Losses) on Defined Benefit Plans	30	(1.48)	(1.74)
Income Tax Effect on Above	25	0.19	0.57
Net Other Comprehensive Income/(Loss) not to be Reclassified to Profit or Loss (A)		**(1.29)**	**(1.17)**
B. Items that will be Reclassified to Profit or Loss:			
Net Gains/(Loss) on Hedging Instruments in a Cash Flow Hedge		5.43	(0.25)
Income Tax effect on Above		(1.37)	0.06
Net Other Comprehensive Income/(Loss) that will be Reclassified to Profit or Loss (B)		**4.06**	**(0.19)**
Total Other Comprehensive Income/(Loss) for the Year (Net of Tax) (A+B)		**2.77**	**(1.36)**
XI. Total Comprehensive Income for the Year (IX+X)		**186.43**	**31.62**
Profit/(Loss) for the Year Attributable to:			
Equity Holders of the Parent		122.57	(35.57)
Non-Controlling Interest		61.09	68.55
		183.66	**32.98**
Other Comprehensive Income/(Loss) for the Year Attributable to:			
Equity Holders of the Parent		0.91	(1.10)
Non-Controlling Interest		1.86	(0.26)
		2.77	**(1.36)**
XII. Total Comprehensive Income/(Loss) Attributable to:			
Equity Holders of the Parent		123.48	(36.67)
Non-Controlling Interest		62.95	68.29
		186.43	**31.62**
XIII. Earnings Per Equity Share	**32**		
Continuing Operations			
- Basic ₹		9.27	(2.56)
- Diluted ₹		9.25	(2.56)
Discontinued Operations			
- Basic ₹		(0.09)	(0.11)
- Diluted ₹		(0.09)	(0.11)
Continuing and Discontinued Operations			
- Basic ₹		9.18	(2.67)
- Diluted ₹		9.16	(2.67)
Material Accounting Policies	3		

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

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place: Bengaluru
Date: May 06, 2026

For and on behalf of the Board of Directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329
Place : Bengaluru
Date: May 06, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN - 05114264
Place : Bengaluru
Date: May 06, 2026

Girdhar Kumar Chitlangia
Chief Financial Officer
Place : Bengaluru
Date: May 06, 2026

Lipi Jha
Company Secretary
Place : Bengaluru
Date: May 06, 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

A. Equity Share Capital

Balance	₹ In Crores
As at March 31, 2024	**53.19**
Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 33)	0.13
As at March 31, 2025	**53.32**
Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 33)	0.14
As at March 31, 2026	**53.46**

B. Other Equity

Particulars	Reserves and Surplus					Items of Other Comprehensive income		Total Other Equity (A)	Non-Controlling Interest (B)
	Share Based Payment Reserve	Securities Premium	Retained Earnings	Capital Reserve	Capital Reserve on Consolidation	Cash Flow Hedge Reserve	Net Gain/(Loss) on FVOCI Equity Instruments		
	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12		
Balance as at April 01, 2024	**19.44**	**2,150.62**	**(1,134.09)**	**39.89**	**(215.61)**	**(0.31)**	**90.16**	**950.10**	**189.13**
Profit/(Loss) for the Year	-	-	(35.57)	-	-	-	-	(35.57)	68.55
Other Comprehensive Income for the Year	-	-	(1.00)	-	-	-	-	(1.00)	(0.26)
Total Comprehensive Income for the Year	**-**	**-**	**(36.57)**	**-**	**-**	**-**	**-**	**(36.57)**	**68.29**
Share Issued During the Year	-	5.12	-	-	-	-	-	5.12	-
Addition During the Year	-	-	-	-	-	(0.19)	-	(0.19)	
Share Based Payment Expense	1.90	-	-	-	-	-	-	1.90	-
Dividend Paid for the Year	-	-	(16.65)		-	-	-	(16.65)	
Dividend Paid to Non Controlling Interest by Subsidiary	-	-	-	-	-	-	-	-	(50.03)
Share of Non Controlling Interest	-	-	-	-	-	0.09	-	0.09	-
Transfer to Securities Premium	(2.27)	-	-	-	-	-	-	(2.27)	-
Transfer from Share Based Payment Reserve	-	2.27	-	-	-	-	-	2.27	-
Balance as at March 31, 2025	**19.07**	**2,158.01**	**(1,187.31)**	**39.89**	**(215.61)**	**(0.41)**	**90.16**	**903.80**	**207.38**
Balance as at April 01, 2025	**19.07**	**2,158.01**	**(1,187.31)**	**39.89**	**(215.61)**	**(0.41)**	**90.16**	**903.80**	**207.38**
Profit/(Loss) for the Year	-	-	122.57	-	-	-	-	122.57	61.09
Other Comprehensive Income for the Year	-	-	(1.12)	-	-	-	-	(1.12)	1.86
Total Comprehensive Income for the Year	**-**	**-**	**121.45**	**-**	**-**	**-**	**-**	**121.45**	**62.95**
Share Issued During the Year	-	9.70	-	-	-	-	-	9.70	-
Addition During the Year	-	-	-	-	-	4.06	-	4.06	-
Movement between Non-Controling Interest and Equity Holders of the Parent	-	-	(131.56)	-	-	-	-	(131.56)	(3.43)
Share based Payment Expense	6.11	-	-	-	-	-	-	6.11	-
Dividend paid for the Year	-	-	(21.35)		-	-	-	(21.35)	
Dividend paid to Non Controlling Interest by Subsidiary	-	-	-	-	-	-	-	-	(50.03)
Share of Non Controlling Interest	-	-	-	-	-	(2.03)	-	(2.03)	-
Transfer to Securities Premium	(4.17)	-	-	-	-	-	-	(4.17)	-
Transfer from Share based Payment Reserve	-	4.17	-	-	-	-	-	4.17	-
Balance as at March 31, 2026	**21.01**	**2,171.88**	**(1,218.77)**	**39.89**	**(215.61)**	**1.62**	**90.16**	**890.18**	**216.87**

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

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place: Bengaluru
Date: May 06, 2026

For and on behalf of the Board of Directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329
Place : Bengaluru
Date: May 06, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN - 05114264
Place : Bengaluru
Date: May 06, 2026

Girdhar Kumar Chitlangia
Chief Financial Officer
Place : Bengaluru
Date: May 06, 2026

Lipi Jha
Company Secretary
Place : Bengaluru
Date: May 06, 2026

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

₹ In Crores

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A	**Cash flow from Operating activities**		
	Profit/(Loss) before tax		
	Continuing Operations	261.91	225.12
	Discontinued Operations	(1.21)	(1.42)
	Profit/(Loss) before taxation for the period from Continuing Operations and Discontinued Operations	**260.70**	**223.70**
	Adjustments to reconcile profit/(loss) before tax to net cash flows:		
	Depreciation and Amortisation expense	289.68	255.72
	Interest Income	(14.66)	(21.45)
	Finance Cost	170.45	155.80
	Allowance of doubtful debts	1.37	9.71
	Provision no longer required	(0.77)	(0.87)
	Allowance of doubtful Deposits	0.04	
	Gain on reassessment of lease	(12.77)	(5.08)
	(Profit)/Loss on Disposal of Property, Plant & Equipment (Net)	0.98	(0.30)
	Equity settled share-based payment expense	6.11	1.90
	Provision/(Reversal) for Non-moving Inventory and Returnable assets	3.31	14.94
	Net unrealised foreign exchange (gain)/loss	2.28	(0.61)
	Loss/(Gain) of mark to market of derivatives financial instruments	(0.32)	1.02
	Fair value (gain)/loss on financial instruments recycled from OCI (net)	-	(0.29)
	Operating Profit before Working Capital Changes	**706.40**	**634.19**
	Adjustment for Changes in Working Capital :		
	(Increase)/Decrease in Inventories	(307.57)	(189.32)
	(Increase)/Decrease in Trade receivables	(23.03)	(92.37)
	(Increase)/Decrease in Other assets	(112.75)	22.21
	(Increase)/Decrease in Other financial assets	(32.41)	(22.64)
	Increase/(Decrease) in Trade payables and Trade credits	206.06	233.57
	Increase/(Decrease) in Other liabilities	10.56	(21.97)
	Increase/(Decrease) in Other financial liabilities	(9.75)	6.73
	Increase/(Decrease) in Provisions	10.12	2.46
	Net Changes in Working Capital	(258.77)	(61.33)
	Cash Generated from Operations	447.63	572.86
	Income Taxes paid (Net of Income Tax refund)	(43.32)	(43.34)
	Net Cash flow from/(used in) Operating Activities (A)	**404.31**	**529.52**

Consolidated Statement of Cash Flows
for the year ended March 31, 2026

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible assets	(108.95)	(95.82)
Proceeds from sale of Property, Plant & Equipment	0.64	4.58
Changes in other bank balances not considered as cash and cash equivalents	1.48	1.52
Loan (given)/received back (net)	1.07	(0.41)
Interest Received	7.33	14.91
Net Cash flow from/(used in) Investing Activities (B)	**(98.43)**	**(75.22)**
C Cash Flow from Financing Activities		
Proceeds from issue of equity shares	9.84	5.25
Proceeds from long term borrowings	140.00	20.00
Repayment of long term borrowings	(22.08)	(26.69)
Acquisition of Non-controlling interest	(135.00)	-
Proceeds/(Repayment) of short term borrowings (net)	23.85	(69.83)
Principal payment of Lease Liabilities	(181.52)	(161.45)
Interest paid on Lease Liabilities	(84.79)	(79.35)
Dividend Paid to Equity holders of the Parent	(21.35)	(16.65)
Dividend Paid to Non Controlling Interest	(50.03)	(50.03)
Finance Cost Paid	(84.87)	(77.27)
Net Cash flow from/(used in) Financing Activities (C)	**(405.95)**	**(456.02)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A) +(B)+(C)	**(100.07)**	**(1.72)**
Cash & Cash equivalent at the beginning of the year	**150.88**	**152.60**
Cash & Cash equivalent at the end of the year	50.81	150.88

Figures in brackets indicate outflows.

Reconciliation of Cash and Cash Equivalents

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cash and cash equivalents comprise of:		
Cash on Hand	0.58	1.28
Balances with Banks	50.23	149.60
Cash and cash equivalents as per Balance Sheet (Note 7c)	**50.81**	**150.88**

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

Consolidated Statement of Cash Flows
for the year ended March 31, 2026

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

₹ In Crores

Particulars of liabilities arising from financing activity	Note No.	As at April 01, 2025	Net cash flows	Non Cash Changes		As at March 31, 2026
				Impact of Ind AS 116	Other Changes*	
Borrowings:						
Long term borrowings	13 (a)	23.67	117.92	-	-	141.59
Short term borrowings	13 (a)	365.90	23.85	-	-	389.75
Lease Liability	34	767.22	(266.31)	218.84	84.79	804.54
Interest accrued but not due	13 (d)	11.43	(11.43)	-	12.92	12.92
Total		**1,168.22**	**(135.97)**	**218.84**	**97.71**	**1,348.80**

₹ In Crores

Particulars of liabilities arising from financing activity	Note No.	As at April 01, 2024	Net cash flows	Non Cash Changes		As at March 31, 2025
				Impact of Ind AS 116	Other Changes*	
Borrowings:						
Long term borrowings	13 (a)	30.36	(6.69)	-	-	23.67
Short term borrowings	13 (a)	435.73	(69.83)	-	-	365.90
Lease Liability	34	681.83	(240.80)	246.84	79.35	767.22
Interest accrued but not due	13 (d)	12.46	(12.46)	-	11.43	11.43
Total		**1,160.38**	**(329.78)**	**246.84**	**90.78**	**1,168.22**

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

Notes:

1) The above Consolidated statement of cash flows 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: Bengaluru
Date: May 06, 2026

For and on behalf of the Board of Directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329
Place : Bengaluru
Date: May 06, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN - 05114264
Place : Bengaluru
Date: May 06, 2026

Girdhar Kumar Chitlangia
Chief Financial Officer
Place : Bengaluru
Date: May 06, 2026

Lipi Jha
Company Secretary
Place : Bengaluru
Date: May 06, 2026

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

1. Corporate Information

Arvind Fashions Limited ("the Company" or "the Parent Company") is a Public Limited Company incorporated in India under the provisions of the Companies Act, 2013 and has its registered office at Arvind Limited Premises, Naroda Road, Ahmedabad – 382345 having CIN L52399GJ2016PLC085595. The Company has its primary listings on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("the Stock Exchanges").

Arvind Fashions Limited together with its Consolidated Subsidiaries is herein referred to as "the Group".

The Group is operating in branded apparels, beauty and accessories. The Group is having a portfolio of owned and licensed international brands including US Polo, Arrow, Flying Machine, Tommy Hilfiger, Calvin Klein and others.

The Group has diversified business by brands (power, emerging and specialty retail), gender (menswear, womenswear and kidswear), categories (denims, topwear, trousers, innerwear, footwear, beauty etc.) and sales channels (retail, distribution, departmental stores and online).

The Group's Consolidated Financial Statements have been approved by Board of Directors in the meeting held on May 06, 2026.

2. Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation and Presentation and Statement of Compliance

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

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

The Consolidated Financial Statements comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows as at March 31, 2026 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III of the Companies Act, 2013 (Ind AS compliant Schedule III) as applicable to Consolidated Financial Statement.

2.2 Historical Cost Convention

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

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

2.3 Rounding Off

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

2.4 Principles of Consolidation of Subsidiaries

The Group consolidates entities which it owns or controls. The Consolidated Financial Statement comprise the financial statements of the Group and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses including unrealised gain/loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount at which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Shareholders of the Group.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary,
- Derecognises the carrying amount of any non-controlling interests,
- Derecognises the cumulative translation differences recorded in equity,
- Recognises the fair value of the consideration received,
- Recognises the fair value of any investment retained,
- Recognises any surplus or deficit in profit or loss,
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities

3. Summary of Material Accounting Policies

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

3.1 Current Versus Non-Current Classification

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

An asset is current when it is:

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. For the purpose of current/non-current classification of assets, the Group has ascertained its normal operating cycle as twelve months.

3.2 Non-Current Assets classified as held for sale

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

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

Discontinued operation

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

3.3 Use of Estimates and Judgements

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

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

3.4 Business Combinations and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 01, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

liabilities assumed, the Group after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

3.5 Foreign Currencies

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

Transactions and Balances

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

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

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

3.6 Property, Plant and Equipment

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

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

Derecognition

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

Depreciation

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

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

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

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

3.7 Leases

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

3.8 Intangible Assets

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

The useful lives of intangible assets are assessed as finite.

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

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

Intangible assets under development comprises cost of development cost and other operating cost incurred during development phase and ready for their intended use at the Balance Sheet date.

Amortisation

Software and Website are amortised over Management estimate of its useful life of 3-5 years on Straight Line basis.

License rights are amortised over the remaining term of license period or 15 years whichever is less.

3.9 Inventories

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

- Stock in Trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.10 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

3.11 Revenue Recognition

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

a) Sale of Goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, i.e., generally on delivery of the goods and when the property in goods and control are transferred for a price and no effective ownership control is retained. Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes and duties collected on behalf of the government. In case of sales made through franchisee revenue is measured on gross basis and consideration payable to franchisee is recognised as expenses.

Variable Consideration

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

i. Rights of Return

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

b) Assets and Liabilities Arising from Returns

i. Returnable Asset

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

ii. 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 Group ultimately expects it will have to return to the customer. The Group updates its estimates of refundable liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Refer to above accounting policy on variable consideration.

c) Rendering of Services

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

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

d) Gift Vouchers

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

e) Interest Income

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

f) Profit or loss on sale of Investments

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

3.12 Financial Instruments – Initial Recognition and Subsequent Measurement

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

a) Financial Assets

(i) Initial Recognition and Measurement of Financial Assets

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

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

(ii) Subsequent Measurement of Financial Assets

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

- Financial Assets at Amortised Cost
- Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)
- Financial Assets at Fair Value through Profit or Loss (FVTPL)
- Equity Instruments measured at Fair Value through Other Comprehensive Income (FVTOCI)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

- **Financial Assets at Amortised Cost:**

  A financial asset is measured at amortised cost if:

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

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

- **Financial Assets at Fair Value Through Other Comprehensive Income**

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

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

  Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

- **Financial Assets at Fair Value Through Profit or Loss**

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

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

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

- **Equity Instruments**

  All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L

(iii) Derecognition of Financial Assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(iv) Impairment of Financial Assets

a) Financial Assets

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

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

The Group follows 'simplified 12 months approach' for recognition of impairment loss allowance on:

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

The application of simplified 12 months approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit And Loss (P&L). This amount is reflected in a separate line under the head "Other Expenses" in the P&L. The Balance Sheet presentation for various financial instruments is described below:

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

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

The Group does not have any Purchased or Originated Credit-Impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

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.

Notes to the Consolidated Financial Statements

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

(ii) Subsequent Measurement of Financial Liabilities

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

- **Financial Liabilities at Fair Value Through Profit or Loss**

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

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

- **Loans and Borrowings**

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

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

This category generally applies to borrowings.

As at March 31, 2026, the Group was in compliance with all financial covenants under its borrowing facilities, with no breaches occurring during the year or subsequent to the reporting date. Pursuant to the amendments to Ind AS 1 effective April 01, 2025, liabilities are classified as non-current if the entity has a substantive right at the reporting date to defer settlement for at least twelve months, determined without considering future covenant tests projected to fail solely due to events after the reporting date. Accordingly, all borrowings continue to be classified as non-current, as no covenant waivers were required and projected compliance ratios as at the reporting date remain within lender thresholds.

(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

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amounts is recognised in the Statement of Profit or Loss.

c) Derivative Financial Instruments and Hedge Accounting

Initial Recognition and Subsequent Measurement

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

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

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

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk Management objective and strategy for undertaking the hedge. The documentation includes the Group's risk Management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

(i) Fair Value Hedges

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

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

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

(ii) Cash Flow Hedges

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

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

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

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

d) Offsetting of Financial Instruments

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

3.13 Cash and Cash Equivalents

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

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

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

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

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

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

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

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

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

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

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

3.15 Employee Benefit

a) Short Term Employee Benefits

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

b) Post-Employment Benefits

(i) Defined Contribution Plan

The Group's approved Provident Fund Scheme, Superannuation Fund Scheme, Employees' State Insurance Fund Scheme and Employees' Pension

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Scheme are defined contribution plans. The Group has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined Benefit Plan

The employee's Gratuity Fund Scheme and post-retirement Medical Benefit Schemes are Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Remeasurements, 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. Remeasurements are not reclassified to Statement of Profit and Loss in subsequent periods.

c) Other Long Term Employment Benefits:

The employee's long term compensated absences are Group's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

d) Termination Benefits:

Termination benefits such as compensation under Voluntary Retirement Scheme are recognised in the year in which termination benefits become payable.

3.16 Share-Based Payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-Settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share-Based Payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

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satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.17 Earnings Per Share

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

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

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

3.18 Dividend

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

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

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

3.19 Provisions and Contingencies

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the Consolidated Financial Statements.

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

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3.20 Non-Current Assets Held for Sale/Distribution to Owners and Discontinued Operations

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

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

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

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

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

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

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

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

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

3.21 Segment Reporting

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

3.22 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.

3.23 Exceptional Items

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

4. Significant Accounting Judgements and Key Source of Estimation Uncertainty

The preparation of the Consolidated Financial Statements requires Management to make judgements,

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estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

4.1 Revenue Recognition

The Group assesses its revenue arrangement in order to determine if its business partner is acting as a principal or as an agent by analysing whether the Group has primary obligation for pricing latitude and exposure to credit/inventory risk associated with the sale of goods. The Group has concluded that certain arrangements are on principal-to-agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer. (Refer Note 16)

4.2 Provision for Discount and Sales Return

a) The Group provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Group reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario. Provision is created based on the Management's assessment of market conditions.

b) At each Balance Sheet date, Group estimates the adequacy of provision for discounts to be given to its customers on the sales made by the Group on the basis of historical trend, past experience and discount policies. Refer Note 7 (a) for further details.

4.3 Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.

4.4 Allowance for Expected Credit Loss on 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. Refer Note 7 (a) for further details.

4.5 Share-Based Payments

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

The expenses recognised for share-based payment transactions are disclosed in Note 33.

4.6 Taxes

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

The Group has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Group has determined that it can recognise deferred tax assets on the tax credits carried forward and unused losses carried forward. Further details on taxes are disclosed in Note 25.

4.7 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.

Refer Note 9.

4.8 Provisions and Contingencies

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

The Group has capital commitments in relation to various capital projects which are not recognised on the Balance Sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group.

Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 14 and 26).

4.9 Control Over Subsidiaries

The Parent evaluates its control over the entities where it holds significant voting rights and considers them as Subsidiaries where it exercises control (Refer note 43 (A)).

4.10 Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules from time to time. MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements (classification of liabilities as current or non-current, including liabilities with covenants), Ind AS 12 – Income Taxes (International Tax Reform – Pillar Two Model Rules), Ind AS 21 – The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability), and Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures (Supplier Finance Arrangements), effective from April 01, 2025. The Company has reviewed these amendments and based on its evaluation, has determined that they do not have any impact on the Company's financial statements. However, pursuant to the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company has provided the required disclosures relating to liabilities under supplier finance arrangements in the notes to the financial statements.

4.11 New Standards or Amendments not yet Adopted

The below amendments to the existing standard which are notified by Ministry of Corporate affairs but are not yet effective:

Amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants. The amendment includes specific provisions that will take effect for reporting periods beginning on or after April 01, 2026, retrospectively, as outlined below:

a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.

b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements. The Company does not expect this amendment to have an impact on its operations or financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 5 : Property, Plant and Equipment

₹ In Crores

Particulars	Buildings	Plant & Machinery	Furniture & Fixture	Vehicles	Leasehold Improvements	Office Equipment	Computers, Servers and Network	Total
Gross Carrying Value								
As at April 1, 2024	**6.94**	**25.29**	**148.66**	**3.31**	**168.87**	**12.70**	**38.34**	**404.12**
Additions	-	9.65	32.92	-	35.56	3.70	9.08	90.91
Deductions	-	0.44	1.40	0.09	3.09	0.29	6.87	12.18
As at March 31, 2025	**6.94**	**34.50**	**180.18**	**3.22**	**201.33**	**16.12**	**40.55**	**482.85**
Additions	-	7.93	36.08	0.69	44.56	4.77	5.08	99.11
Deductions	-	0.20	2.06	1.23	10.72	0.37	3.19	17.77
As at March 31, 2026	**6.94**	**42.23**	**214.20**	**2.68**	**235.17**	**20.52**	**42.44**	**564.19**
Accumulated Depreciation								
As at April 1, 2024	**1.12**	**20.50**	**104.99**	**1.99**	**116.68**	**8.84**	**25.90**	**280.02**
Depreciation for the year	0.22	2.51	13.48	0.59	18.08	1.30	6.04	42.22
Deductions	-	0.38	1.20	0.06	2.80	0.21	2.65	7.30
As at March 31, 2025	**1.34**	**22.63**	**117.27**	**2.52**	**131.96**	**9.93**	**29.29**	**314.94**
Depreciation for the year	0.23	4.18	23.33	0.37	25.74	2.38	5.04	61.27
Deductions	-	0.17	1.90	0.87	9.91	0.35	2.95	16.15
As at March 31, 2026	**1.57**	**26.64**	**138.70**	**2.02**	**147.79**	**11.96**	**31.38**	**360.06**
Net Carrying Value								
As at March 31, 2026	**5.37**	**15.59**	**75.50**	**0.66**	**87.38**	**8.56**	**11.06**	**204.13**
As at March 31, 2025	**5.60**	**11.87**	**62.91**	**0.70**	**69.37**	**6.19**	**11.26**	**167.91**

Notes:

1) No Borrowing costs are capitalised on property plant and equipment during the year.
2) For Properties pledge as security Refer Note 13(a).
3) Refer Note 27 for disclosure of Capital commitments for the acquisition of property, plant and equipment.

Note 5 (a) : Capital Work-in-Progress Ageing Schedule:

As at March 31, 2026

₹ In Crores

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.85	-	-	-	3.85
Total	**3.85**	**-**	**-**	**-**	**3.85**

As at March 31, 2025

₹ In Crores

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.13	-	-	-	1.13
Total	**1.13**	**-**	**-**	**-**	**1.13**

Notes:

As on date of Balance Sheet, there is no capital work in progress whose completion is overdue or has exceeded the cost compared to its original plan.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 6 : Intangible Assets

₹ In Crores

Particulars	Computer Software	Brand Value & License Brands	Technical Process Development	Product Development	Trademark License Fee	Website	Total Intangible Assets	Goodwill on Consolidation
Gross Carrying Value								
As at April 1, 2024	**57.52**	**17.52**	**37.96**	**9.58**	**36.89**	**2.46**	**161.93**	**111.23**
Additions	16.90	-	-	-	-	-	16.90	-
Deductions	-	-	-	-	-	-	-	-
Adjustments*	47.54		(37.96)	(9.58)	-		-	-
As at March 31, 2025	**121.96**	**17.52**	**-**	**-**	**36.89**	**2.46**	**178.83**	**111.23**
Additions	17.31	-	-	-	-		17.31	
Deductions	0.26	-	-	-	-		0.26	
As at March 31, 2026	**139.01**	**17.52**	**-**	**-**	**36.89**	**2.46**	**195.88**	**111.23**
Amortisation								
As at April 1, 2024	**41.29**	**17.52**	**31.62**	**7.30**	**26.30**	**2.46**	**126.49**	**-**
Amortisation for the Year	12.13	-	-	-	3.08	-	15.21	-
Deductions	-	-	-	-	-	-	-	-
Adjustments*	38.92	-	(31.62)	(7.30)	-	-	-	-
As at March 31, 2025	**92.34**	**17.52**	**-**	**-**	**29.38**	**2.46**	**141.70**	**-**
Amortisation for the Year	9.69	-	-	-	3.07	-	12.76	
Deductions	0.26	-	-	-	-	-	0.26	
As at March 31, 2026	**101.77**	**17.52**	**-**	**-**	**32.45**	**2.46**	**154.20**	**-**
Net Carrying Value								
As at March 31, 2026	**37.24**	**-**	**-**	**-**	**4.44**	**-**	**41.68**	**111.23**
As at March 31, 2025	**29.62**	**-**	**-**	**-**	**7.51**	**-**	**37.13**	**111.23**

*Adjustments includes intra-head re-grouping.

Note:

1) On March 23, 2018, one of the Group Company has entered into an addendum to the license agreements dated December 1, 2015 and March 19, 2014 with Calvin Klein Inc., to add certain product categories to licensed products for a consideration of ₹7.14 Crores (equivalent to USD 1.1 Million), which has been capitalised as an intangible asset, in accordance with Ind AS 38, “”Intangible Assets””. The license agreement is to grant the Company a license to use approved form of trademarks in connection with the manufacture, sale, distribution and promotion of the Calvin Klein licensed products in India.

   During the previous year, that company has renewed the license till December 31, 2028. Also, the same can be renewed for a further period of 5 years without any additional consideration, subject to compliance with certain terms and conditions under the aforesaid agreement. Management has determined that it is virtually certain that the Company would renew the license agreement for a further period of 5 years. Accordingly, the Company is amortising the trademark license rights over the term of the license agreement (including renewal period) till December 31, 2033.

   Under the aforesaid agreement, Calvin Klein brand must achieve certain minimum sales level with respect to the licensed products and pay royalty and advertisement on higher of the actual and minimum sales value of license products. As at March 31, 2026, the minimum royalty and advertisement to be paid under this agreement is ₹74.24 Crores (March 31, 2025: ₹96.36 Crores) and ₹7.95 Crores (March 31, 2025: ₹10.35 Crores) respectively.”

2) On September 7, 2011, the Group Company had entered into a License Agreement with Tommy Hilfiger Europe BV and obtained an exclusive and assignable license to use the Trademark Tommy Hilfiger, in connection with the manufacture, import, distribution, promotion, advertising and sale of Tommy Hilfiger products in India for a consideration of ₹37.80 Crore (equivalent to USD 7.5 Million) valid till December 31, 2026, which has been capitalised as an intangible asset, in accordance with Ind AS 38, “Intangible Assets”. The ownership of aforesaid Trademark rests with Tommy Hilfiger Europe BV.

   Under the aforesaid agreement, Tommy Hilfiger brand must achieve certain minimum sales level with respect to the licensed products and pay royalty on higher of the actual and minimum sales value of license products. As at March 31, 2026, ₹16.27 Crores (March 31, 2025: ₹39.74 Crores) is the total minimum royalty to be paid under this agreement.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 6 (a) : Intangible Assets Under Development Ageing Schedule:

As at March 31, 2026

₹ In Crores

Capital Work-in-Progress	Amount in Capital Work-in-Progress for a Period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

As at March 31, 2025

₹ In Crores

Capital work-in-progress	Amount in Capital Work-in-Progress for a Period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	1.69	-	-	-	1.69
Total	**1.69**	**-**	**-**	**-**	**1.69**

Note 7 : Financial Assets

7 (a) Trade Rreceivables - Current

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered Good	1,323.13	1,199.37
Credit Impaired	72.23	71.08
Less : Allowance for Doubtful Debts	(72.23)	(71.08)
	1,323.13	1,199.37
Less: Refundable Liability - (Refer Note 3 below)	(571.55)	(469.95)
Total Trade Receivables	**751.58**	**729.42**

Note :

1) No trade receivables are due from directors or other officers of the Group either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.
2) Trade receivables are given as security for borrowings as disclosed under Note 13(a).
3) Refundable Liability are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.
4) For amount due from Related Parties refer Note 31.

Allowance for Doubtful Debts

The Group has provided allowance for doubtful debts based on simplified 12 months ECL approach using provision matrix. Movement in allowance for doubtful debts :

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the Beginning of the Year	**71.08**	**61.37**
Add : Allowance for the Year (Refer Note 23)	1.37	9.71
Less : Utilised during the Year	(0.22)	-
Balance at the End of the Year	**72.23**	**71.08**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Trade Receivables Ageing Schedule:

As at March 31, 2026 ₹ 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	896.11	400.95	26.05	-	-	-	1,323.12
Undisputed Trade Receivables - Credit Impaired		2.67	4.43	4.80	6.96	30.27	49.12
Disputed Trade Receivables - Credit Impaired					9.10	14.02	23.12
Gross Trade Receivables	**896.11**	**403.62**	**30.47**	**4.80**	**16.06**	**44.29**	**1,395.36**
Less: Allowance for Doubtful Debts							(72.23)
Less: Refundable Liability							(571.55)
Net Trade Receivables							**751.58**

As at March 31, 2025 ₹ 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	803.09	386.63	9.65	-	-	-	1,199.37
Undisputed Trade receivables - Credit impaired	-	2.08	5.48	4.52	23.55	12.33	47.96
Disputed Trade receivables - Credit impaired	-	-	-	9.10	5.72	8.30	23.12
Gross Trade Receivables	**803.09**	**388.71**	**15.13**	**13.62**	**29.27**	**20.63**	**1,270.45**
Less: Allowance for doubtful debts							(71.08)
Less: Refundable Liability							(469.95)
Net Trade Receivables							**729.42**

7 (b) Loans

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, Considered Good unless Otherwise Stated)		
Non-current		
Loans to Employees	0.09	0.01
	0.09	**0.01**
Current		
Loans to Employees	0.42	1.57
	0.42	**1.57**
Total Loans	**0.51**	**1.58**

Note : 1) No loans are due from directors or promotors of the Group either severally or jointly with any person.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

7 (c) Cash And Cash Equivalents

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on Hand	0.58	1.28
Balances with Bank		
In Current Accounts and Debit Balance in Cash Credit Accounts	20.23	22.60
In Fixed Deposits - with Maturity of Less than 3 Months#	30.00	127.00
Total Cash and Cash Equivalents	**50.81**	**150.88**

- Deposits with banks earn interest at fixed bank deposit rates. Short-term deposits are made for a period of 90 days (previous year 90 days) depending on the immediate cash requirement of the Company, and earn interest at the respective short-term deposit rates.

7 (d) Other Bank Balance

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
In Deposit Account		
Held as Margin Money*	11.90	12.71
Unpaid Fractional Shares and Rights Issue (Refer note 13(d))	1.03	1.04
Unpaid Dividend Account (Refer note 13(d))	0.17	0.10
Total other bank balances	**13.10**	**13.85**

* Under lien with bank as Security for Guarantee Facility & Margin on current account.

7 (e) Other Financial Assets

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, Considered Good unless Otherwise Stated)		
Non-Current		
Security Deposits	82.26	62.98
Bank Deposits with Maturity of more than 12 Months	0.68	1.64
	82.94	**64.62**
Current		
Security Deposits	35.97	34.84
Security Deposits - Considered Doubtful	2.17	2.13
Less: Allowance for Doubtful Deposits	(2.17)	(2.13)
	35.97	**34.84**
Accrued Interest	0.52	1.27
Insurance Claim Receivable	3.68	2.38
Bank Deposits with Maturity of Less than 12 Months	0.30	
Foreign Exchange Forward Contracts (Cash Flow Hedge)	8.30	-
Mark to Market of Derivative Financial Instruments	0.15	-
Other Receivables		
- Considered Good	11.21	10.36
- Considered Doubtful	0.17	0.17
Less : Allowance for Doubtful Receivables	(0.17)	(0.17)
	60.13	**48.85**
Total Other Financial Assets	**143.07**	**113.47**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Allowance for Doubtful Deposits

Movement in Allowance for Doubtful Other Receivables:

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**2.13**	**2.16**
Add : Allowance for the Year (Refer note 23)	0.04	-
Less : Amount Realised during the Year	-	(0.03)
Balance at the End of the Year	**2.17**	**2.13**

Allowance for Doubtful Other Receivables

Movement in Allowance for Doubtful Other Receivables :

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**0.17**	**0.17**
Add : Allowance for the Year (Refer note 23)	-	-
Less : Amount Realised during the Year	-	-
Balance at the End of the Year	**0.17**	**0.17**

7 (f) Financial Assets by Category

₹ In Crores

Particulars	FVTPL	FVOCI	Amortised Cost
March 31, 2026			
Trade Receivables	-	-	751.58
Loans	-	-	0.51
Cash & Bank Balance	-	-	63.91
Mark to market of Derivative Financial Instruments	0.15	-	-
Foreign Exchange Forward Contracts (Cash Flow Hedge)	-	8.30	-
Other Financial Assets	-	-	134.62
Total Financial Assets	**0.15**	**8.30**	**950.62**
March 31, 2025			
Trade Receivables	-	-	729.42
Loans	-	-	1.58
Cash & Bank Balance	-	-	164.73
Other financial Assets	-	-	113.47
Total Financial Assets	**-**	**-**	**1,009.20**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Notes :

1) Financial instruments risk Management objectives and policies, refer Note 38.
2) Fair value disclosure for financial assets and liabilities, refer note 36 and for fair value hierarchy disclosures refer note 37.

Note 8 : Other Assets

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, Considered Good unless Otherwise Stated)		
Non-current		
Capital Advances	0.15	0.11
	0.15	0.11
GST/Sales Tax/VAT/Service Tax Receivable (Net)	2.86	2.87
Doubtful Balance with GST/Sales Tax/VAT/Service Tax Receivable	0.16	0.16
Less: Provision for Doubtful Balance with GST/Sales Tax/VAT/Service Tax Receivable	(0.16)	(0.16)
	2.86	2.87
Advances to Vendors		
Doubtful Advances to Vendors	0.10	0.10
Less: Provision for Doubtful Advances to Vendors	(0.10)	(0.10)
	-	-
Sales Tax Paid under Protest	-	-
Prepaid Expenses	1.76	1.77
	4.77	**4.75**
Current		
Advance to Suppliers		
Considered Good	23.41	17.29
Considered Doubtful	1.57	1.54
Less : Provision for Doubtful Advances	(1.57)	(1.54)
	23.41	**17.29**
Balance with Government Authorities (Refer Note 1 below)	175.25	131.13
GST Paid under Protest	2.84	2.03
Export Incentive Receivable	0.07	0.15
Returnable Asset (Refer Note 3 below)	215.06	179.19
Prepaid Expenses	26.89	21.08
Advance to Employee	1.06	1.30
Other Current Assets (Refer Note 5 below)	67.60	52.48
	512.18	**404.65**
Total	**516.95**	**409.40**

Note :

1. Balance with Government Authorities mainly consist of input tax credit availed.
2. Other current assets are given as security for borrowings as disclosed under Note 13(a).
3. Returnable Asset are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers and are accounted, considering the nature of inventory expected to be received, ageing and net realisable value and ₹9.17 Crores (March 31, 2025 ₹12.17 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement of Profit and loss.
4. No advances are due from directors or promoters of the Company either severally or jointly with any person.
5. Other current assets includes Goods and Service Tax paid on primary sales/stock transfer of traded goods amounting ₹67.57 Crores (March 31, 2025 ₹52.48 crores) on "Sale or Return basis" and tax on refund liability component. Balance outstanding as at year end will be adjusted against secondary sale of traded goods and actual credit note issued for sales returns.

Provision for Doubtful Advances

Movement in provision for doubtful advances:

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the Beginning of the Year	**1.64**	**1.64**
Add: Provision Made during the Year (Refer Note 23)	0.03	-
Less : Write Off of Doubtful Advances	-	-
Balance at the End of the Year	**1.67**	**1.64**

Provision for Doubtful GST/Sales tax Receivable

Movement in Provision for Doubtful GST/Sales tax Receivable :

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the Beginning of the Year	**0.16**	**0.15**
Add: Increase during the Year	-	0.01
Less : Write Off of Doubtful Advances	-	-
Balance at the End of the Year	**0.16**	**0.16**

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

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Stock-in-Trade (Branded Apparels and Accessories)	1,389.56	1,080.05
Total	**1,389.56**	**1,080.05**

Note :

1) Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for ₹154.81 Crores (March 31, 2025 ₹156.75 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss.
2) Inventories are given as security for borrowings as disclosed under Note 13(a).

Note 10(a) : Non - Current Tax Assets (Net)

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Tax Paid in Advance (Net of Provision)	36.53	38.89
Total	**36.53**	**38.89**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 10(b) : Current Tax liabilities

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Provision For Income Tax	5.13	3.50
Total	**5.13**	**3.50**

Note 11 : Equity Share Capital

₹ In Crores

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorised Share Capital				
Equity Shares of ₹4 Each (March 31, 2025: ₹4 Each)	18,75,00,000	75.00	18,75,00,000	75.00
Issued and Subscribed Share Capital				
Equity Shares of ₹4 Each (March 31, 2025: ₹4 Each)	13,36,54,989	53.46	13,33,00,510	53.32
Subscribed and Fully Paid Up				
Equity Shares of ₹4 Each (March 31, 2025: ₹4 Each)	13,36,30,300	53.45	13,32,75,821	53.31
Subscribed and Partly Paid Up				
Equity Shares of ₹2 Each (March 31, 2025: ₹2 Each)	24,689	(₹49,378/-)	24,689	(₹49,378/-)
Total	**13,36,54,989**	**53.46**	**13,33,00,510**	**53.32**

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

₹ In Crores

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the Beginning of the Period	**13,33,00,510**	**53.32**	**13,29,84,460**	**53.19**
Add: Shares Allotted Pursuant to Exercise of Employee Stock Option Plan (Refer Note 33)	3,54,479	0.14	3,16,050	0.13
Outstanding at the End of the Year	**13,36,54,989**	**53.46**	**13,33,00,510**	**53.32**

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 ₹4 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting (Refer Note-47). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.However no such preferential amount exists currently.The distribution will be in proportion to the number of equity shares held by shareholders.

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

₹ In Crores

Name of the Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Aura Securities Private Limited	4,16,18,605	31.14%	4,16,18,605	31.22%
Axis Mutual Fund Trustee Limited - Through its Various Mutual funds Schemes	54,73,793	4.10%	72,10,785	5.41%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

11.4. Shareholding of Promoters

₹ In Crores

Promoter Name	As at March 31, 2026			As at March 31, 2025		
	No. Shares	% of total shares	% change during the year	No. Shares	% of total shares	% change during the year
Aura Securities Private Limited	4,16,18,605	31.14%	0.00%	4,16,18,605	31.22%	-4.59%
Aura Merchandise Private Limited	18,30,701	1.38%	0.00%	18,30,701	1.37%	0.00%
Atul Limited	15,96,105	1.19%	0.00%	15,96,105	1.20%	0.00%
Aura Business Ventures LLP	10,36,706	0.78%	0.00%	10,36,706	0.78%	0.00%
Aagam Holdings Private Limited	7,25,553	0.54%	0.00%	7,25,553	0.54%	0.00%
Anusandhan Investments Limited	44,470	0.03%	0.00%	44,470	0.03%	0.00%
Aayojan Resources Private Limited	35,190	0.03%	0.00%	35,190	0.03%	0.00%
Adhinami Investment Private Limited	7,153	0.01%	0.00%	7,153	0.01%	0.00%
Swati S Lalbhai	3,754	0.00%	0.00%	3,754	0.00%	0.00%
Sunil Siddharth Lalbhai	2,101	0.00%	0.00%	2,101	0.00%	0.00%
Taral S Lalbhai	1,573	0.00%	0.00%	1,573	0.00%	0.00%
Punit Sanjaybhai	1,544	0.00%	0.00%	1,544	0.00%	0.00%
Swati Siddharth Lalbhai (Trustee of Siddharth Family Trust)	1,399	0.00%	0.00%	1,399	0.00%	0.00%
Sanjay S. Lalbhai (as Representative Trustee of Discretionary Trust)	565	0.00%	0.00%	565	0.00%	0.00%
Astha Lalbhai	385	0.00%	0.00%	385	0.00%	0.00%
Vimla S Lalbhai	194	0.00%	0.00%	194	0.00%	0.00%
Jayshreeben Sanjaybhai Lalbhai	152	0.00%	0.00%	152	0.00%	0.00%
Sanjay S. Lalbhai	76	0.00%	0.00%	76	0.00%	0.00%
Akshita Holdings Private Limited	51	0.00%	0.00%	51	0.00%	0.00%
Aura Business Enterprise Private Limited	38	0.00%	0.00%	38	0.00%	0.00%
Aura Securities Private Limited	38	0.00%	0.00%	38	0.00%	0.00%
Kalpanaben Shripalbhai Morakhia	-	0.00%	-100.00%	3	0.00%	0.00%
Sunil Siddharth HUF	3	0.00%	0.00%	3	0.00%	0.00%
Total	**4,69,06,356**	**35.10%**		**4,69,06,359**	**35.19%**	

11.5. Issue of Equity Shares on Preferential Basis

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

11.6. Issue of Shares under Right Issue

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

11.7. Shares Reserved for Issue Under Options and Contracts

Refer Note 33 for details of shares to be issued under Employee Stock Option Schemes (ESOPs).

11.8. Objective, Policy and Procedure of Capital Management :

Refer Note 39.

Note 12 : Other Equity

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Note 12.1 Reserves & Surplus		
Capital Reserve on Consolidation		
Balance at the Beginning of the Year	(215.61)	(215.61)
Changes during the Year	-	-
Balance at the End of the Year	**(215.61)**	**(215.61)**
Capital Reserve		
Balance at the Beginning of the Year	39.89	39.89
Changes during the Year	-	-
Balance at the End of the Year	**39.89**	**39.89**
Securities Premium		
Balance at the Beginning of the Year	2,158.01	2,150.62
Addition during the Year	9.70	5.12
Transfer from Share based Payment Reserve	4.17	2.27
Balance at the End of the Year	**2,171.88**	**2,158.01**
Share based Payment Reserve (Refer Note 33)		
Balance at the beginning of the Year	19.07	19.44
Addition during the Year	6.11	1.90
Transfer to Securities Premium Account	(4.17)	(2.27)
Balance at the End of the Year	**21.01**	**19.07**
Retained Earnings		
Balance at the beginning of the Year	(1,187.31)	(1,134.09)
(Loss)/Profit for the Year	122.57	(35.57)
Dividend for the Year	(21.35)	(16.65)
Add: Movement between Non-Controling Interest and Equity Holders of the Parent	(131.56)	-
OCI for the Year	(1.12)	(1.00)
Balance at the End of the Year	**(1,218.77)**	**(1,187.31)**
Total Reserves & Surplus	**798.40**	**814.05**
Note 12.2 Other comprehensive income		
Net Gain/(Loss) on FVOCI Equity Instruments		
Balance at the Beginning of the Year	90.16	90.16
Changes during the Year	-	-
Balance at the End of the Year	**90.16**	**90.16**
Cash Flow Hedge Reserve		
Balance at the Beginning of the Year	(0.41)	(0.31)
(Loss)/Profit for the Year	5.43	(0.25)
Tax Impact	(1.37)	0.06
Share of Non Controlling Interest	(2.03)	0.09
Balance at the End of the Year	**1.62**	**(0.41)**
Total Other Comprehensive Income	**91.78**	**89.75**
Total Other Equity	**890.18**	**903.80**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note :

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

a. Capital reserve on consolidation

Gain on purchase, i.e. excess of fair value of net assets acquired over the fair value of consideration in a business combination or on acquisition of interest in subsidiary is recognised as capital reserve on Consolidation.

b. Capital Reserve

Capital reserve represents capital reserve on amalgamation/business combination. This reserve arose pursuant to scheme of arrangement and shall not be considered to be reserve created by the Group.

c. Securities Premium

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

d. Share Based Payment Reserve

This reserve relates to share options granted by the Group to its and erstwhile Holding Company's employee share option plan. Further information about share-based payments to employees is set out in Note 33.

e. Net Gain/(Loss) on FVOCI Equity Instruments

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

f. Cash Flow Hedge Reserve

The hedge reserve represents the cumulative effect portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when he hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

g. Retained Earnings

Retained earnings are the profit that the group has earned to date, less dividends or other distributions paid to euity shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans,net of taxes, that will not be reclassified to the statement of Profit & Loss.

Note 13 : Financial Liabilities

13 (a) Borrowings

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Long-term Borrowings (Refer Note 1(a) below)		
Secured (At amortised cost)		
Term loan from Banks	104.92	8.33
Total Long-Term Borrowings	**104.92**	**8.33**
Short-Term Borrowings (Refer Note 1(b) below)		
Secured (At Amortised Cost)		
Current Maturities of Long-Term Borrowings	36.67	15.34
Working Capital Loans Repayable on Demand from Banks Under Buyer's Credit Arrangement	389.75	365.90
Total Short-Term Borrowings	**426.42**	**381.24**
Total Borrowings	**531.34**	**389.57**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note :

1. Secured Borrowings

(a) Long term

Particulars	As at March 31, 2026		As at March 31, 2025	Security	Terms of Payment
	Rate of Interest	₹ In Crores	₹ In Crores		
Rupee Loans	-	-	8.60	1. Guaranteed By National Credit Guarantee Trustee Company Ltd 2. Second Charge on all current assets of borrower both present and future 3. Extension of second ranking charge over existing primary and collateral securities created in favour of the bank (including but not limited to hypothecation on present and future stock, book debts and movable fixed assets of the company and assets of the borrower created out of this Facility).	Repayable in 48 Monthly instalments beginning from April 2022.
Rupee Loans	7.60%	8.33	14.99	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 of the Company. 2. Corporate Guarantee given by Arvind Fashions Limited	Repayable in 12 instalments in 3 years, starting from August 2024.
Rupee Loans	7.60%	33.33	-	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 of the Company.	Repayable in 12 instalments starting from November 2025.
Rupee Loans	7.75%	99.93	-	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 of the Company.	Repayable in 18 Equal Quarterly instalments starting from July 2026.
Hire Purchase loans	-	-	0.08	Secured by hypothecation of related vehicles	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans.

(b) Short term

Particulars	Rate of Interest	As at March 31, 2026	As at March 31, 2025	Security	
Working Capital Loans	6.91% to 9.10%	31.22	25.00	First pari passu charge on entire Stock and Receivables of the Company both present and future.	1. Secured against Pledge 175,82,539 shares of Arvind Youth Brands Private Limited owned by Parent.
Working Capital Loans	7.10% to 8.25%	47.09	15.00	First pari passu charge on entire Stock and Receivables of the Company both present and future.	Secured against Pledge of 148,77,533 shares of Arvind Youth Brands Private Limited owned by Parent
Working Capital Loans	11.10%	0.04	-	First pari passu charge on entire Stock and Receivables of the Company both present and future.	No equity shares pledged
Working Capital Loans	8.13% to 8.40%	23.10	13.00	First pari passu charge on entire Stock and Receivables of the Company both present and future.	Secured against Pledge of 81,15,018 shares of Arvind Youth Brands Private Limited owned by Parent

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Particulars	Rate of Interest	As at March 31, 2026	As at March 31, 2025	Security	
Working Capital Loans	7.31% to 9.90%	64.87	78.14	1. First and pari passu charge by way of Hypothecation of current assets of the Company (Present and Future) including inventory and book debts. 2. First pari-passu charge over entire property plant and equipment of the company (present and future) comprising furniture & fixture, Office equipment, plant and equipments, other leasehold Improvement etc. located at retail stores/showrooms and other places etc on pari passu basis. 3. Joint Corporate Guarantee given by Parent and one of its subsidiary upto the extent of total sanction limits of ₹13,500 Lakhs (Previous year ₹13,500 lakhs).	No equity shares pledged
Working Capital Loans	7.90%	-	80.00		Secured against Pledge of 1,09,60,183 equity shares of AYBPL owned by the Borrowing Company.
Working Capital Loans	7.35%	154.81	154.76	1. First charge over entire stocks, receivables and other current assets (present and future) and second charge over entire fixed assets of the Company both present and future. 2. Corporate Guarantee given by Parent	1) Secured against pledge of 3,25,57,884 equity shares of Arvind Youth Brands Private Limited owned by Borrowing Company. 2) Secured against pledge of 4,63,51,265 equity shares of Arvind Lifestyle Brands Limited owned by Parent.
Working Capital Loans	7.90%	35.00	-		Secured against pledge of 43,84,074 equity shares of Arvind Youth Brands Private Limited owned by Borrowing Company.
Working Capital Loans	8.59%	26.00	-		Secured against Pledge of 61,37,703 equity shares of AYBPL owned by the Borrowing Company.
Working Capital Loans	9.95%	7.63	-		Secured against Pledge of 1,09,60,183 equity shares of AYBPL owned by the Borrowing Company.

2. All necessary charges or satisfaction are registered with ROC within the statutory period.
3. The Group has Fund based and Non-fund based limits of working capital from Banks and Financial Institutions. For the said facility, the revised submissions made by the Group to its lead bankers based on closure of book of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Group with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
4. The group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

13 (b) Trade Payables

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Other Trade Payables		
-Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below)	156.14	151.67
-Total Outstanding dues other than Micro Enterprises and Small Enterprises	728.47	680.99
Total	**884.61**	**832.66**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2026. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
i) Principal	149.08	138.07
ii) Interest	7.06	13.60
(b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	7.06	13.60
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	7.06	13.60
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	7.06	13.60

Trade Payable ageing Schedule:

As at March 31, 2026

₹ In Crores

Particulars	Not due	Outstanding for Following Periods from Due date of Payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Micro Enterprises and Small Enterprises	156.14	-	-	-	-	156.14
Others	270.48	65.80	3.36	2.50	3.81	345.95
Unbilled Dues	382.52	-	-	-	-	382.52
Total	**809.14**	**65.80**	**3.36**	**2.50**	**3.81**	**884.61**

As at March 31, 2025

₹ In Crores

Particulars	Not due	Outstanding for Following Periods from Due date of Payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Micro enterprises and Small enterprises	151.67	-	-	-	-	151.67
Others	697.63	56.12	3.60	4.03	10.82	772.20
Unbilled Dues	248.11	-	-	-	-	248.11
Total	**1,097.41**	**56.12**	**3.60**	**4.03**	**10.82**	**1,171.98**

13 (c) Trade Credits

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Trade Credits (Refer Note below)	502.46	339.32
Total	**502.46**	**339.32**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note: The Group participates in a supplier finance arrangement under which its suppliers may elect to receive early payment of their invoices from a bank. Under this arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

From the Group's perspective, the arrangement does not significantly extend the payment terms beyond the normal terms agreed with other suppliers that are not participating; however, the arrangement does provide participating suppliers with the benefit of early payment. The financing terms are negotiated by the Group, and it bears interest in the range of 6-9% on the credit availed beyond the due date, and the interest cost has been presented under finance costs.

During the current year, the Group has regrouped interest-bearing short term trade credits which are availed from financial institutions and banks for payments to suppliers, have been reclassified from trade payable and shown as a separate line item under financial liabilities as trade credits, to provide user with a clearer assessment of the impact on the liabilities, cash flows and liquidity risk. The comparative figures have also been classified in line with the current year's presentation. The said reclassification by the Group is for better presentation and does not have any impact on profit or total equity of the Group.

₹ In Crores

Carrying Amount	As at March 31, 2026	As at March 31, 2025*
Liabilities under Supplier Finance Arrangement	502.46	Not Applicable
of which Supplier has Received the Payment from Finance Provider	496.32	Not Applicable
Range of Payment Dues		
Liabilities under Supplier Finance Arrangement	Upto 180 days	Not Applicable
of which Supplier has Received the Payment from Finance Provider	Upto 180 days	Not Applicable

*The Company has applied transitional relief and accordingly comparative information, wherever applicable, for the above disclosures is not presented in the first year of adoption of the amendment.

The Company doesn't provide any collateral or guarantees to the finance provider.

13 (d) Other Financial Liabilities

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Security Deposit	107.15	121.52
	107.15	**121.52**
Current		
Security Deposit	19.49	0.10
Interest Accrued and Due on Others	1.71	2.41
Interest Accrued but not Due on Borrowings	12.92	11.43
Payable to Employees	34.65	42.63
Payable for Capital Goods	22.59	14.07
Deposits from Customers and Others	-	0.71
Mark to Market of Derivative Financial Instruments	-	1.42
Other Financial Liabilities	3.14	4.21
Unclaimed Dividend Payable (Refer Note 7(d))	0.17	0.10
Others (Refer Note 7(d))*	1.03	1.04
	95.70	**78.12**
Total	**202.85**	**199.64**

Note 1: There is no amount due and outstanding to be transfer to the Investor Education and Protection Fund (IEPF).

Note 2: * This includes Unpaid Fractional Shares Amount of ₹1.03 Crores (March 31, 2025 ₹1.04 Crores) and due for refund for the excess money received on Right Issue of ₹14,400 (March 31, 2025 ₹14,400)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

13(e) : Financial Liabilities by Category

₹ In Crores

Particulars	FVOCI	FVTPL	Amortised Cost
March 31, 2026			
Borrowings	-	-	531.34
Trade Payables	-	-	884.61
Trade Credits			502.46
Mark to Market of Derivative Financial Instruments	-	-	-
Security Deposits	-	-	126.64
Payable to Employees	-	-	34.65
Interest Accrued but Not Due	-	-	12.92
Interest Accrued and Due	-	-	1.71
Payable in Respect of Capital Goods	-	-	22.59
Lease Liabilities	-	-	804.54
Deposits from Customers and Others	-	-	-
Others	-	-	4.34
Total Financial Liabilities	**-**	**-**	**2,925.80**
March 31, 2025			
Borrowings	-	-	389.57
Trade Payables	-	-	832.66
Trade Credits			339.32
Mark to Market of Derivative Financial Instruments	0.40	1.02	-
Security Deposits	-	-	121.62
Payable to Employees	-	-	42.63
Interest Accrued but Not Due	-	-	11.43
Interest Accrued and Due	-	-	2.41
Payable in Respect of Capital Goods	-	-	14.07
Lease Liabilities	-	-	767.22
Deposits from Customers and Others	-	-	0.71
Others	-	-	5.35
Total Financial Liabilities	**0.40**	**1.02**	**2,526.99**

1) Financial instruments risk Management objectives and policies, refer Note 38.

2) Fair value disclosure for financial assets and liabilities, refer note 36 and for fair value hierarchy disclosures refer note 37.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 14: Provisions

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Long-term		
Provision for Employee Benefits (Refer Note 30)		
Provision for Leave Encashment	8.27	6.26
Provision for Gratuity	19.44	13.12
	27.71	**19.38**
Short-Term		
Provision for Employee Benefits (Refer Note 30)		
Provision for Leave Encashment	5.87	4.88
Provision for Gratuity	3.43	1.14
Others		
Short Term Provision for Litigation/Disputed Matters (Refer Note a below)	1.75	1.75
	11.05	**7.77**
Total	**38.76**	**27.15**

(a) Provision for litigation/disputed matters.

The group has made provisions for pending disputed matters in respect of Indirect taxes like GST, Sales tax, Excise duty and Customs duty, the liability which may arise in the future, the quantum whereof will be determined as and when the matters are disposed off.

The movement in the provision account is as under :

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as Per Last Financial Statements	**1.75**	**1.75**
Add/(Less): Adjusted during the Year	-	-
Balance as at the End of the Year	**1.75**	**1.75**

Note 15 : Other Current Liabilities

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Fair valuation of Security Deposits from Customers	0.32	0.75
	0.32	**0.75**
Current		
Advance from Customers	41.13	33.74
Statutory Dues Including Provident Fund and Tax Deducted at Source etc	20.71	17.09
Fair Valuation of Security Deposits from Customers	0.24	0.44
Deferred Revenue (Refer note 16 (II) and note (c) below)	7.63	6.76
Deferred Income on Gift Voucher Issued (Refer note 16 (II) and note (b) below)	1.01	2.38
Deferred Income of Loyalty Program Reward Points (Refer note 16 (II) and note (a) below)	2.95	2.26
	73.67	**62.67**
Total	**73.99**	**63.42**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(a) Deferred Income of Loyalty Program Reward Points

The Group has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below :

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as Per last Financial Statements	2.26	1.38
Add : Provision made during the Year (Net of expiry) (Refer Note 16)	6.75	6.60
Less : Deferment/Redeemed during the Year (Net)	(6.06)	(5.72)
Balance at the End of the Year	**2.95**	**2.26**

(b) Deferred Income of Gift Vouchers Issued

The Group has deferred the revenue related to the gift voucher issued. The movement in deferred revenue for those gift vouchers are given below:

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as Per Last Financial Statements	2.38	3.14
Add : Provision made during the Year (Net of expiry) (Refer Note 16)	30.90	45.79
Less : Redemption made during the Year (Net)	(32.27)	(46.55)
Balance at the End of the Year	**1.01**	**2.38**

(c) Deferred Revenue

The Group has deferred the revenue and the movement in deferred revenue is given below :

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as Per Last Financial Statements	6.76	4.20
Add : Provision made during the Year (Refer Note 16)	7.63	6.76
Less : Redemption made during the Year (Net)	(6.76)	(4.20)
Balance at the End of the Year	**7.63**	**6.76**

Note 16 : Revenue from Operations

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Sale of Products	5,205.86	4,562.95
Sale of Services	58.86	54.66
	5,264.72	**4,617.61**
Operating Income		
Export Incentives	0.49	0.66
Foreign Exchange Fluctuation on Vendors and Customers (Net)	-	0.61
Miscellaneous Receipts	0.98	0.96
	1.47	**2.23**
Total	**5,266.19**	**4,619.84**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

I. Disaggregation of Revenue from Contracts with Customers

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A. Revenue based on Geography		
i. Domestic	5,228.08	4,580.75
ii. Export	38.11	39.09
	5,266.19	**4,619.84**
B. Revenue based on Business Segment		
Branded Apparels and Accessories	**5,266.19**	**4,619.84**

II. Contract Balances

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Contract Assets		
Trade Receivables (Refer note 7(a)	751.58	729.42
Contract Liabilities		
Advance from Customers (Refer note 15)	41.13	33.74
Deferred Revenue (Refer Note 15(c))	7.63	6.76
Deferred Income on Gift Vouchers Issued (Refer Note 15(b))	1.01	2.38
Deferred Income of Loyalty Program Reward Points (Refer Note 15(a))	2.95	2.26

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

III. Reconciliation of Revenue from Operation with Contract Price

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Contract Price	6,460.28	5,859.00
Less:		
Sales Return	924.28	857.28
Schemes and Discounts	263.06	375.28
Customer Loyalty Program (Refer Note 15)	6.75	6.60
Total Revenue from Operations	**5,266.19**	**4,619.84**

Note 17 : Other Income

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest income on financial assets recognised at amortised cost	6.58	14.38
Interest Income on fair value of security deposit	8.08	7.07
Gain on Reassessment of Lease (Refer Note 34)	12.77	5.08
Profit on sale of Property, Plant & Equipment (Net)	-	0.30
Provision no longer required	0.77	0.87
Miscellaneous income	12.59	6.94
Total	**40.79**	**34.64**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 18 : Purchases of Stock-in-trade

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Branded Apparels and Accessories	2,712.02	2,320.15
Total	**2,712.02**	**2,320.15**

Note 19 : Changes in Inventories of Stock-in-trade

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Stock at the end of the Year		
Stock-in-Trade	1,389.56	1,080.05
Stock at the beginning of the Year		
Stock-in-Trade	1,080.05	909.44
(Decrease) in Stock-in-Trade	**(309.51)**	**(170.61)**

Note 20 : Employee Benefits Expense

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, Wages, Gratuity, Bonus, Commission, etc. (Refer Note 30)	271.62	238.68
Contribution to provident and Other Funds (Refer Note 30)	16.73	11.75
Welfare and Training Expenses	27.29	16.32
Share based Payment to Employees (Refer Note 33)	6.11	1.90
Total	**321.75**	**268.65**

Note 21 : Finance Costs

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest Expenses on Financial Liabilities measured at Amortised Cost		
Loans	15.12	13.05
Lease Liabilities (Refer Note 34)	84.79	79.35
Others	31.93	33.46
Other borrowing Cost	38.61	29.94
Total	**170.45**	**155.80**

Note 22 : Depreciation and Amortization Expense

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on Property, Plant & Equipment (Refer Note 5)	61.25	42.22
Amortization on Intangible Assets (Refer Note 6)	12.76	15.21
Depreciation on Right-of-Use Assets (Refer Note 34)	215.67	198.29
Total	**289.68**	**255.72**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 23 : Other Expenses

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Power and Fuel	13.91	10.17
Insurance	4.68	4.27
Processing Charges	7.15	4.55
Printing, Stationery & Communication	8.82	8.48
Rent :		
Short Term Leases and Leases of Low-Value Assets (Refer Note 34)	22.19	16.88
Commission & Brokerage	687.43	609.03
Rates and Taxes	6.78	6.58
Repairs :		
To Building	17.06	14.72
To Others	29.68	26.56
Royalty on Sales	221.93	189.07
Freight, Insurance & Clearing Charge	83.55	86.57
Legal & Professional Charges	49.82	36.21
Housekeeping Charges	2.90	3.08
Security Charges	2.88	2.79
Computer Expenses	40.48	27.69
Conveyance & Travelling Expense	38.12	33.12
Advertisement and Publicity	212.69	178.57
Packing Materials Expenses	18.61	14.99
Outsourced Services	273.58	236.49
Allowance for Doubtful Debts (Refer Note 7a)	1.37	9.71
Allowance for Doubtful Deposits and Advances (Refer Note 7e and 8)	0.07	-
Sampling and Testing Expenses	11.92	9.66
Director's Sitting Fees	1.13	0.94
Auditor's Remuneration (Refer Note a below)	2.51	2.24
Business Conducting Fees	0.19	3.77
Bank Charges	14.39	13.91
Warehouse Charges	46.98	36.67
Spend on CSR Activities (Refer Note 35)	4.08	2.49
Property, Plant & Equipment Written Off	0.98	-
Exchange Difference Loss (Net)	3.79	-
Miscellaneous Expenses	7.70	10.44
Total	**1,837.37**	**1,599.65**

a. Break up of Auditor's Remuneration

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Payment to Auditors as :		
Statutory Auditor Fees	2.32	2.15
Certification Fee	0.12	0.02
For Reimbursement of Expenses	0.07	0.07
Total	**2.51**	**2.24**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 24: Exceptional Items

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Provision for Gratuity and Leave encashment as Per New Labour Code (Refer below note)	23.32	-
Total	**23.32**	**-**

Note : On November 21, 2025, the Government of India notified the four Labour Codes — the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 — consolidating 29 existing labour laws (collectively, the "New Labour Codes"). Based on assessment, the Group has recognised a one-time incremental provision towards gratuity and compensated absences payable to its own employees and contract workforce, aggregating to ₹23.32 crores for the year ended March 31, 2026, which has been presented as an Exceptional item. Such increase is primarily arising due to change in the definition of "wages" for employees and contract labours.The Group continues to monitor the developments pertaining to the New Labour Codes and the impact, if any, will be accounted in accordance with applicable accounting standards.

Note 25: Income Tax

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Income Tax Expenses recognised in Statement of Profit & Loss from Continuing Operation		
Current Tax		
Current Tax	51.82	61.41
(Excess)/Short provision related to earlier years	(4.51)	-
Deferred Tax		
Deferred Tax Charge/(Credit)	29.73	129.31
Income Tax Expenses recognised in Statement of Profit & Loss from Discontinued Operation		
Current Tax		
(Excess)/Short provision related to earlier years	-	-
Deferred Tax		
Deferred Tax Charge/(Credit)	-	-
Income tax expense reported in the statement of Consolidated profit & loss	**77.04**	**190.72**

OCI Section

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Statement to Other comprehensive income (OCI)		
Deferred tax Charge/(Credit)	1.18	(0.63)
Deferred tax charged to OCI	**1.18**	**(0.63)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate:

A) Current Tax

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit/(loss) before Tax from Continuing and Discontinued Operations	260.70	223.70
Tax Rate	25.168%	34.944%
Current Tax Expenses on Profit before Tax at the Enacted Income Tax Rate in India	65.61	78.17
Adjustments		
Difference in Tax Rates for certain entities of the Group	-	(21.40)
Expenditure not deductible for Tax	(5.81)	(0.20)
Additional Deduction on Account of Employee Perquisite	7.49	-
Deferred Tax Assets not Recognised as Realisation is not Probable	(0.79)	4.35
MAT credit Reversal/(Utilisation)	-	1.37
Difference on Account of moving to New Tax Regime as Per Section 115BAA of Income Tax Act, 1961 (Refer Note below)	-	98.40
Others	10.53	30.03
At the effective Income Tax	**77.04**	**190.72**
Effective Income Tax Rate %	**29.55%**	**85.26%**

B) Deferred Tax

₹ In Crores

Particulars	Consolidated Balance Sheet	Consolidated Statement of Profit & Loss and Other Comprehensive Income	Consolidated Balance Sheet	Consolidated Statement of Profit & Loss and Other Comprehensive Income
	As at March 31, 2026	Year ended March 31, 2026	As at March 31, 2025	Year ended March 31, 2025
Accelerated depreciation for Tax Purposes	85.75	(3.69)	89.44	(31.63)
Expenditure allowable on Payment Basis/Over the Period	15.54	(15.60)	31.14	8.47
Expenses on Employee Stock Option	-	-	-	(1.99)
Unused losses available for Offsetting against Future Taxable Income	69.62	(2.89)	72.51	(101.46)
Allowance for Doubtful Receivables/Advances	22.46	(2.76)	25.22	24.19
Unused Tax Credit available for Offsetting against Future Taxable Income (MAT Credit Entitlement)	-	-	-	(11.29)
Deferred Tax on unrealised Profit	-	(12.67)	12.67	(1.74)
Impact on adoption of Ind AS 116	15.36	(13.53)	28.89	(6.39)
Others	20.90	20.22	0.68	(6.84)
Net deferred Tax Assets/(Liabilities)	**229.64**	**(30.91)**	**260.55**	**(128.68)**

Note:

(i) Some of the Group companies have stopped recogniSing additional deferred tax asset until it becomes probable that sufficient taxable profits will be available.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(ii) At the reporting date, the Company has unused tax losses of ₹1207.06 Crores (March 31, 2025: ₹1145.59 crores) available for offset against future profits. A deferred tax asset has been recognised in respect of ₹278.54 Crores (March 31, 2025 ₹288.10 crores). No deferred tax asset has been recognised in respect of remaining ₹928.52 Crores losses as it is not considered probable that there will be future taxable profits available against such losses. Included in unrecognised tax losses are losses of ₹897.10 Crores (March 31, 2025: ₹684.91 Crores) that will expire in FY 2027-28 to FY 2033-34. Other losses may be carried forward indefinitely.

(iii) The Management of the Parent has opted to exercise the option under Section 115BAA of the Income Tax Act, 1961. Consequently, the Parent has remeasured its deferred tax assets and liabilities using the tax rate specified in the Section, resulting in a deferred tax charge of ₹6.19 crores. Further, a deferred tax credit of ₹3.08 crores has been recognised on the remeasurement of deferred tax related to inter-company return provisions upon consolidation. The full impact of this change has been recognised in the Consolidated Financial Statement for the year ended March 31, 2026.

In the Previous year, the Management of one of the subsidiary company has opted to exercise the option under Section 115BAA of the Income Tax Act, 1961. As a result, the subsidiary has remeasured its deferred tax assets and liabilities according to the tax rate specified in the Section, leading to a deferred tax charge of ₹88.32 crores. Additionally, the subsidiary has written off Minimum Alternate Tax (MAT) credit of ₹6.33 crores. Consequent to the above change in the prescribed tax rate, a deferred tax charge of ₹10.08 crores has been recognised, resulting from the remeasurement of deferred tax on unrealised profits from such transactions with the subsidiary company upon consolidation. The full impact of this change has been recognised in the Statement of Consolidated Financial Results for quarter and year ended March 31, 2025.

(iv) Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries has not been recognised. Further, it is not practicable to estimate the amount of the unrecognised deferred tax liabilities for these undistributed earnings.

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at Beginning of the year	260.55	389.23
Adjustment on Consolidation		(7.33)
Deferred Tax Income/(Expense) during the Period Recognised in Profit or Loss for Continuing Operations	(29.73)	(121.98)
Deferred Tax Income/(Expense) during the Period Recognised in OCI	(1.18)	0.63
Balance at End of the Year	**229.64**	**260.55**

Note 26 : Contingent Liabilities and Other Commitment

(a) Contingent Liabilities

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Contingent Liabilities not Provided for		
a. Claims against the Group not acknowledged as Debts	4.04	4.26
b. Disputed Demands in Respect of		
Customs Duty (Refer Note 4 below)	49.20	49.20
GST	65.57	45.52
Income Tax (Refer Note 5 below)	10.68	15.58
Provident Fund	0.53	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Notes :

(1) It is not practical for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

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

(3) The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect and is considered necessary for the same.

(4) Two of the Group companies had received demand-cum-show-cause notice under Section 28(4) read with Section 124 of the Customs Act, 1962 from the Directorate of Revenue Intelligence ('DRI'), for short payment of duty due to non-inclusion of certain payments to vendors for determining assessable value for payment of Custom Duty. The Group is confident that it's position will likely be upheld in the appellate process against the above demand. However, the Group had deposited ₹1.69 Crores under protest.

(5) One of the Subsidiary and Parent have opted for the concessional tax regime under Section 115BAA of the Income Tax Act, 1961. In line with Ind AS 37, contingent liabilities are disclosed based on the best estimate of potential outflows as at the reporting date. Accordingly, contingent liabilities relating to income Tax matters have been reassessed using the revised tax rate under Section 115BAA, replacing the earlier applicable rate.This affects only the estimated exposure, not the nature of the contingencies

(b) Other Commitment

In the previous year, the Parent has entered into a Share Purchase Agreement (SPA) for the sale of erstwhile subsidiary company, wherein the Parent has agreed to indemnify the Purchaser against the legal matters pertaining to the period prior to the sale of the subsidiary.

During the year, the erstwhile subsidiary has received various GST-related litigations pertaining to the said period amounting to ₹10.69 crores , which are currently under adjudication. The Parent has evaluated the potential obligations arising from these matters and has disclosed them as other commitments.

Based on the assessment of the underlying facts and circumstances, the Management believes that the claims are unsubstantiated and not tenable. Accordingly, no provision is considered necessary in the Consolidated financial statements as at March 31, 2026.

Note 27 : Capital Commitment and Other Commitments

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Capital commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not Provided for	27.37	16.77

Note 28 : Foreign Exchange Derivatives and Exposures not Hedged

The Company has taken various derivatives to hedge its risk associated with foreign exchange fluctuations. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. Foreign exchange contracts (being derivative instruments),which are not intended for trading or speculative purposes but for hedge purpose are entered,which are available at the settlement date of certain payables and receivables.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount (in Crores)	Amount (INR in Crores)	Amount (in Crores)	Amount (INR in Crores)
Hedging for Trade Payables				
Forward Contracts	USD 2.29	216.77	USD 3.72	318.34

The Details of Foreign Currency exposures not hedged by derivative instruments are as under.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount (in Crores)	Amount (INR in Crores)	Amount (in Crores)	Amount (INR in Crores)
Trade Receivables	USD 0.06	6.13	USD 0.11	9.55
Trade Payables	USD 0.89	83.79	USD 0.37	32.18
	EUR 0.06	6.59	EUR 0.08	7.55
	SEK 0.00*	0.05	SEK 0.00*	0.04

*Represents amount less than ₹50,000/-

Note 29 : Segment Reporting

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

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

Geographical Segment

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

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Segment Revenue from continuing operation*		
a) In India	5,228.08	4,580.75
b) Rest of the World	38.11	39.09
Total Sales	**5,266.19**	**4,619.84**
Segment Revenue from discontinued operation*		
a) In India	-	1.59
b) Rest of the World	-	-
Total Sales	**-**	**1.59**
Carrying Cost of Segment Non-Current Assets from Continuing Operation@**		
a) In India	1,171.83	1,080.47
b) Rest of the World	-	-
Total	**1,171.83**	**1,080.47**

* Based on location of Customers
**@ Excluding Deferred Tax Assets & Non-Current Tax Asset

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

Considering the nature of business of the Group in which it operates, the Group deals with various customers including multiple geographics. Consequently, none of the customer contribute materially to the revenue of the Group.

Note 30 : Disclosure Pursuant to Employee Benefits

A Defined Contribution Plans

The following amounts are recognised as expense and included in Note 20 "Employee Benefit Expenses"

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Contribution to Provident Fund	10.78	10.72
Contribution to National Pension Scheme	0.58	0.45
Contribution to ESI	(₹14,354/-)	(₹35,900/-)
Contribution to Labour Welfare Fund	0.02	0.02
	11.38	**11.19**

Note

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

B Defined Benefit Plans

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

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employee's who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Group makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India.

The Group recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Changes in Defined Benefit Obligation and Plan Assets as on March 31, 2026

₹ In Crores

Particulars	Defined Benefit Obligation	Fair Value of Plan Assets	Total
Balance at the beginning of the Year	**(20.48)**	**6.22**	**(14.26)**
Past Service Cost	(7.38)	-	(7.38)
Gratuity Cost Charged to Statement of Profit and Loss			
Current Service Cost	(3.06)	-	(3.06)
Net Interest (Expense)/Income	(1.18)	0.36	(0.82)
Sub-Total (a) Included in Statement of Profit and Loss (Note 20)	**(4.24)**	**0.36**	**(3.88)**
Benefit Paid	**3.11**	**(3.11)**	**-**
Remeasurement Gains/(Losses) in Other Comprehensive Income			
Return on Plan Assets (Excluding Amounts Included in Net Interest Expense/Income)	(0.20)	(0.01)	(0.21)
Actuarial changes Arising from changes in Demographic Assumptions	(1.03)	-	(1.03)
Actuarial changes Arising from changes in Financial Assumptions	0.90	-	0.90
Actuarial changes Arising from changes in Experience Adjustments	(1.14)	-	(1.14)
Sub-Total (b) Included in OCI	**(1.47)**	**(0.01)**	**(1.48)**
Contributions by Employer	0.83	3.30	4.13
Total	**(29.63)**	**6.76**	**(22.87)**

Changes in Defined Benefit Obligation and Plan Assets as on March 31, 2025

₹ In Crores

Particulars	Defined benefit obligation	Fair value of plan assets	Total
Balance at the beginning of the year	**(18.45)**	**6.88**	**(11.57)**
Gratuity cost charged to statement of profit and loss			
Current Service cost	(2.43)	-	(2.43)
Net interest (expense)/income	(1.11)	0.45	(0.67)
Sub-total (a) included in statement of profit and loss (Note 20)	**(3.54)**	**0.45**	**(3.10)**
Benefit paid	3.19	(3.19)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense/income)	-	(0.07)	(0.07)
Actuarial changes arising from changes in demographic assumptions	(1.00)	-	(1.00)
Actuarial changes arising from changes in financial assumptions	0.19	-	0.19
Actuarial changes arising from changes in Experience adjustments	(0.88)	-	(0.88)
Sub-total (b) included in OCI	**(1.67)**	**(0.07)**	**(1.74)**
Contributions by employer	-	2.15	2.15
Total	**(20.48)**	**6.22**	**(14.26)**

The major categories of Plan Assets of the Fair Value of the Total Plan Assets of Gratuity are as follows:

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Others (Insurance company Products)	100%	100%
(%) of total plan assets	**100%**	**100%**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Discount rate	6.80% to 6.90%	6.5% to 6.60%
Future salary increase	8.73% to 15.00%	9.71% 15.00%
Expected rate of return on plan assets	6.80% to 6.90%	6.5% to 6.60%
Attrition rate	17.90% to 27.30%	19.00% to 29.50%
Morality rate during employment	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

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 recognised in the Balance Sheet. The methods and types of assumptions used in preparing the Sensitivity Analysis did not change compared with the previous period.

A Quantitative Sensitivity Analysis for significant assumption is as shown below:

₹ In Crores

Particulars	Sensitivity level	Increase/(Decrease) in defined benefit obligation (Impact)	
		Year ended March 31, 2026	Year ended March 31, 2025
Gratuity			
Discount rate	50 basis points increase	(0.73)	(0.42)
	50 basis points decrease	0.80	0.45
Salary increase	50 basis points increase	0.70	0.32
	50 basis points decrease	(0.64)	(0.33)
Attrition rate	50 basis points increase	(0.31)	(0.11)
	50 basis points decrease	0.36	0.11

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 recognised 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 group has a Gratuity plan as a part of its employee benefit program. This is a defined benefit scheme that exposes the Company to various risks. Some of the common risks associated with similar schemes are as follows:

Interest Rate Risk: The defined benefit obligation represents the present value of future cash flows expected to be paid from the plan, calculated using prevailing interest rates. Although changes in interest rates do not impact the actual cash flows from the scheme, they do not affect the value of the liability (defined benefit obligation), thereby impacting the Company's Balance Sheet and Profit & Loss Statement.

Investment Risk: Plans funded with assets are exposed to market fluctuations in asset values. The Company may experience these fluctuations impacting its Balance Sheet and Profit & Loss Statement.

Demographic Risk: When determining the defined benefit scheme, it is assumed that employees will follow certain patterns of attrition or morality. If the actual trend differ from these assumptions. The Company may incur costs different from those provisioned.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Gratuity		
Within the next 12 months (next annual reporting period)	3.89	3.43
Between 2 and 5 years	20.09	14.80
Beyond 5 years	30.08	19.64
Total Expected Payments	**54.06**	**37.88**

Weighted Average Duration of Defined Plan Obligation (based on discounted cash flows)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Gratuity	4 years to 6 years	3 years to 4 years

Expenses recognised in statement of profit/loss

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Gratuity		
Net Interest Cost	0.82	0.67
Current Service Cost	3.06	2.43
Past Service Cost (Refer Note 24)	7.38	-
Total	**11.26**	**3.10**

Asset Liability Matching Strategy

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guranteed for a period of one year. The insurance company, as part of the policy Rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiacy of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the company is exposed to movement in interest rates (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

C Leave Encashment

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

The Group has recognised following as expense and included in Note No. 20 "Employee Benefit Expenses"

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Leave encashment	2.18	3.78
	2.18	**3.78**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Liability Recognised in Balance Sheet

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a. Long Term Provisions	8.27	6.26
b. Short Term Provisions	5.87	4.88
	14.14	**11.14**

Note 31: Related Party Transactions

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

A

Name of Related Parties	Nature of Relationship
Arvind Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Advanced Materials Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Smart Textile Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Envisol Limited	Enterprise on which Non-Executive Director exercise significant influence
Retailers Association of India	Enterprise on which Non-Executive Director exercise significant influence
India Retails & Hospitality Private Limited	Enterprise on which Non-Executive Director exercise significant influence
Aura Securities Private Limited	Entity with Significant Influence over the Parent
Arvind Technical Products Private Limited	Enterprise on which Non-Executive Director exercise significant influence
J Suresh Consults	Enterprise on which Non-Executive Director exercise significant influence
Suresh Jayaraman	Additional Director of the Company up to August 22, 2021 and Non-Executive Director w.e.f August 23, 2021.
Amisha Hemchand Jain	Key Management Personnel, Managing Director & CEO (w.e.f August 13, 2025)
Shailesh Shyam Chaturvedi	Key Management Personnel, Managing Director & CEO (upto September 30, 2025)
Girdhar Kumar Chitlangia	Key Management Personnel, Chief Financial Officer
Lipi Jha	Key Management Personnel, Company Secretary
Sanjaybhai S. Lalbhai	Non-Executive Director
Nithya Easwaran	Non-Executive Director (upto September 23, 2024)
Kulin S. Lalbhai	Non-Executive Director
Punit S. Lalbhai	Non-Executive Director
Nilesh D. Shah	Non-Executive Director
Ananya Tripati	Non-Executive Director
Nagesh D. Pinge	Non-Executive Director
Achal A. Bakeri	Non-Executive Director
Manoj Nakra	Non-Executive Director
Govind Shrikhande	Non-Executive Director

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

B Transactions with related parties for the year ended March 31, 2026 and year ended March 31, 2025.

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Purchase of Goods (net of returns)		
Arvind Limited	(0.78)	12.65
Arvind Smart Textile Limited	1.52	7.57
Arvind Technical Products Pvt Ltd	2.60	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Purchase of Property, Plant & Equipment and Intangible Assets		
Arvind Limited	0.09	5.39
Sale of Goods (net of returns)		
India Retails & Hospitality Private Limited	2.75	7.23
Arvind Limited	0.01	0.05
Receiving of Services-Shared service		
Arvind Limited	16.94	11.31
Receiving of Services-Other service		
Retailers Association Of India	0.14	0.02
Arvind Envisol Limited	0.08	0.08
CSR Expenditure		
Arvind Foundation	1.90	1.35
Commission Expense		
India Retails And Hospitality Private Limited	1.82	3.43
Rendering of Services-Shared service		
Arvind Limited	1.33	0.95
Arvind Advanced Materials Ltd	0.20	-
Gift Voucher Issued		
Arvind Limited	1.43	1.56
Remuneration	24.19	13.81
Consultancy Charges		
J. Suresh Consults	-	0.25
Directors' Commission and Sitting Fees	1.13	0.94
Dividend Paid		
Aura Securities Private Limited	6.66	5.20
Aura Merchandise Private Limited	0.29	0.23
Atul Limited	0.26	0.20
Others *	0.30	0.27

* Represents payment made to related parties which are less than 1% of overall dividend paid.

C Balances related parties for the year ended March 31, 2026 and year ended March 31, 2025.

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Trade and Other Receivable		
India Retails & Hospitality Private Limited	0.23	0.40
Arvind Envisol Limited	* 0.00	* 0.00
Arvind Advanced Materials Ltd	0.23	-
Trade and Other Payable		
Arvind Limited	13.01	4.36
Arvind Smart Textile Limited	0.30	3.91
Arvind Technical Products Private Limited	1.53	-
Receivable in Respect of Loans		
India Retails & Hospitality Private Limited	0.75	0.75

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

D Terms and conditions of transactions with related parties

Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.

E Commitments with related parties

The Group has not provided any commitment to the related party (March 31, 2025: ₹ Nil)

F Transactions with key Management personnel

Compensation of key Management personnel of the Group

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Short-Term Employee Benefits	18.85	12.21
Termination Benefits	2.77	-
Share Based Payments	2.57	1.60
Total compensation paid to Key Management Personnel	**24.19**	**13.81**

Note 32: Earnings per share - EPS (Basic and Diluted)

₹ In Crores#

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total no. of Equity Shares at the End of the Year	13,36,54,989	13,33,00,510
Nominal Value of Equity Shares	4	4
Weighted Average Number of Equity Shares		
Weighted Average Number of Equity Shares for Basic Eps	13,35,09,048	13,32,24,513
Effect of Dilution: Share Options	2,38,099	4,49,523
Weighted Average Number of Equity Shares Adjusted for the Effect of Dilution	13,37,47,147	13,36,74,036
A. Eps - Continuing Operations		
Profit/(Loss) Attributable to Ordinary Equity Holders	122.57	(35.57)
Add/Less: (Profit)/Loss Before Tax from Continuing Operations	1.21	1.42
Adjusted Profit/(Loss) for the Year for eps Calculation	123.78	(34.15)
Weighted Average Number of Equity Shares		
For Basic eps	13,35,09,048	13,32,24,513
For Diluted eps	13,37,47,147	13,36,74,036
Basic Earnings per Share	9.27	(2.56)
Diluted Earnings per Share	9.25	(2.56)
B. Eps - Discontinued Operations		
Profit/(Loss) Before Tax for the Year from Discontinued Operations	(1.21)	(1.42)
Weighted Average Number of Equity Shares		
For Basic eps	13,35,09,048	13,32,24,513
For Diluted eps	13,37,47,147	13,36,74,036
Basic Earnings Per Share	(0.09)	(0.11)
Diluted Earnings Per Share	(0.09)	(0.11)
C. Eps - Continuing and Discontinued Operations		
Total Profit/(Loss) Attributable to Ordinary Equity Holders	122.57	(35.57)
Adjusted Profit/(Loss) for the Year for eps Calculation	122.57	(35.57)
Weighted Average Number of Equity Shares		
For Basic eps	13,35,09,048	13,32,24,513
For Diluted eps	13,37,47,147	13,36,74,036
Basic Earnings per Share	9.18	(2.67)
Diluted Earnings per Share	9.16	(2.67)

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 33: Share based payments

Arvind Fashions Limited (AFL)

The Company has instituted Employee Stock Option Scheme 2016 ("ESOP 2016"), Employee Stock Option Scheme 2022 ("ESOP 2022") and Employee Stock Option Scheme 2025 ("ESOP 2025") pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016, September 26, 2022 and August 26, 2025 respectively. Up to March 31, 2026, 4,07,476 (March 31, 2025 – 2,68,463) options under ESOP 2016, and 4,15,000 (March 31, 2025 – 1,19,000) options under Employee Stock Option Scheme 2022 and 12,25,100 (March 31, 2025 – Nil) respectively are outstanding which are convertible into equal number of Equity Shares of face value of ₹4 each pertaining to the employees of the Company. The following table sets forth the particulars of the options granted during the year ended March 31, 2026 under ESOP 2022 and ESOP 2025.

The following table sets forth the particulars of ESOP 2022:

Scheme			March 31, 2026			March 31, 2025
			ESOP 2022			ESOP 2022
Date of Grant	19-May-25	04-Jun-25	30-Jul-25	31-Jul-24	31-Jan-25	07-Feb-25
Number of Options Granted	50,000	5,000	3,00,000	60,000	20,000	10,000
Exercise Price per Option (₹)	468.65	464.9	540.80	505.65	481.55	476.10
Vesting Period			Up to 5 years from the date			Up to 5 years from the date of grant
Vesting Requirements			Time and performance based vesting			Time based vesting
Exercise Period			3 years from the date of vesting			3 years from the date of vesting
Method of Settlement			Equity			Equity

The following table sets forth the particulars of ESOP 2025:

Scheme			March 31, 2026			March 31, 2025
			ESOP 2025			ESOP 2025
Date of Grant	29-Sep-25	10-Dec-25	23-Jan-26	NIL	NIL	NIL
Number of Options Granted	11,90,000	30,000	5,100	NIL	NIL	NIL
Exercise Price per Option (₹)	518.75	484.00	449.45	NA	NA	NA
Vesting Period			Up to 5 years from the date	NA		
Vesting Requirements			Time and performance based vesting	NA		
Exercise Period			3 Years from the date of vesting	NA		
Method of Settlement			Equity	NA		

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

Particulars	ESOP 2016			
	March 31, 2026	Weighted Average Exercise Price per Option (₹)	March 31, 2025	Weighted Average Exercise Price per Option (₹)
Options				
Outstanding at the beginning of the year	10,80,140	381.16	14,82,404	358.76
Granted during the year	-	-	-	-
Forfeited during the year	(1,72,558)	612.70	(89,214)	769.71
Exercised during the year	(2,52,479)	259.95	(3,13,050)	164.35
Outstanding at the end of the year	6,55,103	517.37	10,80,140	381.16
Exercisable at the end of the year	6,55,103	517.37	13,77,477	472.16

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Particulars	ESOP 2022			
	March 31, 2026	Weighted Average Exercise Price per Option (₹)	March 31, 2025	Weighted Average Exercise Price per Option (₹)
Options				
Outstanding at the beginning of the year	3,68,000	362.52	3,14,000	313.55
Issued during the year			-	-
Vested but not exercised at the beginning of the year			-	-
Granted during the year	3,55,000	517.61	90,000	497.01
Forfeited during the year	(54,333)	436.06	(33,000)	265.85
Exercised during the year	(1,02,000)	312.39	(3,000)	335.30
Outstanding at the end of the year	5,66,667	468.00	3,68,000	362.52
Exercisable at the end of the year	1,65,000	279.43	1,35,666	312.39

Particulars	ESOP 2025			
	March 31, 2026	Weighted Average Exercise Price per Option (₹)	March 31, 2025	Weighted Average Exercise Price per Option (₹)
Options				
Outstanding at the beginning of the year	-	-	-	-
Issued during the year	-	-	-	-
Vested but not exercised at the beginning of the year	-	-	-	-
Granted during the year	12,25,100	517.61	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	12,25,100	517.61	-	-

Share Options Exercised Year ending March 31, 2026

Option Series	No. of Options	Exercise Date	Exercise Price (₹)
ESOS 2016	2,000	08-04-2025	148.20
ESOS 2016	2,000	08-04-2025	148.20
ESOS 2016	1,500	10-04-2025	148.20
ESOS 2016	10,000	11-04-2025	293.50
ESOS 2016	7,000	04-06-2025	148.20
ESOS 2016	1,50,000	09-06-2025	286.70
ESOS 2016	2,200	17-06-2025	286.70
ESOS 2016	1,000	17-07-2025	148.20
ESOS 2016	5,000	05-08-2025	148.20
ESOS 2016	3,000	18-08-2025	293.50
ESOS 2016	2,000	30-10-2025	293.50
ESOS 2016	3,000	10-10-2025	148.20
ESOS 2016	3,000	13-10-2025	293.50
ESOS 2016	1,279	16-10-2025	128.93
ESOS 2016	30,000	31-10-2025	286.70

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Option Series	No. of Options	Exercise Date	Exercise Price (₹)
ESOS 2016	2,500	11-11-2025	148.20
ESOS 2016	2,500	11-11-2025	153.17
ESOS 2016	5,000	18-11-2025	148.20
ESOS 2016	5,000	25-11-2025	153.17
ESOS 2016	7,500	10-12-2025	153.17
ESOS 2016	5,000	13-01-2026	153.17
ESOS 2016	2,000	22-01-2026	293.50
ESOS 2022	17,000	09-04-2025	265.85
ESOS 2022	3,000	05-09-2025	335.30
ESOS 2022	10,000	16-10-2025	306.10
ESOS 2022	11,000	23-10-2025	335.30
ESOS 2022	25,000	03-11-2025	335.30
ESOS 2022	11,000	17-11-2025	335.30
ESOS 2022	25,000	03-01-2026	335.30

Share Options Exercised Year ending March 31, 2025

Option Series	No. of Options	Exercise Date	Exercise Price (₹)
ESOP 2016	43,750	23-04-2024	137.32
ESOP 2016	1,80,000	23-04-2024	137.32
ESOP 2016	12,000	05-06-2024	137.32
ESOP 2016	6,000	05-06-2024	148.20
ESOP 2016	5,000	29-07-2024	148.20
ESOP 2016	1,500	06-08-2024	148.20
ESOP 2016	9,000	04-09-2024	286.70
ESOP 2016	1,000	17-09-2024	148.20
ESOP 2016	3,000	23-10-2024	148.20
ESOP 2016	8,000	23-10-2024	286.70
ESOP 2016	10,000	23-10-2024	293.50
ESOP 2016	5,200	24-10-2024	293.50
ESOP 2016	5,000	06-11-2024	293.50
ESOP 2016	2,000	05-12-2024	148.20
ESOP 2016	5,000	05-12-2024	148.20
ESOP 2016	4,800	03-01-2025	293.50
ESOP 2016	2,800	27-12-2024	286.70
ESOP 2016	4,000	05-03-2025	286.70
ESOP 2016	5,000	05-03-2025	286.70
ESOP 2022	3,000	26-09-2024	335.30

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for the year ended March 31, 2026

The share options outstanding at the end of the year under ESOP 2016 have a weighted average remaining contractual life of 3.26 years (March 31, 2025: 3.99 years). The range of exercise price is from ₹128.93 to ₹1,320.37.

The share options outstanding at the end of the year under ESOP 2022 have a weighted average remaining contractual life of 5.70 years (March 31, 2025: 4.38 years). The exercise price is from ₹265.85 to ₹540.80.

The share options outstanding at the end of the year under ESOP 2025 have a weighted average remaining contractual life of 7.47 years (March 31, 2025: Nil years). The exercise price is from ₹449.45 to ₹518.75.

Particulars	ESOP 2016	ESOP 2022			ESOP 2025		
Share price as at measurement date	No grants made during the period	₹458.05	₹468.65	₹547.55	₹518.20	₹480.00	₹436.75
Expected Volatility		38.82%	39.71%	38.61%	38.11%	37.18%	37.61%
Expected Life (years)		3.04 years	1.00 years	3.38 years	3.44 years	2.50 years	1.96 years
Dividend Yield		0.34%	0.34%	0.29%	0.31%	0.33%	0.37%
Risk-Free Interest Rate (%)		4.00%	5.58%	5.94%	5.98%	5.76%	5.83%

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 :

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employee Option Plan	6.11	1.90
Total employee share based payment expense	**6.11**	**1.90**

Note 34: Leases

A. The Group has taken Showrooms, warehouses and other facilities on lease for a period of 1 to 11 years with option of renewal. Disclosures as per Ind AS 116 - Leases are as follows:

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

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the beginning of the year	692.00	625.17
Additions	318.84	305.84
Deletions	(72.03)	(40.72)
Depreciation	(215.67)	(198.29)
Balance at the end of the year	**723.14**	**692.00**

C. Movement in lease liabilities

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the beginning of the year	767.22	681.83
Additions	303.82	292.65
Deletions	(84.80)	(45.81)
Finance cost accrued during the year	84.79	79.35
Payment of Lease Liabilities	(266.49)	(240.80)
Balance at the end of the year	**804.54**	**767.22**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

D. Contractual maturities of lease liabilities on undiscounted basis are as follows:

₹ In Crores

As at March 31, 2026	Undiscounted Lease Payment	Interest Expense	Discount Lease Payments
Less than one year	270.23	77.12	193.11
One to five years	695.84	144.58	551.26
More than five years	73.78	13.61	60.17
Total	**1,039.85**	**235.31**	**804.54**

₹ In Crores

As at March 31, 2026	Undiscounted Lease Payment	Interest Expense	Discount Lease Payments
Less than one year	225.77	59.59	166.18
One to five years	644.11	128.56	515.55
More than five years	99.51	14.02	85.49
Total	**969.39**	**202.17**	**767.22**

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

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

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Gain on Reassessment/Cancellation of Lease	12.77	5.08
Depreciation expense of right-of-use assets	215.67	198.29
Interest expense on Lease Liabilities	84.79	79.35
Rent Expense - Short-Term Lease and Leases of Low Value Assets	22.19	16.88

Note 35 : Corporate Social Responsibility (CSR) Activities

₹ In Crores

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Gross amount required to be spent by the Group during the year	4.08	2.48
b) Set off of amount excess spent during the previous year	(0.00)	(0.16)
c) Net amount required to be spent by the Group during the year	4.08	2.32
d) Amount approved by the Board to be spent during the year	3.48	2.49
e) Amount spent during the year on,		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above*	4.08	2.49
f) Amount (excess spent)/unspent during the year	(0.00)	(0.17)
g) Total of Previous Years Shortfall	-	-
h) Reasons for Shortfall	-	-
i) Details of Related Party Transactions	-	-
Name	-	-
Relationship	-	-
Amount	-	-
j) Movement of CSR Provision	-	-
Balance as per Last Financial Statements	-	-
Add: Provision made during the year	-	-
(Less): Utilised during the year	-	-
Balance at the end of the year	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

*Contribution made to a charitable institution engaged in promoting education, healthcare, skill development, and community welfare initiatives for underprivileged and marginalised Sections of society.

Note 36 : Fair Value Disclosures for Financial Assets and Financial Liabilities

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

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Financial Liabilities		
Borrowings		
Carrying Amount	531.34	389.57
Fair Value	531.34	389.57

The Management assessed that the fair values of Cash and Cash Cquivalents, Other Bank Balances, Loans, Trade Receivables, Other Current Financial Assets, Trade Payables and Other Current Financial Liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

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

The fair value of Composability Convertible Preference Shares is calculated considering Monte Carlo Simulation to arrive at the conversion ratio and discounted cash flow method to arrive at Equity Value.

Note 37 : Fair Value Hierarchy

The following table provides the fair Value Measurement Hierarchy of the Group's Assets and Liabilities

₹ In Crores

Particulars	Date of Valuation	Fair value measurement using			
		Total	Quoted prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities measured at Fair Value					
Fair value through Other Comprehensive Income					
Mark to market of Derivative Financial Instruments	March 31, 2026	-	-	-	-
	March 31, 2025	0.40	-	0.40	-
Fair value through Statement of Profit and Loss					
Mark to market of Derivative Financial Instruments	March 31, 2026	-	-	-	
	March 31, 2025	1.02	-	1.02	-
Assets measured at fair value					
Fair value through Other Comprehensive Income					
Mark to market of Derivative Financial Instruments	March 31, 2026	8.30	-	8.30	-
	March 31, 2025	-	-	-	-
Fair value through Statement of Profit and Loss					
Mark to market of Derivative Financial Instruments	March 31, 2026	0.15	-	0.15	
	March 31, 2025	-	-	-	-

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for the year ended March 31, 2026

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have Prices - required. The fair value of all equity instruments which are traded in 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 maximiSe 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 is no transfer between level 1, 2 and 3 during the year.

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

Note 38 : Financial Instruments Risk Management Objectives and Policies

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

The Group's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as Foreign Exchange Forward Contracts, Foreign Currency Option Contracts are entered into hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading/speculative instruments.

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

(a) Market risk

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

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

- A parallel shift of 50-basis points of the interest rate yield curves in all currencies.

- A simultaneous, parallel foreign exchange rates shift in which the INR appreciates/depreciates against all currencies by 2%.

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

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

Interest Rate Risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2026, NIL of the Group's borrowings are at a fixed rate of interest (March 31, 2025: NIL)

Interest Rate Sensitivity

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

₹ In Crores

Particulars	Effect on Profit Before Tax
March 31, 2026	
Increase in 50 basis points	(2.66)
Decrease in 50 basis points	2.66
March 31, 2025	
Increase in 50 basis points	(1.95)
Decrease in 50 basis points	1.95

Exclusions from this analysis are as follows:

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

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

Foreign Currency Risk

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

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk Management policy. Details of the hedge & unhedged position of the Group given in Note 28.

Foreign Currency Sensitivity

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

₹ In Crores

Particulars	Change in USD rate	Effect on Profit Before Tax	Change in EUR rate	Effect on Profit Before Tax
March 31, 2026				
	+2%	(1.55)	+2%	(0.13)
	-2%	1.55	-2%	0.13
March 31, 2025	+2%	(0.45)	+2%	(0.15)
	-2%	0.45	-2%	0.15

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

(b) Credit Risk

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

Trade Receivables

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

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

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance Sheet as is the carrying amount as disclosed in Note 28.

(c) Liquidity Risk

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

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

Notes to the Consolidated Financial Statements

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₹ In Crores

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2026				
Interest Bearing Borrowings	436.10	117.98	-	554.08
Lease Liabilities	217.62	568.93	55.66	842.21
Trade Payables	884.61	-	-	884.61
Trade Credits	502.46	-	-	502.46
Security Deposits From Customers	19.49	107.15	-	126.64
Other Financial Liabilities#	76.21	-	-	76.21
	2,136.49	**794.06**	**55.66**	**2,986.21**
As at March 31, 2025				
Interest Bearing Borrowings	382.70	8.80	-	391.50
Lease Liabilities	191.55	525.15	99.50	816.20
Trade Payables	832.66	-	-	832.66
Trade Credits	339.32	-	-	339.32
Security Deposits From Customers	0.10	121.52	-	121.62
Other Financial Liabilities#	78.02	-	-	78.02
	1,824.35	**655.47**	**99.50**	**2,579.32**

#Other financial liabilities include interest accrued but not due of ₹12.92 Crores (March 31, 2025: ₹11.43 Crores)

Excessive Risk Concentration

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

Note 39 : Capital Management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Notes to the Consolidated Financial Statements

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₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Interest-Bearing Loans and Borrowings (Note 13)	531.34	389.57
Less: Cash and Cash Equivalent (including other bank balance and Book Overdraft) (Refer Note 7(b), 7(c) and 7(d))	(64.59)	(166.37)
Add: Lease Liability (Note 34)	804.54	767.22
Net debt	**1,271.29**	**990.42**
Equity share Capital (Note 11)	53.46	53.32
Other Equity (Note 12)	890.18	903.80
Total Capital	**943.64**	**957.12**
Capital and Net Debt	**2,214.93**	**1,947.54**
Gearing Ratio	**57.40%**	**50.85%**

In order to achieve this overall objective, the Company's capital Management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest. There have been no breaches in the financial covenants of any long-term borrowing in the current period as of March 31, 2026. Accordingly, the Management has not created provision for penal interest.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025.

Note 40 : Derivatives Designated as Hedging Instruments

Cash Flow Hedges

Foreign exchange forward contracts entered in the current year are designated as hedging instruments in cash flow hedges of forecast purchases in USD. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the Dollar offset method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacts the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast purchase transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Particulars	Maturity				
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	Total
March 31, 2026					
Foreign Exchange forward contracts for highly probable forecast purchases					
Notional Amount (in INR in Crores)	31.04	59.22	75.72	-	165.99
Notional Amount (in USD in Crores)	0.35	0.65	0.83	-	1.82
Average Forward Rate (INR/USD)	9.00	9.11	9.18	-	91.20
March 31, 2025					
Foreign Exchange forward contracts for highly probable forecast purchases					
Notional Amount (in INR in Crores)	18.70	46.77	82.34	77.59	225.40
Notional Amount (in USD in Crores)	0.22	0.55	0.95	0.89	2.61
Average Forward Rate (INR/USD)	85.01	85.57	86.67	87.18	86.47

a. The impact of the Hedging Instruments on the Balance Sheet is as follows:

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Cash flow hedge		
Foreign Currency Risk arising from	Purchases	Purchases
Nominal Amount of Hedging Instruments	165.99	225.40
Carrying Amount of Hedging Instruments		
Assets	8.30	-
Liabilities	-	1.42
Line item in Balance Sheet where Hedging Instrument is disclosed	Foreign Exchange Forward Contracts (Cash Flow Hedge) under Financial Assets	Foreign Exchange Forward Contracts (Cash Flow Hedge) under Financial Liabilities
Changes in Fair Value for Calculating Hedge Ineffectiveness	NA	NA

b. The Impact of the Hedging Item on the Balance Sheet is as follows:

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Foreign Currency Risk Arising from	Purchases	Purchases
Changes in Fair Value for Calculating Hedge Ineffectiveness	NA	NA
Balances in Cash flow Hedge Reserve:		
For Continuing Hedge	3.46	(0.60)
For Hedge no longer applied	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

c. The effect of the Cash Flow Hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Foreign Currency Risk Arising from	Purchases	Purchases
Hedged Gain/(Loss) recognised in OCI	4.06	(0.18)
Hedge Ineffectiveness Recognised in Profit and Loss	-	-
Line item in Statement of Profit and Loss in which Hedge Ineffectiveness is recognised	NA	NA
Amount Reclassified to Statement of Profit and Loss for which Future Cash Flows are no longer expected to occur	NA	NA
Amount reclassified to Statement of Profit and Loss as Hedged Item has affected Profit and Loss	(3.40)	0.15
Line item in the Statement of Profit and Loss that includes rReclassification Adjustment	Miscellaneous receipts	Miscellaneous Expenses

Note 41 : Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013

(i) The Parent and Indian subsidiaries does not have any benami property held in their name. No proceedings have been initiated against or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Parent and Indian subsidiaries have not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) The Parent and Indian subsidiaries have complied with the requirements with respect to the 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 Parent and Indian subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

II. The Parent and Indian subsidiaries have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as mentioned below.

(v) The Parent and Indian subsidiaries have not invested or traded in Crypto Currency or Virtual Currency during the year.

(vi) The Parent and Indian subsidiaries have not surrendered or disclosed as income any transactions not recorded in the books of account 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 Parent and Indian subsidiaries does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year.

Note 42 : Discontinued Operations

During the year ended March 31, 2024, Arvind Lifestyle Brands Limited (ALBL), a wholly owned subsidiary, discontinued the Aeropostale and Ed Hardy brands. These brands have been classified as discontinued operations as per Ind AS 105.

Details of Assets and liabilities related to discontinued brands classified as Held for Sale:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

₹ In Crores

Particulars	As at March 31, 2026	As at March 31, 2025
Assets		
Property, Plant and Equipment	-	-
Other Financial Assets	-	-
Inventories	-	-
Trade Receivables	-	-
Other Current Assets	-	-
Total assets	-	-
Liabilities		
Trade Payables	11.59	18.61
Other Financial Liabilities	-	3.59
Total Liabilities	**11.59**	**22.20**

₹ In Crores

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenue from Operations		
Sale of Products	-	1.59
Sale of Services	-	-
Other Operating Income	-	-
Total Revenue from Operations	**-**	**1.59**
Other Income	-	-
Total income	**-**	**1.59**
Expenses		
Purchases of Stock-In-Trade	-	2.37
Changes in Inventories of Stock-In-Trade	-	-
Employee Benefits Expense	-	-
Finance Costs	-	-
Depreciation and Amortisation	-	-
Other Expenses	1.21	0.64
Total Expenses	**1.21**	**3.01**
Profit/(Loss) Before Exceptional Items and Tax	**(1.21)**	**(1.42)**
Exceptional Items	-	-
Profit Before Tax	**(1.21)**	**(1.42)**
Tax Expense		
(Excess)/Short Provision related to Earlier Years	-	-
Deferred Tax Charge	-	-
Profit after tax	**(1.21)**	**(1.42)**

Notes to the Consolidated Financial Statements

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Details of Net Cash Flows of discontinued operations for the year are presented below:

₹ In Crores

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Net Cashflows from Operating Activities	(8.23)	(1.42)
Net Cashflows from Investing Activities	-	-
Net Cashflows from Financing Activities	-	-
Net Cash Inflow/(Outflow) from Discontinued Operations	**(8.23)**	**(1.42)**

Note 43 (A) : Interest in Other Entities

(1) The Consolidated Financial Statements present the Consolidated accounts of Arvind Fashions Limited with its subsidiaries

S. No.	Name of Entities	Country of Incorporation	Activities	Proportion of ownership of interest	
				March 31, 2026	March 31, 2025
	Subsidiaries				
1	Arvind Lifestyle Brands Limited	India	Branded Garments	100%	100%
2	Arvind Youth Brands Private Limited **	India	Branded Garments	100%	68.75%
3	Value Fashion Retail Limited *	India	Branded Garments	100%	100%
4	PVH Arvind Fashion Private Limited	India	Branded Garments	50%	50%

**Held by Arvind Lifestyle Brands Limited and Arvind Fashions Limited
*Held by Arvind Lifestyle Brands Limited

Notes:

1) Parent has considered PVH Arvind Fashion Private Limited for consolidation in the Consolidated Financial Statements of the Group even though the Parent has 50% ownership interest in the entity. Based upon contractual agreement between the Parent and other investor, the Parent has power to appoint the Chairman of the Board of Directors and has the power to direct the relevant activities. Therefore, the Directors of the Parent concluded that they have the practical ability to direct the power to affect the relevant activities and thus, criteria for effective control are fulfilled.

Note 43 (B) : Non-Controlling Interest

(1) Subsidiaries that have non-controlling interests are listed below:

Particulars	Non-Controlling Interest Share	
	As at March 31, 2026	As at March 31, 2025
1 Arvind Youth Brands Private Limited (AYBPL)(Refer note 1 below))	-	31.25%
2 PVH Arvind Fashion Private Limited (PVHAFPL)	50.00%	50.00%

Note 1 : During the year ended March 31, 2026, the Group entered into a Share Purchase Agreement ("SPA") with Flipkart India Private Limited ("Seller") to acquire its entire 31.25% stake, on a fully diluted basis, in Arvind Youth Brands Private Limited ("AYBPL") for ₹135.00 crore, and the transaction was completed on December 29, 2025. The excess of consideration over the carrying value of the non-controlling interest amounting to ₹131.56 crore has been adjusted against retained earnings, consequent to which AYBPL became a wholly owned subsidiary of the Group.

Notes to the Consolidated Financial Statements

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(2) Movement of Non-Controlling Interest

₹ In Crores

Particulars	AYBPL		PVHAFPL	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	**13.34**	**20.15**	**194.04**	**168.98**
Profit/(Loss) for the year	(9.91)	(6.83)	71.00	75.38
Other comprehensive income for the year	0.00	0.02	1.86	(0.28)
Movement between NCI and Other Equity	(3.43)	-	-	-
Dividend paid to Non-Controlling Interest by Subsidiary	-	-	(50.03)	(50.03)
Balance as at end of the year	**-**	**13.34**	**216.87**	**194.04**

(3) Summarised Financial Information of Non-Controlling Interests

The summarised financial information below represents amounts before Inter-Company eliminations.

(4) Summarised Statement of Assets and Liabilities

Delete this column if it is not required. It is retained for comparable period values

₹ In Crores

Particulars	AYBPL		PVHAFPL	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Non Current Assets	63.99	69.88	265.42	249.26
Current Assets	266.69	291.46	622.90	609.73
Non Current Liabilities	(37.20)	(49.66)	(126.10)	(127.88)
Current Liabilities	(277.73)	(264.67)	(328.21)	(342.84)
Net Assets	**15.75**	**47.01**	**434.01**	**388.27**
Share of Non-Controlling Interest	-	14.69	217.00	194.14

(5) Summarised Statement of Profit and Loss

₹ In Crores

Particulars	AYBPL		PVHAFPL	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Total Income	406.14	434.33	1,519.95	1,423.98
Total Expenses	(437.46)	(452.07)	(1,327.92)	(1,221.10)
Profit/(Loss)	(31.32)	(17.74)	192.03	202.88
Profit/(Loss) attributable to Non-Controlling Interests	(8.77)	(5.54)	96.01	101.44
Profit attributable to the Owners of the Group	(22.55)	(12.20)	96.01	101.44
Other Comprehensive Income/(Loss) for the year	0.03	0.06	3.72	(0.57)
Other Comprehensive Income/(Loss) for the year attributable to Non-Controlling Interests	-	0.02	1.86	(0.28)
Other Comprehensive income for the year attributable to the Owners of the Group	0.03	0.04	1.85	(0.29)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(6) Summarised Cash Flow Statement

₹ In Crores

Particulars	AYBPL		PVHAFPL	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Cash Flow from Operating Activities	26.19	18.16	77.90	150.60
Cash Flow From Investing Activities	(4.36)	(6.76)	(22.93)	(9.45)
Cash Flow from Financing Activities	(21.89)	(11.71)	(150.99)	(149.06)
Total Cashflow	**(0.06)**	**(0.31)**	**(96.02)**	**(7.91)**
Share of Non-Controlling Interest	(0.01)	(0.10)	(48.01)	(3.96)

Note 44 : Disclosures Mandated by Schedule III of Companies Act 2013

₹ In Crores

Name of the Entities	2025-2026							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As a % of Consolidated Net Assets	₹ In Crores	As a % of Consolidated Profit	₹ In Crores	As a % of Consolidated OCI	₹ In Crores	As a % of Consolidated TCI	₹ In Crores
Parent :								
Arvind Fashions Limited	74%	2,327.81	1%	1.35	-6%	(0.16)	1%	1.18
Subsidiaries :								
Arvind Lifestyle Brand Limited	13%	428.70	49%	105.70	-28%	(0.82)	47%	104.89
PVH Arvind Fashion Private Limited	14%	434.00	65%	142.08	134%	3.72	66%	145.79
Arvind Youth Brands Private Limited	0%	15.74	-14%	(31.29)	1%	0.03	-14%	(31.25)
Value Fashion Retail Limited	0%	(0.29)	0%	(0.31)	0%	-	0%	(0.31)
Sub Total	**100%**	**3,205.96**	**101%**	**217.53**	**101%**	**2.77**	**100%**	**220.30**
Inter Company Eliminations and Consolidations Adjustment		(2,262.32)		(94.96)		(1.87)		(96.83)
Total		**943.64**		**122.57**		**0.90**		**123.47**
Non-Controlling Interest in Subsidiaries		216.87		61.09		1.87		62.96
Grand Total		**1,160.51**		**183.66**		**2.77**		**186.43**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Name of the Entities	2024-2025							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	₹ In Crores	As a % of Consolidated Profit	₹ In Crores	As a % of Consolidated OCI	₹ In Crores	As a % of Consolidated TCI	₹ In Crores
Parent :								
Arvind Fashions Limited	74%	2,332.05	46%	37.78	4%	(0.06)	47%	37.72
Subsidiaries :								
Arvind Lifestyle Brand Limited	13%	423.43	-108%	-88.86	59%	(0.79)	-112%	(89.65)
PVH Arvind Fashion Private Limited (previously known as Calvin Klein Arvind Fashion Private Limited)	12%	388.27	184%	150.84	42%	(0.57)	187%	150.27
Arvind Youth Brands Private Limited	1%	47.00	-22%	(17.72)	-5%	0.06	-22%	(17.66)
Value Fashion Retail Limited	0%	(0.20)	0%	(0.13)	0%	-	0%	(0.13)
Sub Total	**100%**	**3,190.55**	**100%**	**81.91**	**100%**	**(1.36)**	**100%**	**80.55**
Inter Company Eliminations and Consolidations Adjustment		(2,233.43)		(117.48)		0.26		(117.22)
Total		**957.12**		**(35.57)**		**(1.10)**		**(36.67)**
Non-Controlling Interest in Subsidiaries		207.38		68.55		(0.26)		68.29
Grand Total		**1,164.50**		**32.98**		**(1.36)**		**31.62**

Note 45 : 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 except for the below mentioned exceptions:

In case of one subsidiary - PVH Arvind Fashions Limited, the audit trail feature was not enabled for certain changes made using privilege/administrative access rights to one application and underlying database.

Further the audit trail has been preserved by the Group as per the statutory requirements for record retention for accounting software used by the Group during the year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Note 46 : Events Occurring After the Reporting Period

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the Financial Statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the Financial Statements. The Board of Directors has recommended a final dividend of ₹1.60 per equity share of face value of ₹4 each for the Financial Year ended March 31, 2026, subject to the approval of Shareholders in the ensuing Annual General Meeting.

For and on behalf of the Board of Directors of

Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329
Place : Bengaluru
Date : May 06, 2026

Amisha Hemchand Jain
Managing Director & CEO
DIN - 05114264
Place : Bengaluru
Date : May 06, 2026

Girdhar Kumar Chitlangia
Chief Financial Officer
Place : Bengaluru
Date : May 06, 2026

Lipi Jha
Company Secretary
Place : Bengaluru
Date : May 06, 2026

Form AOC-1

(Pursuant to first provision to Sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the Financial Statement of subsidiaries/associate companies/joint ventures Part “A”: Subsidiaries and Controlled Joint Ventures

(₹ in Crores)

S. No.	Particulars	Arvind Lifestyle Brands Limited	PVH Arvind Fashion Private Limited (Controlled Entity Jointly Owned with PVH BV)	Arvind Youth Brands Private Limited	Value Fashion Retail Limited
1.	Reporting period for the subsidiary concerned, if different from the holding Company’s reporting period	No	No	No	No
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR	INR	INR
3.	Share capital (Equity)	157.50	5.00	112.70	0.01
4.	Reserves & surplus	271.2	429.0	(96.48)*	(0.3)
5.	Total assets	2,503.7	973.9	330.7	0.5
6.	Total Liabilities	2,075.0	539.9	315.0	0.8
7.	Investments	68.2	-	-	-
8.	Turnover (Total Income)	2,902.3	1,524.0	406.1	-
9.	Profit/(Loss) before taxation	142.2	192.0	(31.3)	(0.3)
10.	Provision for taxation Charge/(Credit)	36.5	50.0	(0.03)	-
11.	Profit/(Loss) after taxation	105.7	142.1	(31.3)	(0.3)
12.	Proposed Dividend #	-	-	-	-
13.	% of shareholding	100%	50%	39.60%	100%

***Reserves & Surplus includes following component as mentioned below:**
AYBPL – ₹145.23 Cr of CCPS classified as other equity

1. Names of subsidiaries which are yet to commence operations: Not Applicable

Part “B”: Associates and Joint Ventures – Not Applicable

ARVIND FASHIONS LIMITED,

Registered Office: Main Building,
Arvind Limited Premises, Naroda Road,
Ahmedabad, Gujarat -380 025.

Corporate Identity Number: L52399GJ2016PLC085595

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