A FORCE FOR GOOD

TRANSFORMATIVE GROWTH ENGINE BUILT THROUGH A WELL-CRAFTED PORTFOLIO OF **FASHION BRANDS.**

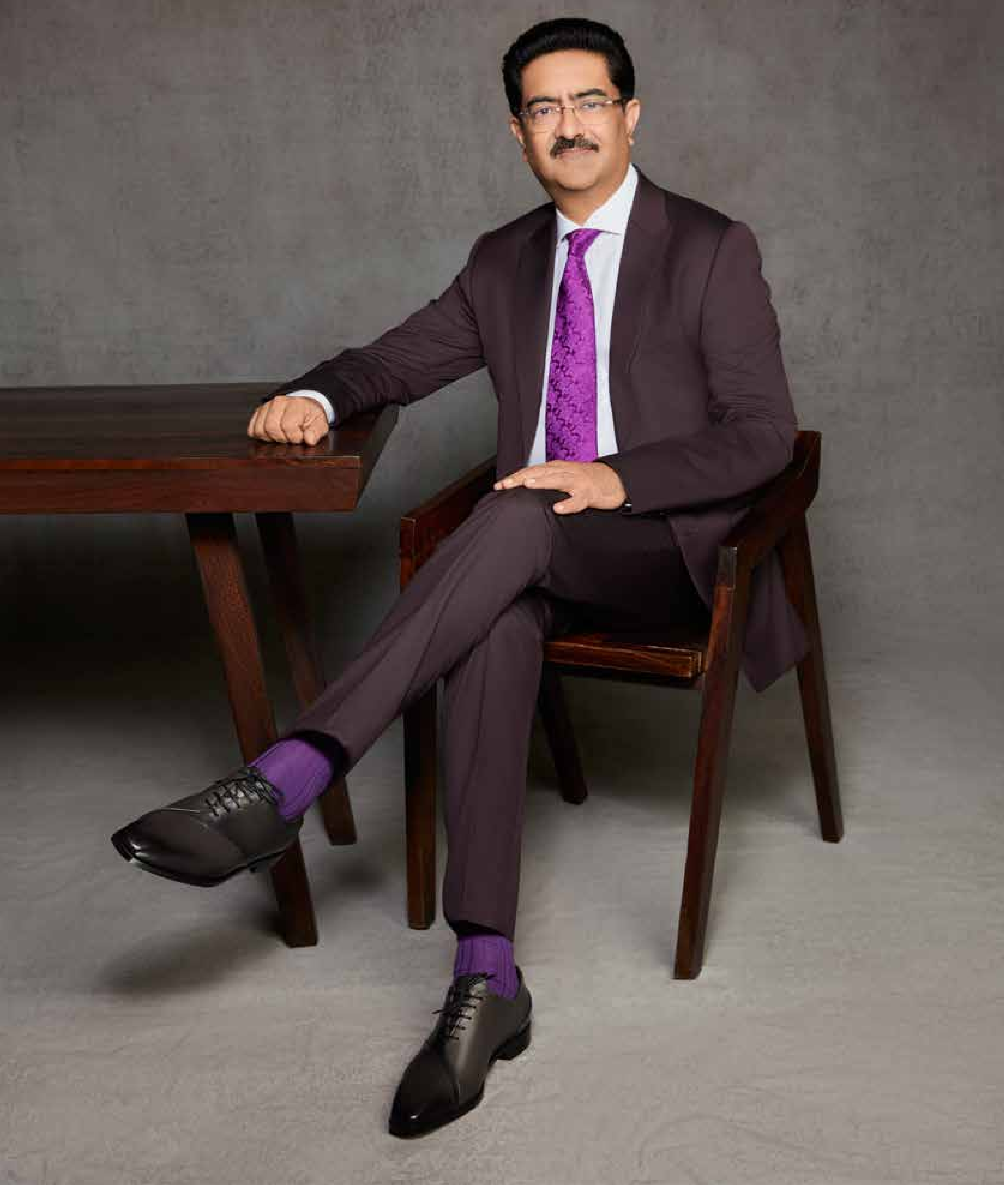
INTEGRATED ANNUAL REPORT 2023-24
ADITYA BIRLA FASHION AND RETAIL LIMITED

Mr. Aditya Vikram Birla
14.11.1943 - 01.10.1995

WE LIVE BY HIS VALUES.
Integrity, Commitment, Passion, Seamlessness and Speed.

OUR GROUP PURPOSE STATEMENT

To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust.



CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

In an era marked by unprecedented global challenges, the imperative for businesses to transcend conventional paradigms has never been more pressing. At the Aditya Birla Group, we recognise that our success is intrinsically tied to the well-being of society and the planet we inhabit. As custodians of progress and stewards of sustainable growth, we embrace the ethos of being a force for good in all facets of our operations. At the heart of our philosophy lies the conviction that business can and must serve as a catalyst for positive change. Beyond the pursuit of profit margins, we envision a world where economic prosperity harmonises with social welfare and environmental stewardship.

This vision guides our strategic decisions, propelling us to harness the transformative power of business to create collective prosperity. Being a force for good entails a multifaceted approach that extends across our entire value chain. From fostering inclusive growth and empowering local communities to mitigating environmental impact and creating prosperity for our nation and its people, our commitment to operating responsibly is woven into the fabric of our business endeavours. It is part of our DNA and our legacy. It defines who we are.

By creating value for all stakeholders – shareholders, employees, customers, and society at large – we aim to nurture an ecosystem of mutual benefit and collective advancement. This philosophy underpins our unwavering dedication to ethical governance, transparent communication, and responsible business practices. As we navigate the complexities of a rapidly evolving world, we remain steadfast in our commitment to being agents of positive change.

Guided by our Purpose *'To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust'*, and by leveraging our resources, expertise, and influence, we aspire to be a catalyst for meaningful impact, shaping a future where business serves as a force for good in everything that we touch and do.

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Global Economy: Resilience in Motion

Economic activity remained robust throughout the global disinflation of 2023 defying warnings of stagflation and global recession. The IMF reported that global GDP grew by 3.3 per cent in 2023, which is only 10 bps points lower than the pre-pandemic average (2013-2019) of 3.4 per cent. Looking ahead, growth is expected to be stable with projected rates of 3.2 per cent in 2024 and 3.3 per cent in 2025.

The U.S. economy exhibited robust growth in 2023, achieving a 2.5 per cent increase, defying many economists' recession forecasts. This strong performance was driven by several factors, including higher-than-usual immigration, government fiscal support, and accumulated savings from the pandemic. In the first half of 2024, the growth momentum of the US economy seems to be slowing, accompanied by ongoing disinflation. Labor markets are also showing clear signs of normalization, evidenced by slower hiring rates, a rising unemployment rate, and a slowdown in wage growth. Considering these developments, monetary policy is expected to ease.

Real GDP growth in the Euro area has been sluggish, with a modest increase of 0.5 per cent in 2023. This weak growth is primarily due to reduced private consumption, stemming from a significant terms-of-trade shock triggered by the Ukraine invasion, which led to an energy crisis. In 2024 growth in euro area showing some signs of recovery. The IMF has revised its projections for EU growth in 2024, raising it by 10 bps points from 0.8 percent to 0.9 per cent. This update is attributed to stronger household consumption, driven by the subsiding effects of the energy price shock and a decrease in inflation, which bolsters real income growth.

Recently, the IMF revised China's growth forecast for 2024 upwards from 4.6 per cent to 5 per cent, mainly due to a rebound in private consumption and strong exports in the first quarter. However, the real estate sector continues to face challenges and remains a drag on GDP.

India: Leading the Way

The Indian economy remains resilient despite global risks, growing at a strong pace in FY24. Real GDP growth accelerated to 8.2 per cent from 7.0 per cent in the previous year, marking the third consecutive year of 7 per cent or higher growth. Investment played a key role in driving domestic demand, with gross fixed capital formation (GFCF) rising to 9 per cent in FY24 from 6.6 per cent in FY23, largely supported by government spending on infrastructure.

The outlook for the Indian economy remains positive, supported by strengthening macroeconomic fundamentals, a robust financial and corporate sector, and a resilient external sector. The government's continued thrust on capex while pursuing fiscal consolidation, and consumer and business optimism augur well for investment and consumption demand.

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Aditya Birla Group : In Perspective

Amid this economic backdrop, the Aditya Birla Group's strong performance in FY24 stands as a testament to our unwavering commitment to purpose-driven growth, driving sustained value creation for stakeholders across our diverse business portfolio.

This success is underpinned by our exceptional talent pool, whose dedication and entrepreneurial spirit are the true catalysts for our sustained achievements.

This year, we have advanced our purpose-driven approach to business by integrating our purpose in every stage of the employee life cycle: hiring, induction, learning, performance appraisal and continuous employee connect.

Being the force for good for ABGites: By enabling employees to develop capabilities and achieve their true potential. 186 learning events covering 4700+ ABGites were held by Gyanodaya, our Learning and Leadership Development Center. In addition, 14000+ ABGites were covered through outreach programs, done closer to the employees in our Units / offices all over the globe. Robust digital learning, enabled 81% of the employees to learn at their convenience around topics of interest and need.

Our leaders play a crucial role in strengthening the succession pipeline. Through Business and Functional Talent Councils, they set the vision for their respective areas, identify the future capabilities needed for success, review the availability of talent, and agree on actions to enhance the talent pipeline. This year, over 12,000 employees (99% of the eligible population) underwent potential assessments, enabling us to identify high-potential talent across all levels and prepare them for leadership succession. As a result, 56% of critical mid and senior-level positions were filled through our internal pipeline. Additionally, the internal and external hiring ratio for senior management roles has improved from 59:41 to 75:25 over the past three years.

Aditya Birla Group's strong performance in FY24 stands as a testament to our unwavering commitment to purpose-driven growth, driving sustained value creation for stakeholders across our diverse business portfolio.

Our strong employer brand enabled us to attract high-quality talent for three new businesses built grounds-up: Birla Opus, Birla Pivot and Novel Jewels. We hired 14800+ employees across levels in the management cadre, 75% of whom are millennials and Gen Z.

We have maintained our focus on strengthening gender diversity, ensuring more women are in mainstream roles and leading strategic responsibilities across various functions and regions. Currently, women make up 15.6% of our management cadre, with 277 women holding senior and top leadership positions. We are also making a special effort to increase the representation of women in technical roles. For example, we have appointed our first female unit head for the battery enclosure plant, enrolled 25 women in a one-year apprenticeship program in core mining who will be placed in UltraTech, and have women serving as Territory Sales Managers at Birla Opus.

We strive to enrich the lives of our employees through integrated healthcare solutions that focus on their physical and emotional well-being, as well as that of their families. Our Digital Health and Wellbeing app, AB Multiply, has enrolled 26,000 employees for holistic wellness services. Additionally, over 9,000 employees have benefited from company-sponsored annual physical health check-ups. We have made significant efforts to reduce the stigma associated with mental health, ensuring that employees and their families can access professional and confidential counselling services when needed. Last year, over 1,000 employees or their family members sought help, marking an increase of more than 25%.

The results of ABG Vibes 2023, our annual engagement survey, reflect our commitment to being a force for good for our employees. The scores have improved in all areas across employee segments compared to the previous cycle: 91% of employees are proud to be associated with the Group, 93% would recommend the Group as a great place to work, and 87% see themselves working with the Group two years from now (an 8% increase from the last cycle). Additionally, 89% of employees find a sense of meaning and purpose in their work, and 91% are optimistic about the future of the business.

Indeed, the Aditya Birla Group stands at an exciting juncture. Many of our businesses are poised for transformational growth, while new ventures are emerging with a lot of promise. We are not just expanding in size but also diversifying in scope across various industries and regions.

Our leaders play a crucial role in strengthening the succession pipeline. Through Business and Functional Talent Councils, they set the vision for their respective areas, identify the future capabilities needed for success, review the availability of talent, and agree on actions to enhance the talent pipeline.

Your Company's Performance

As one of India's foremost branded fashion players, your Company continues to offer an extensive and diverse portfolio of products and categories under established and emerging brands, catering to a wide range of consumer needs. Our expansive presence, covering 11.9 million square feet of retail space with over 4,600 stores across more than 900 cities and towns, is a testament to our commitment to reaching our customers wherever they are.

In addition to our vast store footprint, our brands are also available in over 37,000 multi-brand outlets and 9,500 shop-in-shops within departmental stores. Our brands have a strong online presence, available on multiple e-commerce platforms, and many also feature on their own dedicated websites and apps, ensuring seamless access for our customers. This extensive network not only extends our reach to customers but also deepens our relationships with them, helping us play an important role in their lives, fulfilling their fashion aspirations and desires.

Mastering the New Normal

The apparel industry has faced considerable challenges since the festive season of FY23, with slowdown in demand and rising inflation posing significant headwinds for growth. Despite these obstacles, your Company has shown remarkable resilience trait attributable to comprehensiveness of our portfolio that caters to diverse customers across multiple occasions and markets. Driving efficiency has been another important lever to sail through the tough environment, wherein by streamlining of our network, optimizing channels, and leveraging technology, your Company has been able to reduce costs and improve profits.

For FY24, your Company's revenue stood at ₹ 13,996 Cr, reflecting a 13% year-on-year growth, while EBITDA was ₹ 1,703 Cr, a 5% growth over previous year. Over the years, your Company has strategically developed a comprehensive portfolio that spans various occasions, price points, segments, and categories. This portfolio is built around five large themes, in the fashion apparel market. These five areas are:

- Western Brands
- Masstige and Value Retail
- Ethnic Brands
- Luxury Retail
- Digital-First Brands

This portfolio strategy has allowed us to establish strong, strategic positions in key market opportunities, providing us with a significant early mover advantage.

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Strategy to Unlock Shareholder Value

Your Company's board approved the vertical demerger of the Madura Fashion and Lifestyle (MFL) business from ABFRL into a newly incorporated entity named Aditya Birla Lifestyle Brands Limited (ABLBL). As two separately listed entities, each will have the potential to be an independent growth engine with distinct capital structures and parallel value creation opportunities, thus unlocking significant value for shareholders through independent market-led valuation.

With a focused capital allocation strategy and a unique path for value creation - both entities will concentrate on specific growth areas aligned with their individual business models, ensuring optimal stakeholder returns.

Your Company has shown remarkable resilience trait attributable to comprehensiveness of our portfolio that caters to diverse customers across multiple occasions and markets.

Addressing consumer needs across key categories

Western branded fashion dominates the lifestyle market, driven by innovation, global appeal, and a trend towards premiumization. Your Company's presence is marked by iconic brands poised for significant growth, supported by deep distribution, category extensions and a financially robust, asset-light model. Our **Lifestyle brands** have successfully leveraged this profitable model, achieving record profitability this fiscal year. Casualization and premiumization are pivotal strategies for these brands, broadening product offerings for all occasions with new designs using best-in-class fabrics.

Reebok, American Eagle, and Van Heusen Innerwear are strategically positioned to address different consumer needs, expanding the reach of our branded portfolio and attracting newer customers. These three brands have a strong growth momentum and are on track to become mega-brands within your Company's portfolio, ably complementing your Company's existing branded fashion portfolio.

With India's expanding middle class transitioning to organized and branded fashion, **value and masstige retail** present a significant market opportunity. We are strategically positioned to capture this market through **Pantaloons and Style Up**.

Pantaloons is dedicated to delight its customers through high quality products at attractive prices in a young, refreshed store identity. Style Up, with its distinctive value proposition, is making inroads into the wardrobes of its customers offering high fashion at sharp prices. Going forward your Company will continue to evaluate this format in newer markets with an intent to build scale. At the back of these initiatives, we are well-placed to capture the opportunities in the value retail market and drive substantial growth by building a compelling sustainable play with Pantaloons and Style Up.

Luxury retail is set for strong growth, driven by rising

With a focused capital allocation strategy and a unique path for value creation - both entities will concentrate on specific growth areas aligned with their individual business models, ensuring optimal stakeholder returns.

Over 50% of our stores are fully omni-enabled, while the overall E-commerce channel sales were ~12% of our business.

disposable incomes, increased demand for premium & personalized experiences, and the expansion of digital channels. The "**Collective & Mono brands**" portfolio has continued to demonstrate a strong consumer franchisee as reflected in its rapid online growth and strategic store expansion. This business has successfully built a growing community and deepened consumer engagement through building high quality customer experiences. The partnership with French department store chain, **Galeries Lafayette** will further enrich our luxury portfolio, offering customers access to over 200 fashion brands, with the first store set to open in Mumbai next year.

Ethnic wear, one of the largest categories in apparel, is poised for strong growth, fueled by the shift towards organized retail and the rising demand for ready-to-wear garments. As consumers increasingly seek convenience and quality, organized retail is expanding, offering a modern blend of traditional ethnic wear. Your Company holds the largest and most comprehensive ethnic brand portfolio, catering to a diverse audience for all occasions and price points. In FY24, your Company filled up the women premium ethnic space in its portfolio through the acquisition of a majority stake in TCNS Clothing Co. Limited, the company that has brands like **W, Aurelia, Wishful, Folksong and Elleven.**

This ethnic portfolio is now operating within two distinct segments – Designer led brands and Premium wear brands.

Designer led brands include **Sabyasachi, Shantnu & Nikhil, Tarun Tahiliani, and House of Masaba.** These brands continue to showcase unique craftsmanship through new offerings and extensions in both apparel and accessories. Our premium wear portfolio, includes **TASVA, Jaypore and TCNS brands**. TASVA, our premium menswear ethnic brand launched in collaboration with renowned Indian designer, Tarun Tahiliani, is poised to capitalize on the growing branded occasion wear market, driven by its superior product offerings and network expansion. Artisanal brand Jaypore continues to thrive, driven by store expansions and significant enhancements to its online platform.

The Indian **online D2C** market is one of the fastest-growing space, driven by rapidly expanding internet user base and rising purchasing power of the younger demographic. **TMRW**, your Company's digital venture, continues to expand its dynamic digital brand portfolio aimed at Gen Z and millennials. Through a "Brand Builder" approach and tech-driven operational enhancements across the value chain, these brands shall continue to see a significant scale up going forward.

Your Company has launched many initiatives to integrate a digital-led operating model and strategy. Digital is the backbone of our approach, driving how we connect with customers, design our merchandise, plan our inventory, and manage fulfillment. Over 50% of our stores are fully omni-enabled, while the overall E-commerce channel sales were ~12% of our business.

With deep commitment to sustainability, your Company embeds sustainable practices into every aspect of its operations, from planning and sourcing to supply chain management and packaging. Robust mechanisms are in place to ensure adherence to sustainability and compliance norms. Our commitment to sustainable fashion and contribution to ESG goals highlights the Company's dedication towards long-term value creation.

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Outlook

India's dynamic economic growth, expanding middle class, and evolving consumer behaviours create an exceptionally promising landscape for the retail industry. These factors present significant opportunities for the fashion sector, as more consumers increasingly view fashion as a vital form of self-expression. Your Company's diverse portfolio is uniquely positioned to capitalize on these trends, driving sustained growth in the years ahead.

Driven by a strategic, brand-focused approach and an unwavering commitment to customer satisfaction, your Company is powered by the talent, passion and dedication of its team, all guided by a clear, forward-thinking vision. With these strengths, your Company is not only prepared to build a strong leadership play but also to deliver exceptional value to all stakeholders.

Conclusion

Your company's multidimensional achievements underscore what has been a foundational philosophy of our group—that true corporate success is measured by the enduring value we create for all our stakeholders. And that is our legacy, our promise, and our future.

Yours sincerely,

Kumar Mangalam Birla
Chairman

Future-Ready To Be
A Force For Good

Dear Shareholders

It gives me immense pleasure to present to you the first integrated Annual Report of your Company. As India continues its dynamic journey forward, ABFRL is committed to playing a key role in the country's transformative growth by fulfilling diverse needs of its consumers. Our comprehensive portfolio of businesses is strategically positioned to meet the aspirations of Indian consumers as rising per capita income fuels their discretionary spending in fashion & lifestyle.

In FY24 we continued to execute our strategy of building strong brands and retail concepts, creating meaningful presence in all large market segments through carefully crafted organic and inorganic play. Our business strategies are designed to compete and build winning consumer proposition in each of our individual business segments. We continue to drive these with sound and responsible business practices, people-oriented culture and our dedication to sustainability. Each of our businesses and brands play a pivotal role in this mission, acting as a catalyst for positive change and shaping a more equitable, inclusive, and prosperous future.

We are confident of creating long term value for all our stakeholders in this journey.

Navigating a complex environment with resilience

The past year was underscored by significant uncertainty, as the global economy faced mounting pressures from sluggish growth, escalating geopolitical tensions and persistent inflation. Amidst these global challenges, India emerged as a symbol of strength, leading the way among major economies with its robust growth. This progress has been driven by the government's unwavering commitment to infrastructure development and the expanding manufacturing sector.

In the face of a challenging demand environment, your Company demonstrated remarkable resilience and agility, as we remained steadfast in our focus to ensure the long-term financial stability of the business.

Consumer spending post COVID has been impacted by inflationary pressures, higher interest rates and rising consumer debt leading to a temporary slowdown in discretionary purchases.

However, India's long-term potential stays strong, led by powerful structural drivers such as a young population, rising disposable incomes, and widespread digitization; positioning India as a formidable growth opportunity for many decades to come.

Financial Performance

In the face of a challenging demand environment, your Company demonstrated remarkable resilience and agility, as we remained steadfast in our focus to ensure the long-term financial stability of the business. Throughout the past year, we have strategically enhanced efficiency, prioritized the most effective channels and structurally looked at optimizing costs; while upholding the highest standards of operational quality. Our commitment to delivering exceptional products and experiences to our customers firmly remains our north star.

For the full year FY24, ABFRL delivered robust financial performance, posting revenue of INR 13,996 crores, a 13% growth over the same period last year. The success of our new businesses played a crucial role in driving this growth as their presence in emerging business segments ensured that the impact of demand slowdown didn't curtail your Company's momentum.

This year, new businesses of Ethnic, TMRW, and Reebok significantly contributed to our growth, aligning well with our long-term strategy of building a diversified portfolio play. The acquisition of TCNS has filled the white space in women's premium ethnic wear within our ethnic portfolio, while the TMRW business, with its robust portfolio of digital-first brands, has added diversity to our offerings and helped us reach the new-age consumers. The share of business beyond our established businesses namely Lifestyle and Pantaloons to overall sales increased significantly, from 16% last year to 24% this year.

EBITDA for FY24 stood at INR 1,703 crores, with a margin of 12.2% with both our established businesses driving profitability.

Our total store network as of 31st Mar 2024, stands at 4,664 stores, covering 11.9 million square feet. Our brands are also available at over 37,000 multi-brand outlets and more than 9,500 shop-in-shops within departmental stores. Our brands maintain a robust digital footprint, with dedicated websites and apps, while also being widely available across various e-commerce platforms providing our customers with effortless access and a seamless shopping experience.

Corporate Action: De-merger of Madura business into ABLBL

To unlock the next phase of growth for our businesses, we recognized the need for a streamlined and efficient structure. We realized that by simplifying the organizational architecture, we could empower these businesses to execute their growth strategies with enhanced focus and agility.

On April 19th, 2024, the Board approved the vertical demerger of the Madura Fashion and Lifestyle business into Aditya Birla Lifestyle Brands Limited (ABLBL), which will be listed separately. This strategic demerger is paving the way for the creation of two distinct growth engines, each with a clear capital allocation strategy and a focused path for value creation.

We realized that by simplifying the organizational architecture, we could empower these businesses to execute their growth strategies with enhanced focus and agility.

The Madura Fashion & Lifestyle business segment (MFL), consisting of four lifestyle brands viz Louis Phillippe, Van Heusen, Allen Solly & Peter England along with casual wear brands viz. American Eagle & Forever 21, sportwear brand Reebok and the innerwear business under Van Heusen will be demerged into a separate listed entity. i.e., Aditya Birla Lifestyle Brands Limited (ABLBL). This business over the years has built a leadership position in its segment and has a proven track record of delivering consistent revenue growth, strong profitability, free cash flow and high ROCE.

Post demerger, the remaining ABFRL will be an attractive portfolio comprising of multiple distinct high growth platforms in large addressable markets with significant value creation opportunities.

The portfolio will comprise of following four segments -

- Masstige and Value fashion retail play under Pantaloons & Style Up
- Ethnic Portfolio - India's most comprehensive ethnic wear portfolio including designer wear partnerships and recently acquired portfolio of TCNS brands
- Luxury Retail consisting of The Collective, Galleries Lafayette and select luxury brands
- TMRW – A leading portfolio of digital first fashion brands

To suitably fund the growth of these businesses and to infuse strength in the balance sheet, ABFRL will raise external equity capital ~Rs. 2500 Cr, which will also be backed by the promoters.

With Pantaloons and Style Up, your Company is well-positioned to capitalize on one of the largest themes driving fashion consumption via accelerating shift towards organized and branded fashion.

ABLBL's Performance: Strengthening Our Position

ABLBL segment posted revenue of INR 7,794 crores with EBITDA of INR 1,276 crores in FY '24 while EBITDA margin expanded 270 basis points to reach 16.4%.

Our **Lifestyle brands** have sustained their market leadership through brand, category, and product extensions, while actively nurturing new growth channels. Even in a challenging demand environment, we remained focused in our pursuit of profitable growth; driving strategic imperatives like product premiumization, markdown management and a concentrated effort on driving high-quality sales. These actions have reinforced our competitive edge and ensured continued success. In FY24, Lifestyle brands achieved their highest-ever EBITDA of INR 1,284 crores, growing 17% year-on-year, with a year-on-year margin expansion of 300 basis points to reach 19.6%.

In the **Youth Western Wear** segment, **American Eagle** delivered another year of impressive performance, posting its highest-ever yearly sales and EBITDA, with a 36% revenue growth over the previous year. The brand expanded its network to 65 stores and over 120 departmental stores. "Reebok", in its first full year of operations with us, has been on a remarkable growth trajectory recording profitable growth. The brand plans to double its revenue in the next three to four years through rapid expansion across channels and markets. The brand is now available in over 160 stores and 900 points of sale, with a significantly scaled-up e-commerce presence.

Our **Innerwear business** withered challenges pertaining to athleisure slowdown by delivering sales in innerwear category which posted 7% growth year-on-year. The brand added 3,000 trade outlets in the last 12 months, bringing its total network to 35,000 outlets.

De-merged ABFRL: Building on Solid Foundations

The de-merged ABFRL segment posted revenue of INR 6,518 crores with an EBITDA of INR 460 crores. This segment saw strong growth with the inclusion of TCNS in our ethnic portfolio and investments in new businesses such as TMRW and TASVA.

Pantaloons business continued to make concerted efforts towards addressing market challenges and strengthening its business model for the future. As the year progressed, series of interventions around improving consumer proposition, enhancing product value equation, rationalizing the network and driving efficiencies in back-end operations led to improvement in sales and margins especially during the latter half of the year. Pantaloons segment revenue for FY24 stood at INR 4,328 crores, a growth of 5% Y-o-Y.

Style Up, your Company's value retail format, has garnered encouraging customer response and is now positioned for expansion, backed by a robust and scalable model. With Pantaloons and Style Up, your Company is well-positioned to capitalize on one of the largest themes driving fashion consumption via accelerating shift towards organized and branded fashion.

With addition of **TCNS**, your Company's "ethnic wear portfolio", consisting of designer and premium ethnic wear brands, now has an annual revenue run rate of over INR 2,000 crores. This portfolio caters to a diverse audience for all occasions and price points.

Designer led brands such as **Sabyasachi, Shantnu & Nikhil, House of Masaba and Tarun Tahiliani**, continue to set the standard for exceptional craftsmanship, blending tradition with innovation. Their work not only highlights the rich cultural heritage of Indian fashion but also pushes the boundaries of modern design, making them leaders in the global fashion landscape. Sabyasachi, dedicated to the mission of becoming a global Indian luxury brand, achieved an impressive 42% growth in FY24. House of Masaba, achieved 40% revenue growth, with its beauty business expanding to four times of last year. Shantanu & Nikhil achieved a 21% growth, while their pre-label "S&N" saw an impressive 45% year-on-year increase, driven by strong market traction.

With addition of TCNS, your Company's "ethnic wear portfolio", consisting of designer and premium ethnic wear brands, now has an annual revenue run rate of over INR 2,000 crores.

TASVA, your Company's ceremonial wear brand for Indian men, expertly combines contemporary designs with high-quality craftsmanship at competitive prices. The brand has rapidly expanded to over 55 stores across India and also received strong traction during its first full wedding and festive season. The brand is further poised for continued expansion, driven by investments in enhancing brand visibility and broadening accessibility. The recently acquired **TCNS portfolio of brands** has a strong history of robust financial, operational and customer excellence. Post-acquisition, we have launched a transformation program to help the portfolio achieve its full potential by refining its product offerings, improving its inventory planning, strengthening brand proposition, expanding market presence and elevating customer experiences, which has started to show results. Our artisanal lifestyle brand, **Jaypore**, has grown to 25 stores and made significant improvements to its online platform, enhancing its overall reach and accessibility.

The **Super Premium** portfolio showcased strong and sustainable growth, achieving an 18% year-on-year increase, fueled by rapid e-commerce expansion and strategic offline growth. Offering an unrivalled retail experience, the portfolio features an extensive array of exclusive global brands. The partnership with French department store chain **Galeries Lafayette** will significantly enhance our luxury brand portfolio, offering customers access to over 200 fashion brands. The first store is scheduled to open in Mumbai next year, setting the stage for India's first luxury department store.

The apparel market continues to be a vital segment within the discretionary consumer space, and with our strong portfolio of brands, we are poised to drive both ABFRL and ABLBL to significant scale and value.

Your Company's digital-first venture, **TMRW**, continued to expand its dynamic portfolio aimed at Gen Z and millennials. A fourfold increase in revenue over the previous year was driven by new and differentiated product lines and impactful campaigns. Additionally, TMRW's acquisition of The Indian Garage Co. (TIGC) further enhanced your Company's portfolio in the digital first play.

Digitization

Our focus on enhancing digital and e-commerce capabilities across our brands has been unwavering. We have utilized our in-house developed e-commerce platform to power separate brand websites, mobile apps and virtual stores. Significant progress has been made in modernizing core IT systems, alongside building robust data analytics and AI capabilities, all aimed at driving efficiency, enhancing creativity and delivering a superior customer experience.

More than 50% of our stores are fully omni-enabled, and the E-commerce portfolio, including TMRW, has delivered noteworthy performance, generating around INR ~1,700 crore in revenue this year.

Fulfilling our commitment beyond numbers

We have made substantial strides in our sustainability efforts, with 67% of our energy consumption now sourced from renewable energy, along with achieving water positivity across all our facilities. To further reduce our carbon footprint, we have taken several decisive actions, cutting our Scope 1 and 2 emissions by 3.8%. Additionally, we have refined our Scope 3 emissions accounting process, and our near-term decarbonization targets for the base year 2023 have been validated by the Science Based Targets initiative (SBTi).

We are proud to share that 89.2% of our garments now feature at least one sustainability attribute and 88.9% of our packaging has transitioned to sustainable materials, reflecting our dedication to reducing environmental impact.

Our commitment to sustainability extends to our infrastructure, with ~14.5 lakh sq.ft. of our built certified as green buildings. We have also achieved zero waste to landfill across all our facilities, with 100% waste segregation in place. Two of our facilities, Haritha Apparels and Fashion Craft, have received LEED Zero Water certification, while Fashion Craft's LEED TRUE Zero Waste certification further highlights our commitment to responsible waste management and resource conservation.

We prioritize workplace safety and employee well-being as fundamental pillars of our operations. By fostering a safe and supportive work environment, we ensure that our employees can thrive, both physically and mentally, contributing to their overall well-being and productivity.

These accomplishments reflect the collective dedication of our employees, who have fully embraced sustainability as a core value. We remain committed to pushing ourselves to even higher standards of sustainability in the years ahead.

Looking Ahead: A Future Shaped by Purpose and Potential

FY24 brought its share of challenges, but we navigated them with agility with a steadfast commitment to our long-term strategy. The apparel market continues to be a vital segment within the discretionary consumer space, and with our strong portfolio of brands, we are poised to drive both ABFRL and ABLBL to significant scale and value. The immense growth potential in the apparel sector only reinforces our conviction for your Company to play a pivotal role in shaping this dynamic market.

I extend my heartfelt gratitude to our esteemed shareholders for their trust and support. We are also immensely grateful to our valued customers, whose loyalty and engagement inspire us to constantly elevate our standards. Also, we thank our bankers and financial partners whose backing and confidence has been critical to our growth. My deepest appreciation goes to our Board of Directors, Management team and all the Employees for their commitment to embodying our values and constant support. We remain committed to our mission of building a large valuable fashion & lifestyle company that is at the forefront of discretionary consumption boom of an aspirational Indian consumer cohort.

Best regards,

Ashish Dikshit
Managing Director

FY 2023-24

HIGHLIGHTS

₹ 13,996 CR.
REVENUE FROM OPERATIONS

₹ 1,703 CR.
EBITDA

11.9 MN. SQFT
RETAIL SPACE

26,500+
PERMANENT EMPLOYEES

4,664
STORES

4,247 BRAND STORES

417 PANTALOONS

37,205
MULTI-BRAND OUTLETS

9,563
SHOP-IN-SHOPS ACROSS DEPT. STORES

900+
CITIES & TOWNS

BOARD OF DIRECTORS

Left to Right Sitting

Arun Adhikari
Independent Director
C E F G H M
R S AC | NRC

Sukanya Kripalu
Independent Director
C E F G H I M
R T AC | NRC | SRC

Sunirmal Talukdar
Independent Director
C E F G R S
AC | NRC | RMSC

Vikram Rao
Independent Director
E G H I M R
S SRC | RMSC

Nish Bhutani
Independent Director
E F G H M R
S T AC | NRC | CSR

Yogesh Chaudhary
Independent Director
E G I T
CSR | RMSC

Preeti Vyas
Independent Director
E G I M T
CSR

Left to Right Standing

Sangeeta Tanwani
Whole-time Director, CEO of Pantaloons
E F G I
M R S T

Ashish Dikshit
Managing Director
C E F G H I M
R S T CSR | SRC

Aryaman Birla
Non-Executive Director
C E F G H
I M R S T

Kumar Mangalam Birla
Chairman and
Non-Executive Director
C E F G H I
M R S T NRC

Ananyashree Birla
Non-Executive
Director
C E F G H
I M R S T

Vishak Kumar
Whole-Time Director, CEO of
Madura Fashion and Lifestyle
I E F G
T M R S

Pankaj Sood
Nominee
Director
C E F G H
I M R S T

Average Age
55 Years
27 Years — 73 Years

Board Independence
50% Independent — 50% Non-Independent

Avg Tenure on the Board
03 Years
01 Year — 10 Years

Avg Tenure of Independent Directors on the Board
04 Years
01 Year — 10 Years

SKILLS & COMPETENCIES

C	Corporate Governance Legal & Compliance
E	Expertise - Strategic
F	Financial Literacy
G	General Management
H	Human Resource Development
I	Industry Knowledge
M	Marketing
R	Risk Management
S	Sustainability
T	Technology, Digitisation & Innovation

COMMITTEE COMPOSITION

AC	Audit Committee
CSR	Corporate Social Responsibility Committee
NRC	Nomination and Remuneration Committee
RMSC	Risk Management and Sustainability Committee
SRC	Stakeholders Relationship Committee

Chairperson I Member

For detailed profile of Directors refer http://www.abfrl.com/corporate-governance/

LEADERSHIP TEAM

Left to Right Sitting

Swaminathan Ramachandran
Chief Supply Chain Officer

Sumati Mattu
CEO, Special Projects

Dr. Naresh Tyagi
Chief Sustainability Officer

Sangeeta Tanwani
Whole-time Director,
CEO of Pantaloons

Praveen Shrikhande
Chief Digital and
Information Officer

Left to Right Standing

Shobha Ratna Tanniru
Chief Human Resource Officer

Sathyajit Radhakrishnan
CEO, International Brands

Anil Malik
President, Company Secretary

Sooraj Bhat
CEO, Ethnic Business

Ashish Dikshit
Managing Director

Puneet Malik
CEO, Innerwear &
Athleisure Business

Anant Daga
Managing Director -
TCNS Clothing Co. Ltd.

Jagdish Bajaj
Chief Financial Officer

Vishak Kumar
Whole-Time Director, CEO,
Madura Fashion and Lifestyle

Prashanth Aluru
CEO and Co-Founder -
TMRW

Van Heusen is India's No. 1 premium lifestyle brand for professionals. With a rich heritage of 129 years in the United States of America, the brand entered India in 1990. Over its 34 years of history in India, Van Heusen has emerged as a fashion authority for the ever-evolving Indian consumer and has established itself as the one-stop destination for the latest trends. Today, Van Heusen is not only the most preferred workwear brand, but also effortlessly straddles across the entire spectrum of occasions like casuals, ceremonial, party wear and recently launched activewear.

Van Heusen

VAN HEUSEN

Allen Solly has orchestrated a remarkable transformation in the realm of professional and casual work attire, capturing the hearts of India's youthful populace. Allen Solly has now become the No. 1 brand in Top of Mind Recall*, a crucial measure when consumers decide what to buy. With a steadfast commitment to unconventional workwear, Allen Solly has adorned the youth of India with fashionable smart casuals, solidifying its distinctiveness in this domain. Allen Solly's 'Every Day Is Friday' campaign reimagined the essence of fun, freedom, and fashion, making every day a reason to celebrate.

Allen Solly Women, a trailblazing brand in workwear, has elevated its merchandise selection by expanding beyond workwear to cater to the diverse needs of the modern young working woman. This also included the launch of our new premium collection, ‘Edition’, featuring boardroom-appropriate formalwear designed for the utmost sophistication and style.

Embracing a spirit of fun and vibrancy, Allen Solly Juniors presents an intriguing assortment of t-shirts, shirts, denim, dresses, and accessories. The 'Be Who You Want To Be' campaign by Allen Solly Juniors debuted as an engaging digital initiative that celebrates the creativity and boundless imagination of children.

**Source: Kantar internal report’24.*

Allen Solly

Allen Solly®

Peter England redefines style, attitude and comfort through its unparalleled range of shirts, trousers, denims, suits, blazers and t-shirts. It is a brand that has transformed the fashion landscape of today's young Indian men. Adding on to the brand's wide footprint of 1000+ stores panning the length and breadth of the country. 52 stores were opened in FY 24.

Peter England

PETER ENGLAND

Reebok

Reebok is a bold, disruptive and iconic sports, fitness and lifestyle brand which strives to inspire human movement. We carry an irreverent and unapologetic attitude towards life and create products that embody this spirit. Through our high-performance products and technologies, we ignite action with experimentation and a challenger mindset. We bring the best of performance, and support everyone in their personal journeys. We use our voice to look out for each other and build a world which ensures that sport is afforded by all. Reebok believes, that life is not a spectator sport. Move with purpose, and move freely, with Reebok.

SIMON CARTER
LONDON

The Company was built on Simon's love for all things vintage and different. The brand philosophy is rooted in a tradition of eclectic English style, taking classic forms and adding a twist of eccentricity.

Simon Carter is about quality and refinement in a particularly witty and eclectic style. The menswear collection is defined by its use of print and colour, offering men the opportunity to develop their own sense of style and allowing their distinct personality to shine through.

With a potent blend of candid observations and artistic flavour, Simon Carter creates the most intriguing clothes for men in top wear, bottom wear along with complimenting accessories that accentuate an ensemble.

FOREVER 21

Forever 21 is a fast fashion industry leader making the latest trends accessible to all consumers who choose to be trendy, bold and young in spirit, while inspiring unique style and confidence. With a renewed focus on customer experience, the brand offers high style designs and fashion basics with compelling value to audiences who resonate with quirkiness, are fun loving and self-expressive in their own way through a dynamic store environment. While driving innovation across e-commerce and digital to expand access and convenience, the brand continues to strengthen its position as today's preferred destination for the fashionable consumer. Forever 21 is in over 540 locations globally and online.

AMERICAN EAGLE

American Eagle is a brand of authority on Jeans led lifestyle, and since the start in 1977, the brand was built on the power of diversity, the freedom of inclusivity, and a desire to embrace what is authentically you. It is the brand of free spirits. It dares to be itself and unleashes the powers of optimism, because it knows when you put good vibes out there, you get good things back in return.

American Eagle's heritage started with jeans, and it has since grown to be the #1 jeans brand in the US among high school and college students. But it's so much more than your favourite, lived-in pair of denim — it offers a full range of options to help you feel like your best, most comfortable self. AE understands the magic of self-expression, and offers matching sets, breezy button-downs, soft-to-the-touch tees, and easy loungewear that already feel like well-loved favourites.

Pantaloons is a playful and youthful fashion destination with 400+ stores, spread across 190+ cities and towns.

As a playground for fashion, Pantaloons offers a wide variety of styles across categories and occasions. The brand speaks to the ever-evolving millennial customer of today who is confident and expressive. Be it through the physical retail experience or online, the Pantaloons experience is exciting, friendly and uplifting. With a vibrant, expressive and elevated approach to style, the brand seeks to enable the customer to be their fashionable best.

Pantaloons

STYLE UP

Style Up is the latest value fashion offering from Aditya Birla Fashion and Retail Ltd, with a focus on trend-led designs at affordable prices. Spread across 32 locations in 15 cities, Style Up showcases fresh-off-the-runway styles designed to appeal to the Gen Z and Gen Alpha.

In its first full year of operations, Style Up has gained strong traction amongst young consumers who are seeking unlimited fashion choices at great value, presenting significant growth opportunity for the brand going forward.

VAN HEUSEN INNERWEAR

Van Heusen Innerwear and Athleisure is one of the most innovative and fashion forward brands launched in the year 2016, aiming to redefine the category codes in mid premium segment. Built on the pillars of innovation, performance, sophistication and fashion, the brand offers a wide range of styles across innerwear, athleisure, activewear and loungewear catering to the ever evolving lifestyle needs of new age consumers.

The brand with its commendable trade network has also expanded its retail footprint and grew significantly across E-Commerce platforms. Van Heusen Innerwear was also recognized as “Best Men’s innerwear brand” for the year 2023 by Myntra. The brand launched a robust nationwide campaign in FY24 featuring renowned Indian cricketer Hardik Pandya to significantly boost large scale awareness and consideration for Van Heusen Innerwear.

The brand is all set to achieve new milestones with its product leadership.

THE COLLECTIVE®

The Collective is the definitive destination of luxury for fashion connoisseurs. Founded 15 years ago with a vision to bringing global labels to India's jetset, the brand has today grown to be the largest nation-wide retail chain offering luxury fashion.

With curated collections from over 85 iconic labels, The Collective has a wide network of stores across the country, and is drawing up exciting plans to open even more in the coming fiscals.

Thecollective.in website offers the experience of shopping the finest from around the globe, from the comfort of your home. Thoughtfully designed value-added services like personal styling, made-to-measure and loyalty programmes help ensure that The Collective remains the go-to brand for India's most stylish circles.

FRED PERRY

Triple Wimbledon champion Fred Perry played and fought his way through, always with style and despite the establishment. In 1952, he founded the Fred Perry brand, designing his first pique shirt. That shirt, would transcend sportswear to streetwear on the backs of generation after generation of British youth subcultures. It is the start and end of everything Fred does, because it's more than a shirt – it's a rite of passage, it's the uniform of the non-uniform.

Fred is proud to have a community of customers from all over the world, adopting the Fred Perry Shirt in their own unique way. Over the past 70 years, the Laurel Wreath has become a signature of both individuality and of belonging – from elite sports players, to fringe subcultures. The brand continues to celebrate diversity, with exciting collaborations with inspiring designers, musicians and artists.

RALPH LAUREN

POLO
RALPH LAUREN

For more than 50 years, Ralph Lauren has sought to inspire the dream of a better life through authenticity and timeless style. The luxury label is all about living the best life you can and enjoying the fullness of the life around you—from what you wear, to the way you live, to the way you love.

Distinct tailoring lines under the Ralph Lauren brand include Purple Label; stylish separates for men and the Ralph Lauren Collection for Women. Focussed attention to detail, collaborations with heritage mills, rich fabrics and trimmings sourced from artisanal craftsmen across the world, ensure that every piece of Ralph is timeless luxury.

The brand's philosophy, "Style Is Forever," encapsulates its commitment to impeccable design and enduring fashion. Ralph Lauren stands as a beacon of aspirational living, inspiring a better life through authenticity and an American perspective.

TED BAKER

LONDON

Having launched as a shirt specialist of some repute in Glasgow, Ted Baker quickly became the place to buy some of the very best contemporary men's shirting.

From the beginning Ted has had a very clear, unswerving, focus on quality, attention to detail and a quirky sense of humour – something that gained the quickly growing brand the title of 'No Ordinary Designer Label'. Everything produced under the Ted Baker name has his personality woven into its very heart.

Today, Ted is one of the fastest-growing leading lifestyle brands in the UK with a wide range of collections including Menswear, Womenswear, Global, Endurance, Pashion, Langley, Accessories, Fragrance, Skinwear, Footwear, Eyewear and Watches.

HACKETT
LONDON

As a young man working on Savile Row, Jeremy Hackett became fascinated by the British attire of the early 20th century gentleman. By 1983, he had opened his first store selling second-hand clothes. It was here that he began creating his own garments, merging traditional styles with modern cuts, for those seeking Savile Row style - without the associated cost.

Since then, Hackett has grown to sit at the forefront of traditionally-inspired menswear, with a dedicated global following. Today, Hackett has over 160 stores in more than 30 countries and specific tailoring lines including Hackett Sport for the off-duty Hackett man.

Hackett is also proud to have partnered with many like-minded brands such as British Army Polo, Henley Royal Regatta and Aston Martin.

SABYASACHI
CALCUTTA

Sabyasachi is India's leading luxury house rooted in heritage, quality and craftsmanship. A brand that revels in India's legacy but with a unique perspective, capturing what was and what is, with a single-minded vision to create modern heirlooms.

A market pioneer, Sabyasachi is the first Indian designer and brand to collaborate with Estée Lauder, Christian Louboutin, Pottery Barn, H&M and Starbucks. Sabyasachi is also in continued partnership with Bergdorf Goodman in New York since 2020 and debuted at Saks Fifth Avenue in 2024. Patrons of the brand include celebrities, intellectuals and achievers from across the world. With flagship stores in major cities across India and a jewellery boutique in Dubai, the first international flagship was launched in New York in 2022. Sabyasachi is creating a unique global dialogue that brings together slow authentic luxury and the finest of Indian crafts.

SHANTNU NIKHIL | S&N SHANTNU NIKHIL | SNCC SHANTNU NIKHIL CRICKET CLUB

In our illustrious 25-year couture journey, we've boldly shattered conventions and reimagined the new fierce India through our distinct Maison house codes. The sharply tailored silhouettes unabashedly merge skilled drapery, military nuances, and an unapologetic androgynous ethos, defining a triumphant celebration of femininity in a masculine world. Pioneering a revolution in menswear couture, we continue to question traditionalism with our contemporary take on Indian micro ceremonies. Embracing asymmetry with commanding sartorial details, we have set the stage for a new Indian man to finally celebrate himself. As a brand, we have always advocated the prophecy of luxury beyond traditions in India.

We have also successfully carved a new path for the discerning evening-luxe customer with India's first Luxury Pret brand- S&N by Shantnu Nikhil. Further challenging ourselves, when no one ever dared to we launched our most ambitious brand in 2022- Shantnu Nikhil Cricket Club, where cricket, fashion and lifestyle all come together in a true prêt-à-porter spirit. Currently, our Mason habitats 23 retail stores and an omni-channel E- Commerce platform.

masaba | LOVECHILD masaba

Masaba Gupta founded her label ‘House of Masaba’ at the age of 19 and since has won the title of the ‘Queen of Prints’. Within 15 years, House of Masaba has become a renowned, award-winning luxury brand of bridal, festive, resort wear, and jewellery. House of Masaba’s designs are a celebration of colour that exude a playful and experimental aura. House of Masaba has grown to operate 17 flagship stores across India.

In 2022, the mother brand extended into Beauty with LoveChild, Masaba’s meticulously curated brand with products across make-up and fragrances among others that celebrates beauty with a unique Indian quirk. The brand offers an extensive range of high-performing multi-benefit products that are designed to suit all Indian skin tones. Launched online first with lovechild.in followed by ecommerce platforms; the brand has quickly gone beyond its digital success, establishing a presence in offline retail, making its unique hybrid products accessible to a wider audience.

TASVA
X
TARUN TAHILIANI

Tasva, a wedding and occasion wear brand for the modern Indian man, is a brand launched by Aditya Birla Fashion And Retail Limited in collaboration with ace couturier Tarun Tahiliani. Derived from 'Tat' (all that is me) and 'Sva' (all that is mine), Tasva celebrates individuality and the expression of one's best self.

Tasva represents the perfect fusion of traditional aesthetics and contemporary design. With state-of-the-art tailoring and immaculate fits, Tasva provides high-quality, sophisticated celebration wear for men at accessible price points. Redefining ethnic wear, the garments are not only stylish but also incredibly comfortable.

JAYPORE®
RECLAIM YOUR ROOTS

Jaypore is on a remarkable journey to bridge the gap between India and the world by showcasing its rich cultural heritage through contemporary designs in apparel, jewellery, home decor and more. Jaypore as a brand is committed to preserving and reviving authentic Indian products suited for a modern lifestyle. The brand sources from more than 70 craft clusters and curates' exquisite collections, which are featured on its website and are now available in 26 stores across Delhi, Bangalore, Mumbai, Pune, Indore, Kerala, Lucknow, Ahmedabad and Hyderabad. In a very short period of time, our handpicked curations and differentiated products have earned high respect and repute, making it India's leading destination for craft-based artisanal goods. Jaypore ships worldwide, catering to a global audience who value Indian craft and heritage.

TCNS is a trailblazer in the fashion industry, dedicated to inspiring style and empowering women through its diverse range of women's apparel. With a strong track record of redefining the fashion landscape, we have witnessed and adapted to profound shifts in women's roles, aspirations and fashion choices over time. Our success lies in our meticulous design, intricate craftsmanship, and unwavering commitment to quality. As women continue to play a prominent role in India's economic growth journey, we are well-positioned to support their evolving fashion preferences and lifestyle choices. At TCNS, we believe in the power of fashion to empower women, boost their confidence and reflect their individuality. Our aim is to continue setting trends and offering stylish, high-quality apparel and accessories that resonate with the aspirations of modern Indian women.

W is our premium fusion-wear brand for the contemporary Indian woman with a spirited mind and confident attitude. The collection is a perfect amalgamation of Indian sensibilities imbued with modernity.

Aurelia is our contemporary ethnic-wear brand for the woman who aspires to look trendy, seeks validation and looks for affordable solutions for her work, casual and occasion-wear requirements. The collection features a wide range of ethnic-wear that aims to deliver consistent quality, trending styles and right fit at affordable prices.

Wishful is our premium Occasion-wear brand for the contemporary Indian woman who prefers elaborate yet subtle elegance. The lustrous collection features exquisite designs with intricate details that are curated for special occasions.

Folksong is a soulful craft-led Indianwear brand for an evolved woman with an understated, timeless and minimalistic sense of style. The collection showcases a modern way of reviving historic crafts that is not divided by age or season, but united by thought and consciousness.

Elleven is positioned as the ultimate Bottomwear brand for the woman who is looking for fashion with functionality to make every day unboring. It has a wide array of style options across ethnic, western and athleisure that allow women to create their own unique look for every occasion.



TMRW

AN ADITYA BIRLA GROUP VENTURE

Revolutionizing fashion & lifestyle brands today! We aim to establish a leading 'House of Brands' powered by the Aditya Birla Group. Through strategic partnerships with D2C fashion & lifestyle brands, TMRW drives their transformation into customer-centric brands. Our fusion of category and brand building expertise and digital-first capabilities sets us apart. With a stellar leadership team, our brands thrive in today's market. We prioritize building enduring brands with solid fundamentals & unit economics. Expansion and a solid foundation go hand in hand. Our founder-first model emphasizes shared success and wealth creation. Join us on our journey to reshape the future of fashion, captivating hearts with beloved brands across India.

CONTENT

ABOUT THE REPORT

We are pleased to present Aditya Birla Fashion and Retail Ltd.'s first Integrated Annual Report for the financial year 2023-24. This report showcases our financial and non-financial performance, as well as our goals, strategies, overall performance, and outcomes for the reporting year. This report aims to offer our stakeholders an insight into our value-creation efforts and our business strategy towards identified risks and opportunities.

Reporting Principles

Our report aligns with the Integrated Reporting <IR> framework of the International Integrated Reporting Council (IIRC), established by the International Financial Reporting Standards (IFRS) Foundation. This framework is a collaborative effort between the IFRS Foundation's International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB). Our performance has been presented across six capitals—financial, manufactured, human, natural, intellectual, and social and relationship.

The non-financial performance indicators disclosed are in alignment with - the Global Reporting Initiative (GRI) 2021 Universal Standards and, the Sustainability Accounting Standards Board (SASB). In addition, this report also complies with the requirements of reporting frameworks and standards such as Business Responsibility and Sustainability Report (BRSR) framework mandated by the Securities and Exchange Board of India (SEBI), and the Task Force on Climate-related Financial Disclosures (TCFD). We work in adherence to the United Nations Global Compact (UNGC) and contribute to the United Nations Sustainable Development Goals (UN SDGs).

The financial statements are prepared in compliance with the Indian Accounting Standards as prescribed under section 133 of the Companies Act 2013. They also adhere to the relevant provisions of the Act as outlined in the Companies (Indian Accounting Standards) Rules, 2015 (including any subsequent amendments), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) read with all applicable SEBI Circulars, and the Secretarial Standard(s) issued by the Institute of Company Secretaries of India and other accounting principles widely accepted in India.

The eight principles of GRI 2021 Standards: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability, have been used to prepare and disclose the non-financial performance in this Integrated Annual Report. We ensure transparent, comprehensive, and reliable disclosure of economic, environmental, and social performance as per the nine 'in accordance' requirements.

Reporting Scope and Boundary

The information disclosed in this report is for the period 1 April 2023 to 31 March 2024. We publish the report on an annual frequency. The previous annual report was published in August 2023. The report discloses our financial performance for the consolidated business, covering subsidiary business entities. However, the non-financial information of Aditya Birla Fashion and Retail Limited (ABFRL), has only been disclosed for our Madura Fashion & Lifestyle (MF&L), Pantaloons and Van Heusen (VH) Innerwear businesses. As compared to the previous financial year, there has been a change in the reporting boundary (735 MF&L stores have been added).

OFFICES

- Office – Bengaluru
- Registered Office – Kurla, Mumbai

FACTORIES

MF&L
- Crafter Clothing – Bengaluru
- Fashion Craft – Bengaluru
- Europa Garments – Bengaluru
- Classical Menswear – Bengaluru
- English Apparels – Bengaluru
- Haritha Apparels – Bengaluru
- Alpha Garments – Bengaluru
- Little England Apparels – Thally
- Mancheshwar Apparels – Mancheshwar, Odisha
- Aditree Apparels Manufacturing – Bengaluru

WAREHOUSES

MF&L
- Attibele Warehouse – Bengaluru
- Hoskote Warehouse – Bengaluru
- E-commerce Warehouse – Bengaluru

Pantaloons
- Warehouse – Bengaluru
- Warehouse – Bhiwandi
- Warehouse – Hooghly
- Warehouse – Gurgaon

Van Heusen Innerwear
- Warehouse – Bengaluru

STORES

MF&L
- 735 PAN India Stores
  measuring sq. ft. 1,284,892.

Pantaloons
- 371 PAN India Stores
  measuring sq. ft., 5,297,962.

REGISTERED OFFICE:

Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070.

CORPORATE OFFICE:

Kh No. 118/110/1, Building 2, Divyasree Technopolis, Yemlur Post, Off HAL Airport Road, Bangalore - 560037

Organisational Details and detail list subsidiaries can be found in BRSR section page no. 276

Independent Assurance

The standalone and consolidated financial statements in the Financial Statements section are independently audited by Price Waterhouse & co chartered accountants LLP. The non-financial assurance is carried out by The British Standards Institution (BSI) Entity. The assurance conducted for this Integrated Report includes Type 2 (Moderate) Assurance according to the Accountability's AA1000 Assurance Standard (AA1000AS v3) and reasonable assurance as per ISAE 3000 standards on Business Responsibility and Sustainability Report (BRSR) core guidelines issued by the Securities and Exchange Board of India (SEBI). Furthermore, this report has been reviewed by the Company's senior management to ensure clarity, reliability, and accuracy.

Approach to Materiality

This report focuses on material issues that have impending or actual impacts in the short, medium, or long-term. The value we bring to our stakeholders is dependent on the management of the identified material topic.

We conducted a materiality assessment study in FY 2023-24, and updated the list of environmental, social, and governance-related topics to be prioritised as a part of our future business plans. These topics were assessed based on the inputs from relevant stakeholders such as investors, customers, employees, government bodies and regulators, suppliers, associations and partners, community members, and media.

Forward-Looking Statements

This report includes forward-looking statements concerning our business operations. The statements involve several risks and uncertainties as they are based on projections and industry trends, and the actual results can differ significantly from those anticipated. Business strategy, mitigation plans and objectives mentioned are considered forward-looking and subject to change, except for historical facts and performance highlights.

FEEDBACK

Your feedback can help us disclose significant information in the most effective and transparent manner. We welcome any questions or feedback you may have about our performance or this report. You may write to us - at ***naresh.tyagi@abfrl.adityabirla.com or reearth@abfrl.adityabirla.com.***

FORCE FOR GOOD

DESCRIPTION OF THE THEME

In an era marked by unprecedented global challenges, the imperative for businesses to transcend conventional paradigms has never been more pressing. At Aditya Birla Group, we recognise that our success is intrinsically tied to the well-being of society and the planet we inhabit. As custodians of progress and stewards of sustainable growth, we embrace the ethos of being a **force for good** in all facets of our operations. At the heart of our philosophy lies the conviction that business can and must serve as a catalyst for positive change. Beyond the pursuit of profit margins, we envision a world where economic prosperity harmonises with social welfare and environmental stewardship.

This vision guides our strategic decisions, propelling us to harness the transformative power of business to address pressing societal needs. In practise, being a **force for good** entails a multifaceted approach that extends across our entire value chain. From fostering inclusive growth and empowering local communities to mitigating environmental impact and creating prosperity for our nation and its people, our commitment to operating in a responsible manner is woven into the fabric of our business endeavours. It is part of our DNA and our legacy. It is something that only we can inherently own.

By creating value for all stakeholders – shareholders, employees, customers, and society at large – we aim to foster an ecosystem of mutual benefit and collective advancement. This philosophy underpins our unwavering dedication to ethical governance, transparent communication, and responsible business practices. As we navigate the complexities of a rapidly evolving world, we remain steadfast in our commitment to being agents of positive change. Guided by our Purpose ‘To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust’, and by leveraging our resources, expertise, and influence, we aspire to be a catalyst for meaningful impact, shaping a future where business serves as a **force for good** in everything that we touch and do.

OUR BUSINESS AT A GLANCE

Aditya Birla Fashion and Retail Limited (hereinafter referred to as 'ABFRL'), headquartered in Mumbai, India, and part of the Aditya Birla Group, is India's first billion-dollar – retail powerhouse with an elegant bouquet of leading fashion brands. Our extensive presence in over 900 cities and towns across India, through numerous brand outlets and stores, has established a strong customer base. As a force for good, with earnest care for the people and planet, we strive to maximise brand strength, adapt product range to suit evolving customer tastes, broaden market reach through omnichannel strategies, and foster direct-to-customer growth across India. Moreso, we believe that business and economic growth have to be attained in harmony with keen regard for the surrounding environment and society.

In the reporting year, we have continued to aggressively drive growth and our consolidated sales grew by 13% vis-à-vis last year.

Our Vision

To passionately satisfy Indian consumer needs in fashion, style, and value across wearing occasions in apparel and accessories through solid brands and a high-quality consumer experience, with the ultimate purpose of delivering superior value to all our stakeholders.

Our Values

The values inspired by the Aditya Birla Group's philosophy and beliefs, are core drivers for our business:

GROUP'S CORE VALUES

- INTEGRITY
- COMMITMENT
- PASSION
- SEAMLESSNESS
- SPEED

Business Highlights

₹13,996 Crore Revenue

47,500+ Total Workforce

37,205 Multi-brand Outlet

4,664* Stores

9,563 Shop-in-shop across departmental stores

11.9 Million sq. ft. footprint

*Includes 24 stores present in international markets

Our Retail Footprint

Our business has an extensive distribution network, making us a dominant player in the country's fashion and retail landscape. We have strategically positioned ourselves to cater to a vast customer base across regions. Our business encompasses a collection of widely recognised brands and retail formats that cater to a broad range of customer needs. We have brand-specific online and offline channels through which downstream business is conducted. There are no significant changes in our business value chain with respect to the previous year.

4,247
Brand Stores

417*
Pantaloons Stores

2,679**
Lifestyle Brand Stores

10
Factories

11
Warehouses

* including franchise store
** Excludes value stores

Considering our product portfolio, we cater to all types of customer needs in fashion through collaborations and partnerships with relevant brands. With the ever-increasing ease of access to internet connectivity, we reach out to our customers through our digital channel along with the large retail footprint. Our apparel supply chain is mainly within India and we also source from neighbouring countries viz. Bangladesh, Vietnam, China, other South-east Asian countries, etc.

Our Businesses and Brands

Proposed Aditya Birla Lifestyle Brands Limited (ABLBL):

- **Lifestyle brands -** Louis Philippe, Van Heusen, Allen Solly, Peter England, Simon Carter
- **Youth Western wear Brands -** American Eagle & Forever 21
- **Sportswear** brand Reebok
- **Innerwear** business under Van Heusen

Proposed De-merged Aditya Birla Fashion & Retail Limited (ABFRL) -

- **Masstige & Value Retail** play under Pantaloons & Style Up
- **Ethnic Brands** One of India's most comprehensive ethnic wear portfolio comprising of –
- **Designer led** brands of Sabyasachi, Shantnu & Nikhil and House of Masaba
- **Premium ethnic wear** brands of Jaypore, Tasva and TCNS portfolio
- **Luxury Retail -** The Collective and Mono brands portfolio, Galeries Lafayette

- TMRW - Leading portfolio of digital first fashion brands

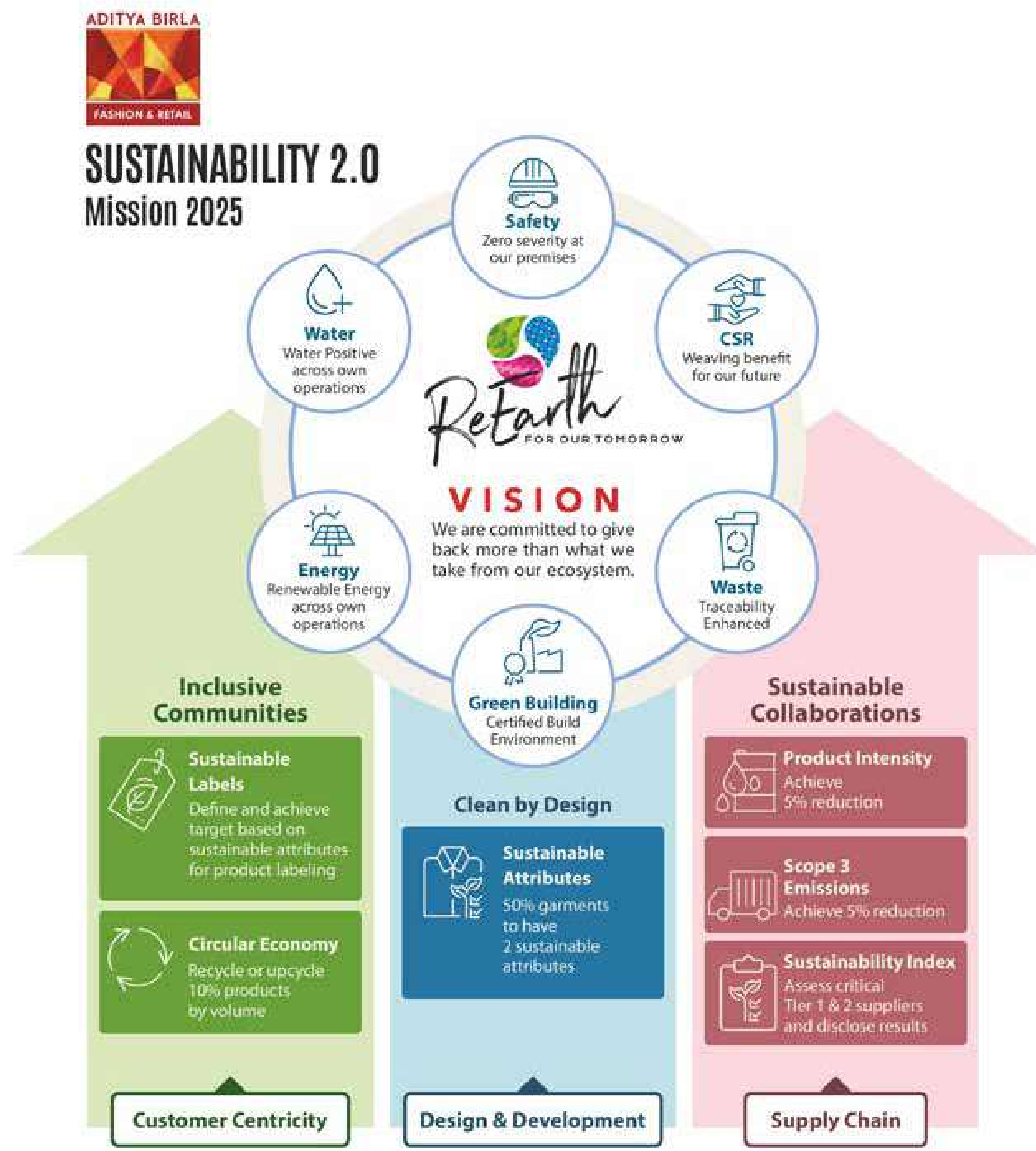
ReEarth Vision

WE ARE COMMITTED TO GIVE BACK MORE THAN WHAT WE TAKE FROM OUR ECOSYSTEM

Aligned with the Group's purpose to enrich lives, we have committed to the 'ReEarth Vision' since over a decade ago. In the first phase of our strategic intervention, the focus was on process-led interventions, and we were actively working in the areas, energy, carbon footprint, green building, water, waste, WASH pledge, safety, CSR, packaging, and sustainable products.

About four years ago, we decided to transition from a 'Process-led' to a 'Product-led' approach i.e., Sustainability 2.0, with a 2025 agenda focusing on product design and development, customer centricity and supply chain. We aim to achieve our milestones through product sustainability, resource efficiency, renewable energy consumption, responsible supply chain, circularity, and strategic collaboration with global and national organisations, along with memberships on global platforms.

Our five-year roadmap aims to achieve the predefined sustainability targets while balancing risks and opportunities for all relevant environmental, social and governance (ESG) initiatives. This transition shall ensure that sustainability is deeply embedded across the whole spectrum of design development, supply chain and customer end-of-use for the product life cycle. Our commitment to sustainability for both, people and the planet, has earned us national and international recognition for our exceptional efforts.



OUR BUSINESS MODEL

INPUTS		OUTPUTS	OUT COMES

INPUTS

FINANCIAL CAPITAL
- ₹8,762 Crore Net Operating Expenses

MANUFACTURED CAPITAL
- 10 manufacturing facilities
- 11 warehouses
- 11.9 Million sq.ft. space for retail

INTELLECTUAL CAPITAL
- 3 Centres of Excellences, and Innovation Centres
- 13 patents filed

HUMAN CAPITAL
- 47,908 employees and workers
- 89,437 total hours of training provided
- ₹19.86 Crore spent on employee-related benefits
- Modification made in safety measures of critical machinery

NATURAL CAPITAL
- 50 kl rainwater stored and used
- 556 GJ energy consumption
- 195,295 kl water consumption

SOCIAL AND RELATIONSHIP CAPITAL
- ₹4.10 Crore spent on CSR activities

STRATEGY & RESOURCE ALLOCATION

OUR VISION
To passionately satisfy Indian consumer needs in fashion, style, and value across wearing occasions in apparel and accessories through solid brands and a high-quality consumer experience, with the ultimate purpose of delivering superior value to all our stakeholders

OUR VALUES
- SEAMLESSNESS
- PASSION
- SPEED
- COMMITMENT
- INTEGRITY

OUR STAKEHOLDERS
- SUPPLIERS
- CUSTOMERS
- EMPLOYEES
- COMMUNITIES
- GOVERNMENT
- MEDIA

CORE BUSINESS FOCUS
1. Strong Revenue Growth
2. Strengthening distribution Channel
3. Enhanced Profitability
4. Consistent brand investments

PROSPECT
Building strong timeless brands, & managing the business with flexibility and agility

Premiumisation and an accelerated shift from unbranded to branded products

Sharp focus on customer centricity and sustainability

We are a Branded Apparel Retail Business spread across price ranges and products categories, both online and offline

PERFORMANCE

MADURA FASHION & LIFESTYLE

Product Design & Development

Raw Materials Sourcing

Manufacturing

Logistics storage & packaging

Marketing & Sales

Pantaloons

VAN HEUSEN

RETAIL BRAND PARTNERS
- LOUIS PHILIPPE
- PETER ENGLAND
- AMERICAN EAGLE
- HACKETT LONDON
- JAYPORE
- MARIGOLD LANE
- MASABA
- LOVECHILD MASABA
- VAN HEUSEN
- THE COLLECTIVE
- REEBOK
- FRED PERRY
- STYLE UP
- SABYASACHI
- TARUN TAHILANI
- ALLEN SOLLY
- FOREVER 21
- TED BAKER
- SIMON CARTER
- TASVA
- SHANTANU NIKHIL
- RALPH LAUREN

OUTLOOK

RISKS & OPPORTUNITIES

OUTPUTS

WASTE
- 4,750 MT of waste generated
- 922 MT of buyback (plastic)

EMISSIONS
- 2,858 $MTCO_2e$ Scope 1 Emissions
- 92,162 $MTCO_2e$ Scope 2 Emissions
- 1,483,244 $MTCO_2e$ Scope 3 Emissions

OUT COMES

FINANCIAL CAPITAL
- ₹12,351 Crore Revenue
- ₹1,870 Crore EBITDA

MANUFACTURED CAPITAL
- 4,500+ stores
- 37,000+ multi brand outlets in india

INTELLECTUAL CAPITAL
- 1 patent granted
- 89% of the products have at least one sustainability attribute

HUMAN CAPITAL
- 10,628 new hires
- Employee engagement score : 85%
- 86% of women in permanent workers
- 0.03 number of LTI for permanent employees

NATURAL CAPITAL
- 88.90% sustainable packaging
- 2,676 tCO_2e emissions avoided
- 21% renewable energy consumption
- Achieved water positivity across all owned activities

SOCIAL AND RELATIONSHIP CAPITAL
- 302,098 beneficiaries impacted through CSR activities
- 55 suppliers assessed on environmental parameters and 1,071 on social parameters

Capitals	Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social & Relationship Capital	Natural Capital
Interlinkages with other Capitals	• Manufactured Capital • Intellectual Capital • Human Capital • Social & Relationship Capital • Natural Capital	• Financial Capital • Intellectual Capital • Human Capital • Social & Relationship Capital • Natural Capital	• Financial Capital • Manufactured Capital • Natural Capital	• Financial Capital • Intellectual Capital • Social & Relationship Capital • Manufactured Capital	• Financial Capital • Manufactured Capital • Human Capital	• Financial Capital • Manufactured Capital • Intellectual Capital • Human Capital • Social & Relationship Capital
Contribution to the Business Focus	1. Strong Revenue Growth 2. Enhanced Profitability 4. Consistent brand investments	1. Revenue Growth 2. Enhanced Profitability	1. Revenue Growth 2. Enhanced Profitability	1. Revenue Growth 2. Enhanced Profitability	1. Strong Revenue Growth 2. Enhanced Profitability 3. Strengthening distribution Channels	1. Strong Revenue Growth 2. Enhanced Profitability 3. Strengthening distribution Channels
Alignment with UN SDGs	8	8, 9, 12	9, 12, 13	3, 4, 5, 8, 9, 10	1, 7, 2, 8, 3, 9, 4, 10, 5, 12, 6, 13	6, 12, 7, 13, 8, 15, 11

RISKS AND OPPORTUNITIES

THE TEAMS WORKING ACROSS FACTORIES, STORES, AND IN OFFICES ARE ACCOUNTABLE FOR REPORTING ANY ACTUAL OR POTENTIAL RISKS TO THEIR SUPERVISORS AND MANAGERS.

Overcoming Challenges by Effective Risk Management

The numerous difficulties which surround the business can be swiftly navigated through pre-planning and integration of enhanced risk management practices. At ABFRL, we have been adept in predicting the potential problems that we may face and in response preparing a strategy which ensures that the business stays afloat. We are also building our strength in the management of more intangible, harder-to-forecast, perilous threats, posed by geo-political tensions and climate change.

Risk Governance

At the board level, the Risk Management and Sustainability Committee (RMSC) provides an oversight on identified risks and guides on risk mitigation measures. We have a Risk Management Framework to manage and circumvent various risks plaguing the business in alignment with COSO's enterprise risk management. We also assess and minimise risks by following the Risk Management Policy. The implementation of this framework is carried out by a responsible team of professionals.

From an overall governance perspective, we have adopted both, bottom-up and top-down approaches. The teams working across factories, stores, and in offices are accountable for reporting any actual or potential risks to their supervisors and managers. These are the first line of defence in case of any probable risk. At the corporate level, the Chief Risk Officer (CRO) along with the Chief Sustainability Officer (CSO) convene periodically with the teams, continually monitor, and evaluate the risks. Both the internal and external environments are checked to limit potential risks and its impacts. The Risk Management and Sustainability Committee audits the risk management performance.

Responsibility of Risk Management:

1st line of defense

Business Operations

- Risk Ownership
- Business operations
- Process, procedure formulation

2nd line of defense

Internal Control & Risk Management

- Risk framework and policy formulation
- Compliance and oversight
- Check and challenge

3rd line of defense

Internal Audit

- Independent assurance to the BoD (internal audit and external audit)

Risk Management Process

We follow an Enterprise Risk Management framework developed as per COSO guidelines and have also integrated the Task Force on Climate-related Financial Disclosures (TCFD) alignment, to identify, track, monitor, and devise the mitigating action plan.

As the first step, we identify risks and bucket them under one of the categories—strategic, operational, financial, environmental, and compliance-related. Upon identification, we undertake an investigation or an assessment of the potential impact of the risk on the business, and its implication through a root cause analysis. The risks are then mapped on a heat map based on their potential impact and likelihood of occurrence. The heat map plots the risk in one of three risk rankings—high (red), medium (amber), and low (green). After assessing and categorising the risks, we implement necessary controls to mitigate any threats to the business.

The risk review and assessment is carried out periodically, and sometimes imminently depending on the urgency. This proactive risk management approach provides the foundation for effective decision-making and resilience in the face of evolving challenges.

We also carry out a gross risk and net risk assessment, the prior indicates the exposure of risk that is intrinsic to the business in the current environment

AS THE FIRST STEP, WE IDENTIFY RISKS AND BUCKET THEM UNDER ONE OF THE CATEGORIES—STRATEGIC, OPERATIONAL, FINANCIAL, ENVIRONMENTAL, AND COMPLIANCE-RELATED.

Governance
Ensure Appropriate management oversight is in place

Risk Management
Identify and communicate risks to management

Controls
Evaluate adequacy and effectiveness of controls / mitigation plans

before consideration of control activities, and the latter is after considering the effect of the existing risk management and control activities. There is also an upside and downside risk assessment. The upside risk is when we anticipate loss of potential opportunities for growth, cost savings, etc., and the downside risk is direct negative impacts to the organisation if manifested in the form of financial penalties, regulatory non-compliance, etc.

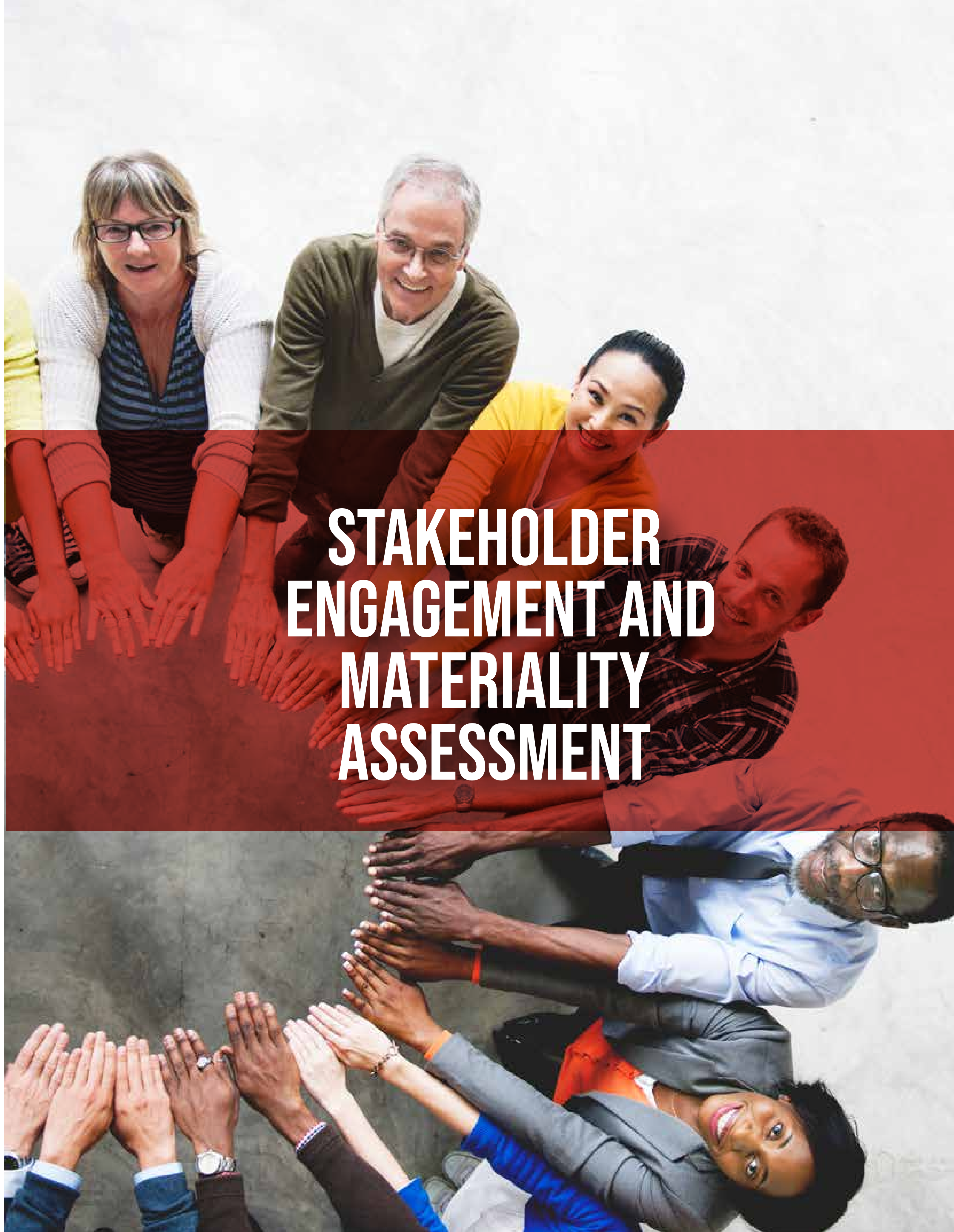
After undertaking mitigating actions, we incorporate them in our standard operating procedures as corrective measures to ensure that the impact of such a risk is minimised and prevented. The risk management framework is internally audited during the year.

We have identified risks for our business based on the likelihood and magnitude and have taken appropriate action plans to overcome them. The details on these risks identified by the business are in our Management Discussion and Analysis section of the report.

Emerging Risks

To ensure that we are prepared to manage the risks, which will impact us in the near-term and have prepared the preventative as well as mitigating action plan to overcome the challenges.

Risk	Description	Impact	Mitigation Strategy
Increase in competition intensity	Given its presence across multiple categories & segments, the company encounters competition from a wide array of domestic and international players in the retail, wholesale, and e-commerce sectors.	Intense competition from domestic and international players in India's fashion market may lead to loss of market share, volatile pricing and increased markdowns.	To mitigate the impact of increasing competitive intensity, company prioritizes product upgradation, exceptional customer experiences, and strong brand identity. By tailoring strategies to customers' needs, we not only drive demand but also foster long-term relationships, which helps differentiate and ensures sustained customer loyalty amidst rising competition.
Quality and Cost of Retail Space	Securing quality retail spaces has become increasingly challenging due to heightened demand from various other retail entities and limited availability of good spaces, causing rental costs to increase.	Acquiring retail space in more popular areas might be cost in-effective, and pushing the costs to customers can lead to driving the loyal-customer base away, and lower profit margins.	We have built strong relationships with mall owners and developers to secure long-term leases. We also enhance store appeal through retail identity refreshes, renovations, rebranding, and improved customer navigation for a better shopping experience.
Data Security	Leakage and/or loss of business information due to cyberattacks/ data breaches by third-party.	Downtime in critical business systems, including black swan events disrupting operations and threatening business continuity.	The risk is mitigated through the establishment of Disaster Recovery (DR), Business Continuity Plan (BCP), Data Loss Prevention (DLP) and Security Information and Event Management (SIEM) technology. Periodic monitoring and reporting of incidents are conducted, including the identification of root causes for each incident and ensuring that they are addressed appropriately.



STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

STAKEHOLDER ENGAGEMENT

TO ENSURE OUR SUCCESS AND LONG-TERM VALUE CREATION, WE ACTIVELY ENGAGE WITH OUR STAKEHOLDERS THROUGH DIVERSE COMMUNICATION CHANNELS, SOLICITING THEIR INPUT AND FEEDBACK.

At ABFRL, we recognise the importance of stakeholder engagement in informed decision-making, as it facilitates a dynamic exchange of ideas and helps us build trust with our stakeholders. To ensure our success and long-term value creation, we actively engage with our stakeholders through diverse communication channels, soliciting their input and feedback. This ongoing dialogue enables us to understand their concerns and align our business initiatives with their expectations. By prioritising and addressing their issues, we foster a sense of trust and collaboration.

Our stakeholder engagement process is guided by the principles of the Aditya Birla Group's Stakeholder Engagement Policy. We identified and prioritised key stakeholders from relevant stakeholder groups such as, investors, employees, customers, suppliers, regulatory bodies media, communities, and NGOs. Through targeted stakeholder engagement exercises, we interact with representatives from each group to understand their concerns and gather valuable feedback.

Approach to Stakeholder Engagement

IDENTIFICATION	Identify stakeholders with whom we interact and are dependent on for execution of our business responsibilities	P
PRIORITISATION	Prioritise stakeholders and assess to what extent each stakeholder group identifies the issue as important	P
ALIGNMENT WITH BUSINESS OBJECTIVES	Assess to what extent each of the issues identified contributes to the achievement of the strategic business objectives	PS

P - Primary Research (Stakeholder Consultation) S - Secondary Research (Document Analysis)

Engagement Mechanism

We actively participate in diverse forums and discussions, enabling us to assess and compare our stakeholder responses. Leveraging our group-level guiding principles and policies, we developed a streamlined approach to stakeholder engagement, enhancing efficiency and efficacy.

Stakeholder Groups	Whether identified as a vulnerable or marginalised group	Significance of relationship	Channels of communication	Frequency of engagement	Stakeholder expectations	Our Approach
Suppliers	No	Suppliers provide us with raw materials, textiles and finished goods that define the quality of our products. Suppliers are strategic partners in influencing the brands' reputation, product quality, cost, reliability and sustainability.	• Periodic vendor communications • Supplier meets/summits • Corrective action plans formation post-supplier assessments including capacity building	Continual	• Business continuity • Capacity building • Timely payment • Good deals/pricing • Integration of sustainability aspects across he supply chain	• Supplier Code of Conduct • Sustainable Supply Chain and Procurement Policy • ESG screening and assessment of suppliers • Supplier development • Priorities procurement from local suppliers and women entrepreneurs
Investors	No	Investors provide financial resources to achieve long-term business growth and stability.	• Annual report • Annual general meeting • Company website • Analyst calls • Investor meets and roadshows • Press releases • Communication from stock exchanges • SEBI's registered registrar and transfer agents	Continual	• Performance and growth with respect to revenue and market share • Capital allocation to investments for improved environmental performance • Product and Process innovation • Internal and external communication about sustainability practices • Effective risk management • Transparent business practices	• Regular updates on operational and business performance • Focus on cost optimisation and product/process innovation • Emphasis on sustainable products and packaging • Enterprise risk management framework • Corporate governance framework

Stakeholder Groups	Whether identified as a vulnerable or marginalised group	Significance of relationship	Channels of communication	Frequency of engagement	Stakeholder expectations	Our Approach
Employees	No	Employees are the driving force behind the Company's success. Their efforts ensure the smooth functioning of business, customer satisfaction and long-term growth.	• Mails • Intranet portals • Grievance redressal mechanism • Vibes Survey • Employee engagement and wellness programmes • Townhalls • Employee Feedback sessions	Continual	• Fair Wages and equal opportunities • Skill enhancement and career growth • Employee well-being • Rewards and recognition • Occupational health and safety	• Timely salary payments and ensuring minimum wages for all • Zero tolerance for harassment and discrimination at workplace • Learning and development programmes through ABFRL University, Gyanodaya, ABFRL Digital Academy, etc. • Physical, emotional and financial wellness programmes • Robust rewards and Recognition programmes • Safe working environment • Health and safety training and awareness programmes
Customers	No	Customers are key to business growth as they are the drivers of sales and revenue	• Interactions at stores • Social media interactions • Online and mobile initiatives • Customer satisfaction surveys • Customer feedback mechanisms	Continual	• Post-sales support • Quality and Sustainable Products	• Ensuring product quality • Openness to feedback • Prioritising customer satisfaction • Timely resolution of queries/ grievances • Focus on sustainable products and packaging
Media	No	Media drives business growth and increases visibility by projecting our vision and strategy to stakeholders	• Press releases • Media interactions • PR agency partnerships	Continual	• Transparent communication	• Regular communication through press releases, interviews, etc.

Stakeholder Groups	Whether identified as a vulnerable or marginalised group	Significance of relationship	Channels of communication	Frequency of engagement	Stakeholder expectations	Our Approach
Community	Yes	Community engagement enhances brand reputation and strengthens our commitment to upholding a social license to operate	• Community needs assessment surveys • Disaster management workshops • Community visits • Satisfaction surveys • Meetings with community heads • Community development programmes • Impact assessment	Continual	• Community development • Livelihood and Employment opportunities • Improvement in overall living standards • Access to clean water and sanitation	• Community infrastructure development • Focus on providing quality education • Focus on providing skill development and livelihood opportunities • Health camps and awareness sessions • Promote digital literacy
Government and Regulatory Bodies	No	Government and Regulatory Bodies monitor and regulate our business operations ensuring legal compliance.	• Annual Reports • Communication with regulatory authorities • Mandatory filings with regulators (including SEBI)	Quarterly/Half-yearly/Annual	• Compliance with laws and regulations	• Ensuring compliance with laws and regulations • Regular payment of taxes

MATERIALITY ASSESSMENT

During the reporting period, we conducted a comprehensive double materiality exercise and carry out a review of the assessment on an annual basis. We engaged with both internal and external stakeholders, including top management, employees, consumers, academia, industry associations, CSR implementing agencies, investors, suppliers and vendors, franchisees, and service providers, to identify actual and potential impacts of our business activities on the society, economy, and the natural environment. Our stakeholder engagement process involved assigning a weightage to each stakeholder group based on their ability to influence or be influenced by ABFRL's performance and operations.

We carried out sectoral research, market trend analysis, peer review, from secondary sources while formulating the potential impacts of our operations on the people, planet, and the economy. Our analysis considered short-, medium-, and long-term impacts.

After collating the responses from the stakeholders, we evaluated the significance of each topic in relation to the four aspects - people, the planet, profit, and urgency to act. We also determined financial implications of these topics based on their probability of occurrence and financial effects of the risk and opportunities.

The severity of impacts was rated on a scale of 1 (no impact) to 4 (high impact), allowing us to evaluate the final scoring for each impact and its associated material topics. We used advanced qualitative analysis tools to support our analysis. Basis the analysis, the universe of material issues was plotted in a 2x2 matrix to prioritise the material issues for ABFRL based on their influence on stakeholders and business.

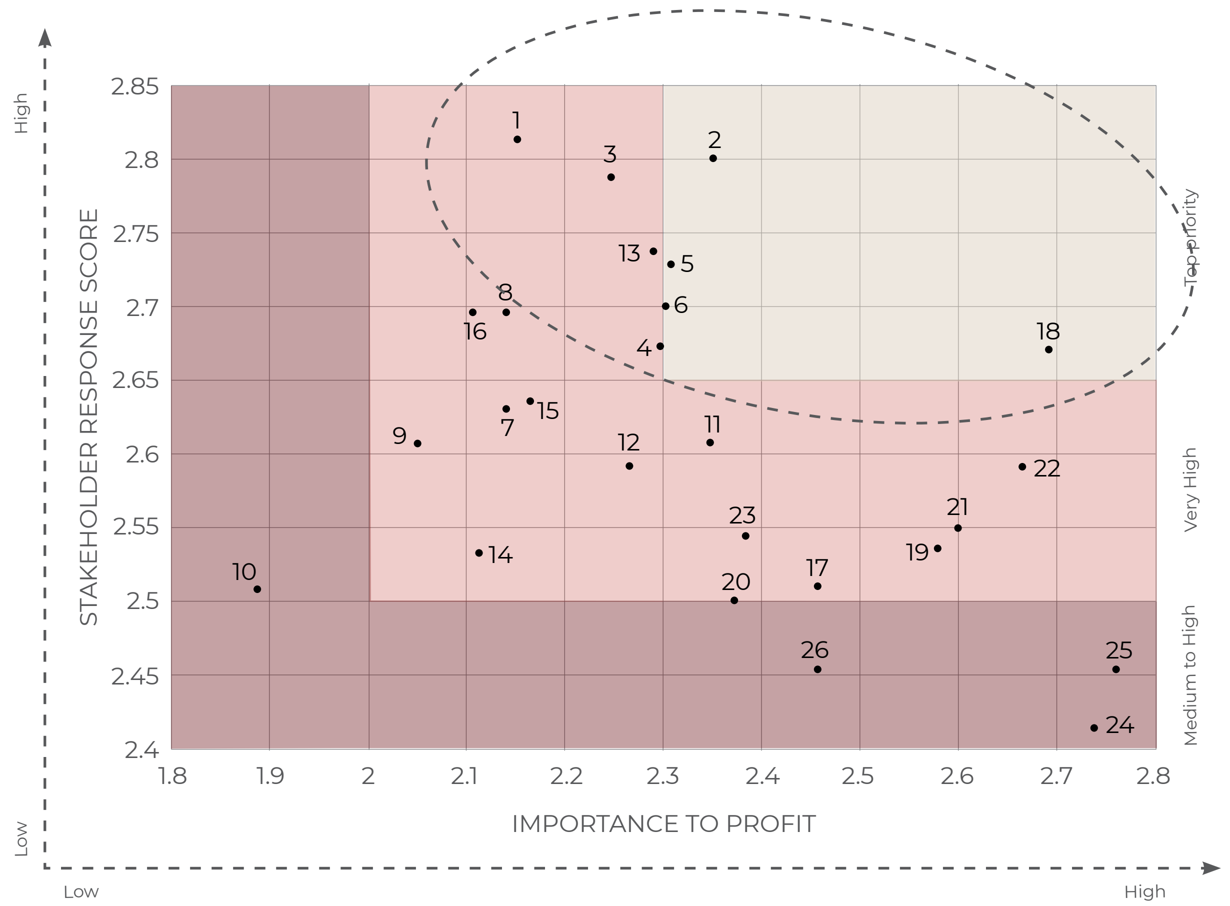
The results of the materiality assessments were reviewed and signed off by the board, and an independent third party verified the assessment process. The materiality assessment is integrated into our Risk Management Framework and the key material topics are linked with the Company's significant risks.

In the reporting period, we have identified new material topics which are of high significance to us and our business. We have added topics such as Product Quality and Safety, and Climate Change. The growing relevance of both the topics in the context of the retail business and for the society was the key rationale for our stakeholders to identify as 'high relevance' to us. We also believe that it is pertinent and urgent to take relevant mitigating actions wherever applicable in accordance with our sustainability strategy in the rapidly evolving and unpredictable environment. Moreso, there are financial consequences of negligence for both these topics which will impact the business adversely either now or in the future. Amongst others, until last year, we considered packaging and innovation as material topics.

Material Topic Identified	Risk or Opportunity	Rationale for identifying Risk/ Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk/ opportunity	GRI Mapping	KPIs	Capital Linkage
Resource Management- Energy and Water	Opportunity and Risk	• The fashion industry, known for its high levels of waste, pollution, and resource consumption, is seen as a major contributor to climate change. Excessive and inefficient use of resources can lead to higher operational costs, regulatory penalties, and negative environmental impacts, damaging brand reputation. • However, efficient resource usage and focus on raw materials and processes with lower environmental impact can result in cost savings, increased customer loyalty, the opening of new market segments and a stronger brand image.	• We are redesigning our products to increase their wardrobe life; revamping production processes to minimise their environmental impact; and creating morse avenues to reuse them as raw material once they reach their end-of-life stage. • We have established various systems and protocols, including in-house developed product Sustainable Attributes, Sustainable Supplier Index and global assessment frameworks such as the Higg Index. These tools ensure that sustainability is integrated into various facets of the product life cycle to improve environmental and social sustainability performance and address the risks and opportunities across the value chain.	Positive	GRI 302: Energy 2016 GRI 303: Water and Effluents 2018	• Energy consumption within and outside the organisation • Energy Intensity • Reduction of energy consumption • Water withdrawal • Water discharge • Water consumption	Natural Capital
Climate Change	Risk	• The carbon footprint of a garment largely depends on the material. While synthetic fibres like polyester have less impact on water and land than grown materials like cotton, they emit more greenhouse gasses per kilogram. • It is crucial to effectively manage emissions from across the value chain to limit the potential negative impact of climate change.	• We have adopted various initiatives across Scope 1 & 2 emissions and initiated dialogue with stakeholders for mitigating Scope 3 emissions across the value chain. • We are enhancing the share of renewable energy and reducing our carbon and water footprint at both facility and product levels to effectively address climate change and its impacts. • We have a 2025 target to utilise renewable energy to run all of our operational facilities and achieve a 5% reduction in Scope 3.	Negative	GRI 305: Emissions 2016	• Scope 1, 2 and 3 emissions • GHG emissions intensity • Reduction of GHG emissions • Emissions of ozone-depleting substances (ODS)	Natural Capital

Material Topic Identified	Risk or Opportunity	Rationale for identifying Risk/ Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk/ opportunity	GRI Mapping	KPIs	Capital Linkage
Waste Management and Circular Economy	Risk	• The repercussions of fast fashion are multi-faceted and need to be monitored closely. It contributes to significant pollution, resource depletion, and textile waste, with vast amounts of clothing ending up in landfills, leading to increased scrutiny from regulators. • It becomes crucial to effectively manage this waste and adopt the circular economy approach to maintain a positive brand image and gain customer loyalty.	• We continued to accelerate the transition from linear to circular models by integrating circular principles in our own operations and across the value chain. • Our in-house operations have achieved 'Zero Waste to Landfill certification. • The entire non-hazardous waste in our facilities is either recycled or reused, and a small quantity undergoes composting, which is used as bio-manure for farming. • Our collaboration with Germany's GIZ focuses on material innovation, reducing inputs of harmful substances, increasing textile-to-textile recycling, developing alternatives to plastic packaging, and fostering traceability. • We have undertaken a commitment to recycle or upcycle 10% of products by volume.	Negative	GRI 306: Waste 2020	• Waste generated • Waste diverted from disposal • Waste directed to disposal	Natural Capital
Sustainable Product	Opportunity	• There is a growing consumer demand for responsibly produced clothing. By adopting sustainable practices, we can attract and retain eco-conscious customers and enhance our brand loyalty and reputation. • Through product and process innovation, we can help lower the environmental footprint of our products across own operations and value chain.	• We are focusing on the design and development of products through a 'clean by design' approach and enhancing sustainability attributes of the products by adopting alternate materials, eliminating single-use plastic, and deploying sustainable production processes and procurement practices.	Positive	GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016	• Garments with sustainable attributes • Suppliers assessed with ESG parameters	Intellectual Capital, Natural Capital, and Social and Relationship Capital
Product Quality and Safety	Opportunity	• Product quality and safety can help us gain a competitive edge in the market. • High-quality, safe products foster consumer trust and loyalty, enhancing brand reputation and encouraging repeat purchases.	• Suppliers play a crucial role in ensuring the quality of the final product. We have implemented a Quality Management System to ensure high-quality products. • We undertake the Vendor Quality Performance Index (VPQI) and Quality Index Number (QIN) to assess supplier product quality and conduct regular training sessions with front-end channel and distribution network partners.	Positive	GRI 416: Customer Health & Safety 2016 GRI 417: Marketing and Labelling 2016	• Products assessed on health and safety impacts • Non-compliances concerning the health and safety impacts of products, information and labelling and marketing communications	Social and Relationship Capital
Occupational Health and Safety	Risk	• Manufacturing plants are at a higher risk of hazards with improper health and safety measures causing delirious effects on the health and safety of the workforce.	• Our safety management system framework takes reference from Aditya Birla Group Technical Standards adhering to all the national and international standards and regulations on health and safety. • We have implemented a comprehensive OHS Policy across all operations and have established a robust safety governance at our factories, warehouses, and regional and corporate offices to monitor our safety performance.	Negative	GRI 403: Occupational Health and Safety 2018	• Work-related injuries • Work-related ill health	Human Capital

Materiality Matrix

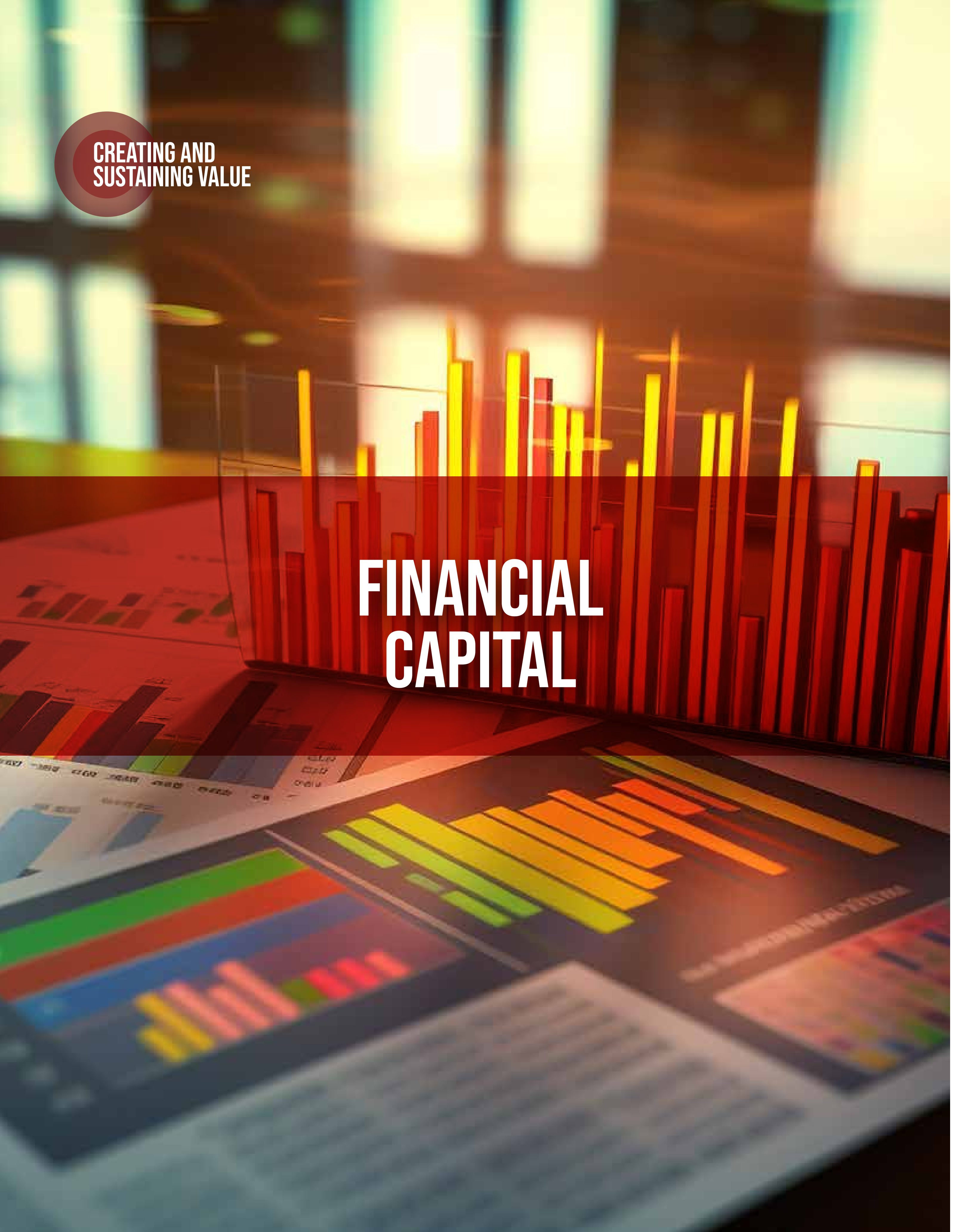


1.	Climate Change	14.	Diversity, Inclusion and Equal Opportunity
2.	Resource Management - Energy and Water	15.	Corporate Social Responsibility
3.	Waste Management	16.	Human Rights
4.	Circular Economy	17.	Customer Satisfaction and Relationship Management
5.	Sustainable Product	18.	Product Quality and Safety
6.	Sustainable Packaging	19.	Corporate Governance
7.	Sustainable Raw Material	20.	Disclosure and Transparency
8.	Sustainable Supply Chain	21.	R&D and Innovation Management
9.	Land Use Change and Biodiversity	22.	Digitalization and Automation
10.	Animal Welfare	23.	Data Privacy and Security
11.	Employee Wellbeing and labor practices	24.	Competitive Positioning
12.	Human Capital Development	25.	Economic Performance
13.	Occupational Health and Safety	26.	Stakeholder Engagement and Management

As a result of the double materiality assessment, the highlighted topics are the top (identified) material areas for our business.

TARGETS AND THE ACHIEVEMENTS FOR FY 2023-24

Topics	Target 2025	Progress – FY24
RESOURCE MANAGEMENT ENERGY AND WATER	50% Renewable Energy	• 67% of energy from renewable energy sources across ABFRL owned facilities
	Water Positive	• Water positive across all facilities
CLIMATE CHANGE	5% reduction in Scope 1 and 2 Carbon Emissions (in tCO_2e)	• 3.8% reduction in Scope 1 & 2 emissions across ABFRL operations due to renewable energy and energy efficiency measures
	Scope 3 baseline Computation	• Streamlined and accounted Scope 3 emissions at ABFRL level. SBTi target validated for Base year 2023.
SUSTAINABLE PRODUCT	50% garments by volume to have at least one sustainable attribute	• 89.2% of garments have at least one sustainability attribute
SUSTAINABLE PACKAGING	100% sustainable packaging	• 88.9% of our packaging is sustainable
GREEN BUILDING	To minimise the environmental impacts from our built environment across facilities by pursuing green building certification	• ~14.5 Lakh sq. ft. of our Built Environment is green building certified
	Net-Zero Energy Buildings	• Pilot of 1 facility to be LEED Zero Energy and carbon under the USGBC rating system is under progress
WASTE MANAGEMENT AND CIRCULAR ECONOMY	Zero Waste to Landfill	• Zero Waste disposed to landfill across facilities • 100% Waste Traceability across owned facilities • LEED - TRUE ZERO WASTE Certification in one facility, Fashion Craft Ltd.
OCCUPATIONAL HEALTH AND SAFETY	Zero Harm - No incident of ' Category 5' at our premises	• No fatality reported in the year • 0.03 LTIFR for employees for the year • 16272 man-days of safety training provided



FINANCIAL CAPITAL

FOCUS AREAS

- FOCUSING ON NEW BUSINESSES TO DRIVE OVERALL REVENUE
- COST OPTIMISATION
- UNLOCKING VALUE THROUGH THE DEMERGER

CONTRIBUTION TO SDGS

8 DECENT WORK AND ECONOMIC GROWTH

INTERLINKAGE WITH OTHER CAPITALS

Manufactured Capital	Human Capital	Intellectual Capital	Natural Capital	Social and Relationship Capital

We at ABFRL, believe that the financial capital in the fashion and retail industry requires a precise blend of strategic vision and operational agility. In an ever-evolving landscape where trends shift as swiftly as customer preferences, securing a solid financial base becomes pivotal for long-term growth and stability.

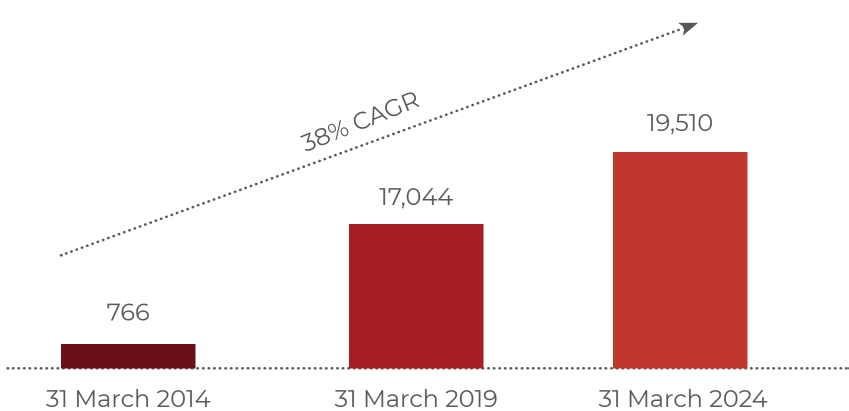
As the Company charts its course to rise its position in the Indian fashion and retail industry, our dedication towards sustainable value creation stands firm. Our key priorities include continuing to progress in line with our long-term strategy of developing brand identities, which are both strong and timeless, forging a path towards sustainable expansion and strengthening our ties with all the stakeholders.

AS THE COMPANY CHARTS ITS COURSE TO RISE ITS POSITION IN THE INDIAN FASHION AND RETAIL INDUSTRY, OUR DEDICATION TOWARDS SUSTAINABLE VALUE CREATION STANDS FIRM.

SHAREHOLDER VALUE CREATION

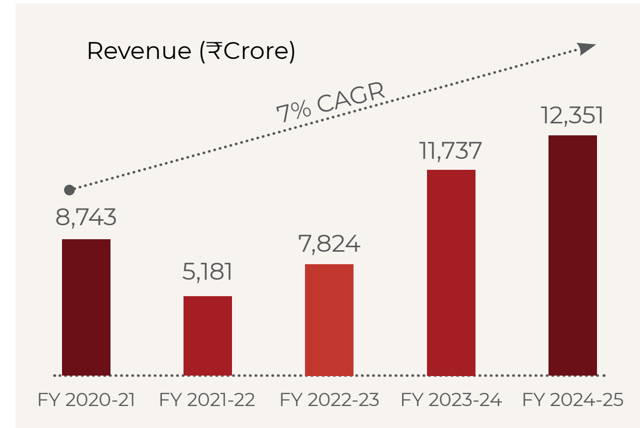
Enhancing shareholder value stands as the cornerstone of our company's strategy. The indicator of this commitment is the remarkable surge in market capitalisation escalating from ₹766 Crore as of 31 March 2014 to a staggering ₹19,510 Crore as of 31 March 2024, This substantial growth underscores the mounting confidence of the investors and bodes well for shareholders as their ownership stakes risen exponentially. We cherish the steadfast trust and backing extended by our shareholders, who have not only invested their capital but also their unwavering confidence in our future growth trajectory.

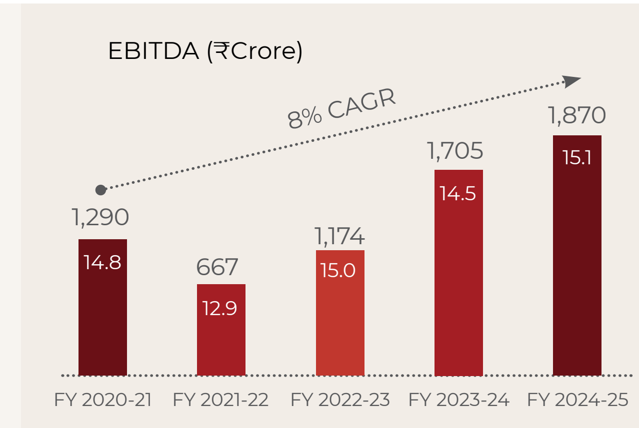
Market Capitalisation (₹Crore)



FINANCIAL PERFORMANCE

Key Financial Highlights





Economic Performance (In ₹Crore)

Particulars	FY 2022-23	FY 2023-24
REVENUE FROM OPERATIONS	11,737	12,351
OTHER INCOME	110	214
ECONOMIC VALUE GENERATED	11,847	12,565
OPERATING COSTS	8,782	9,305
EMPLOYEE WAGES AND BENEFITS	1,338	1,366
PAYMENT TO PROVIDERS OF CAPITAL	424	741
PAYMENTS TO GOVERNMENT	18	21
COMMUNITY INVESTMENTS	4	4
DEPRECIATION AND OTHER EXPENSE	1,114	1,364
ECONOMIC VALUE DISTRIBUTED	11,681	12,800
ECONOMIC VALUE RETAINED*	166	-235

* Economic value retained = Direct economic value generated - Economic value distributed

The number of days of accounts payables is represented below:

	FY 2022-23	FY 2023-24
NUMBER OF DAYS OF ACCOUNTS PAYABLES* (₹CRORE)	64.69	76.43

*Average trade payable days are considered for material

Parameters	Metrics	FY 2022-23	FY 2023-24
CONCENTRATION OF PURCHASES	Purchases from trading houses as % of total purchases*	41%	40%
	Number of trading houses where purchases are made	3	3
	Purchases from top 10 trading houses as % of total purchases from trading houses	100%	100%
CONCENTRATION OF SALES	Sales to dealers/distributors as % of total sales	29%	25%
	Number of dealers/distributors to whom sales are made	3,115	3,078
	Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	66%	61%
SHARE OF RPTS IN	Purchases (Purchases with related parties/Total Purchases)	0.05%	0.05%
	Sales (Sales to related parties/Total Sales)	0.02%	0.8%
	Loans and advances (Loans and advances given to related parties/ Total loans and advances)	63%	97%
	Investments (Investments in related parties/Total Investments made)	90%	80%

*Total purchases include the purchase of materials

KEY FOCUS AREAS

THE INDIAN FASHION AND APPAREL SECTOR, VALUED AT OVER USD 70 BILLION, IS SET FOR DOUBLE-DIGIT LONG-TERM GROWTH.

Building brands in the high growth segments

In the fashion and retail industry, it is essential for companies to adapt to the ever-changing demands of customers and market trends. To achieve this, we have diversified and built businesses around significant and meaningful categories with a brand-led play utilising both in-organic as well organic strategies. These businesses include – Ethnic portfolio, Digital first portfolio, Sportswear, Innerwear, Luxury Retail, Value Retail and Youth Western wear. The new businesses have been significant growth drivers over past few years, with their contribution to overall sales increasing from approximately 16% in FY 2022-23 to 24% in FY 2023-24. We will continue to strengthen our presence and drive the growth and success of our brands by expanding distribution, enhancing brand recognition, and leveraging existing knowledge and insights.

Cost optimisation

Throughout the current challenging times, where sales remained sluggish, we remained focused on prioritising the right channels and structurally look at controlling costs by taking necessary actions to ensure the long-term financial health of the business and the strength of our distribution network.

- We closed under-performing stores to reduce fixed costs. We have pruned our current store network to 4,664 stores due to slow recovery in certain markets and the changing retail landscape.
- Additionally, we have strategically refined our

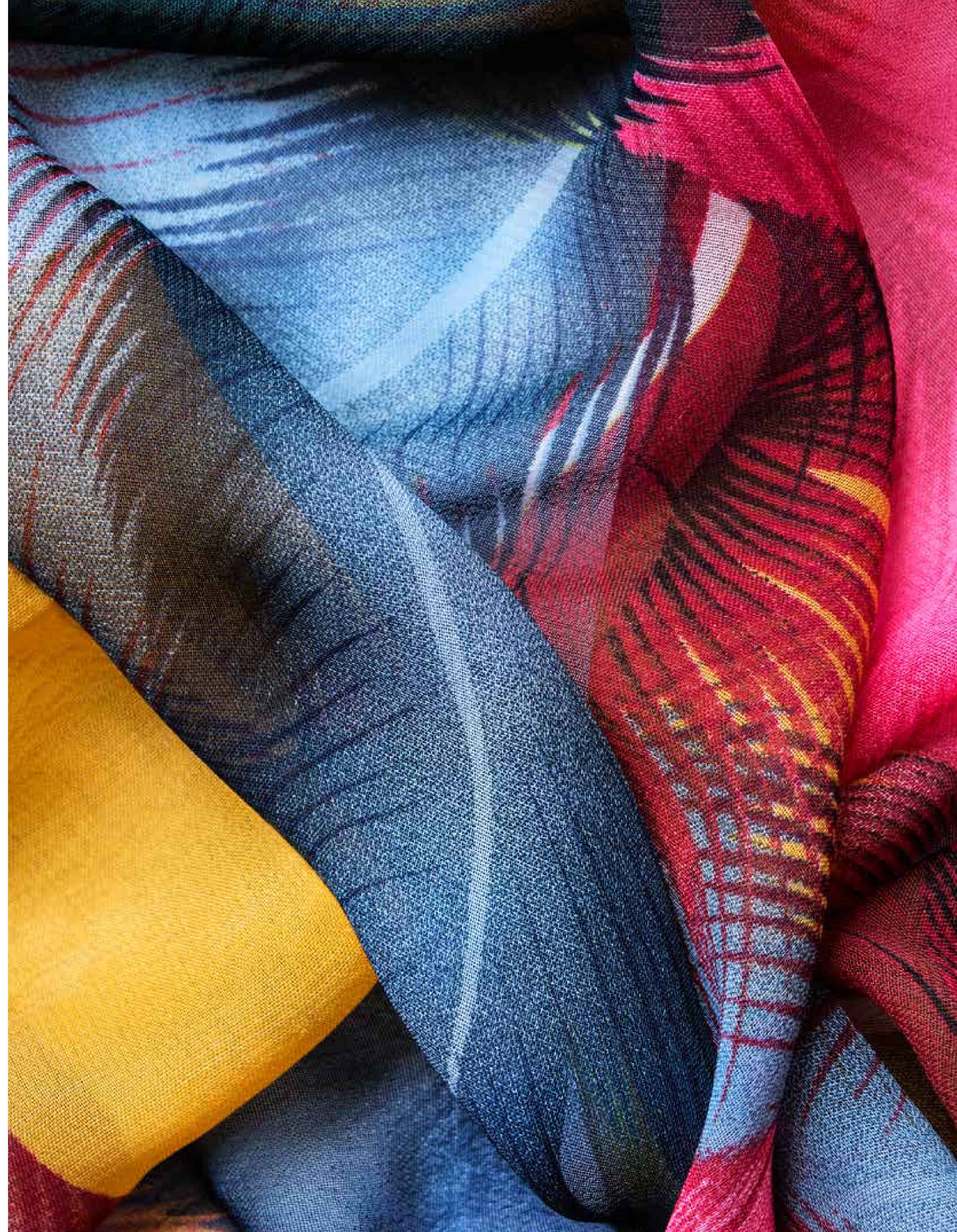
discounting practices to align with our broader objective of elevating our brands to a more premium market position. This shift has led to gains due to lower discounting.

- Another key strategy has been prioritising more profitable channels. We have strategically reallocated resources to these channels, successfully boosting overall profitability despite a reduction in volume and value in less profitable areas.

These initiatives collectively reflect a strategic approach to cost optimisation, ensuring sustainable growth and profitability.

Unlocking value through demerger

The Indian fashion and apparel sector, valued at over USD 70 billion, is set for double-digit long-term growth. Over the years, we have expanded from five brands in two categories to a dynamic portfolio of over 20 brands spanning across lifestyle categories. This portfolio evolution has closely tracked shifting consumption trends by capitalising on significant value-creation opportunities. The demerger will sharpen our focus through a distinct strategy tailored to individual business segments. This streamlined structure will help to unlock value-creation opportunities and significantly enhance long-term stakeholder value through strategic realignment.



MANUFACTURED CAPITAL

FOCUS AREAS

- EXPANDING RETAIL FOOTPRINT
- DRIVING OPERATIONAL EFFICIENCY
- DIGITALISING OUR OPERATIONS

KEY HIGHLIGHTS

- **2.45 Crore** Garments produced
- **37,500+** Multi-brand Outlets
- **11.9** Million sq. ft. Retail Space
- Across **900+** cities
- **4,000+** Stores

CONTRIBUTION TO SDGS

- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

INTERLINKAGE WITH OTHER CAPITALS

- Social and Relationship Capital
- Financial Capital
- Intellectual Capital
- Natural Capital
- Human Capital

BUSINESS OVERVIEW

As India's most prominent apparel retail and manufacturing company, we have established a wide network with 4,664* brand stores, 11.9 million sq. ft. retail footprint, 10 factories, and 11 warehouses. In the past decade, we have developed a diverse brand portfolio in addition to our robust manufacturing capacities.

PROPOSED ABLBL

Lifestyle Brands

Our Lifestyle brands portfolio comprises esteemed Indian apparel brands: Louis Philippe, Van Heusen, Allen Solly, Peter England and others. These well-established brands cater to diverse customer needs and preferences, offering a comprehensive portfolio of products.

The brands have a manufacturing footprint with 10 factories across the country and a robust value chain. In our manufacturing factories, only stitching and tailoring activities are carried out post which the final product is sold through multiple channels, namely retail, wholesale and E-commerce.

Innerwear

We forayed into the innerwear and athleisure market through our brand, Van Heusen, which has met with notable success in a short period of time. Since 2016, brand has consistently scaled its distribution network and now has a vast multi-brand outlet (MBO) footprint of ~35,000 trade outlets and the EBO network of 100+ stores. The brand is also now available across key departmental stores, and large e-commerce platforms.

Sportswear

We acquired Reebok India business by signing agreements in FY 2021-22, to strengthen our sportswear portfolio in the youth fashion space. From 1 October 2022, the Reebok business transitioned into ABFRL and has commenced expanding its presence by launching new stores, relaunching its website Reebok.in, and initiating marketplace operations

Retail Network
Lifestyle Brands**

3,728
Area (000s sq. ft.)

2,679
Stores

Youth Western Wear

This segment consists of American Eagle and Forever 21. American Eagle is among one of the top choices for "Premium Denim" in India, given its reputation for premium product quality, diverse range, and an elevated shopping experience across channels.

THE BRANDS HAVE A MANUFACTURING FOOTPRINT WITH 10 FACTORIES ACROSS THE COUNTRY AND A ROBUST VALUE CHAIN.

*Includes 24 stores in the International Market (out of the Scope of Reporting)

**excludes value stores

DE-MERGED ABFRL

Masstige and Value Retail Formats

Our company's masstige and value retail formats, including Pantaloons and Style Up, have been strategically designed to cater to the Indian middle-class customers' demands for affordable and fashionable products. Pantaloons, a leading retailer in the masstige segment, has established a robust presence across India, with 417 stores nationwide.

As a retailer, Pantaloons outsources manufacturing to ensure efficient operations and focuses on strengthening its private label portfolio through new brand introductions and enhanced design aesthetics.

Style Up's value proposition is uniquely designed for value-conscious fashion shoppers, aiming to offer stylish and trendy everyday fashion at budget-friendly prices. Style Up's consumer base is spread across diverse markets, spanning from metros to smaller cities and towns, throughout the country.

Luxury Retail Formats

Our portfolio includes 'The Collective,' one of India's largest multi-brand retailers of luxury and bridge to luxury brands, alongside select mono brands such as Ralph Lauren, Fred Perry, Ted Baker, and Hackett London. The luxury portfolio has been further enhanced through our partnership with Galeries Lafayette. The flagship store will house over 200 luxury brands, creating a world-class destination for global luxury brands tailored for Indian consumers. The first store under this partnership is under development and is expected to be launched next year.

Ethnic wear Brands

The ethnic wear market is the largest segment in Indian apparel industry. This category accounts for around 30% of the overall apparel market in the country and its organized market is expected to grow at a double digit CAGR over next few years. In line with its stated strategy, company has already built a comprehensive portfolio and is present across multiple occasions and price points.

- **Ethnic Brands** currently one of India's most comprehensive ethnic wear portfolio comprising
  - **Designer led brands** of Sabyasachi, Shantnu & Nikhil and House of Masaba
  - **Premium ethnic wear brands** of Jaypore, Tasva & TCNS portfolio (W, Aurelia, Elleven, Folksong and Wishful)

Digital First Brands - TMRW

To capitalise on the growing E-commerce market, we established a new entity, TMRW, in April 2022 to build digital native brands targeting GenZ and millennials. TMRW adopts a 'Brand Builder' approach, leveraging in-house data science backed technology to provide comprehensive central support to all brands. TMRW is well positioned to become a leading House of Brands player by building on the strong ABFRL and ABG foundation, bringing in deep E-Commerce as well as technology capabilities and an ability to deploy capital with a long-term view.

Retail Network
Pantaloons

5,722
Area (000s sq. ft.)

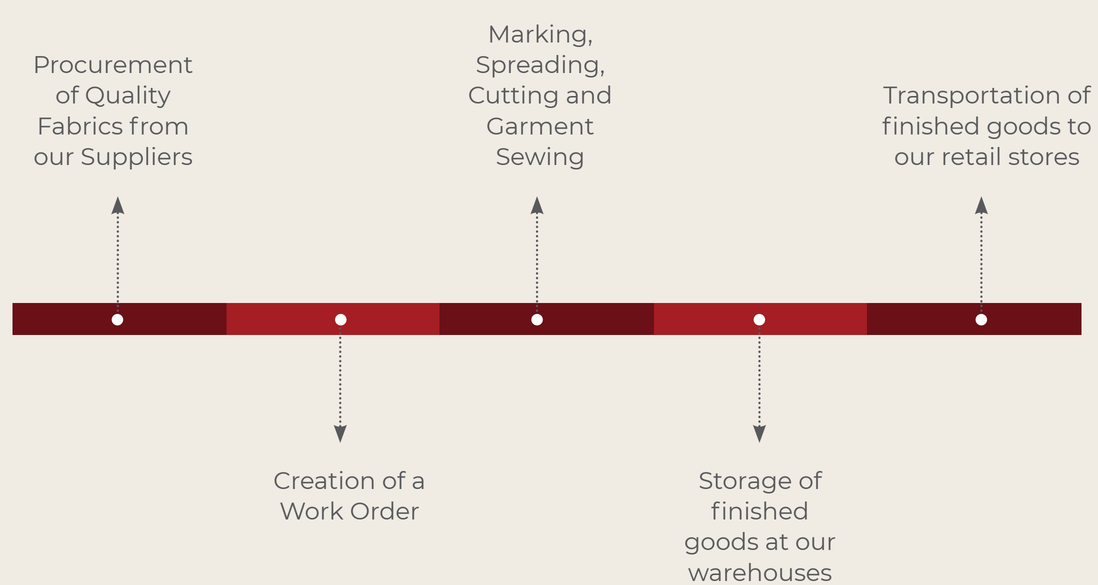
417
Stores

DRIVING OPERATIONAL EFFICIENCY

As part of Madura Fashion and Lifestyle, we operate ten manufacturing facilities dedicated to garment production. While we specialise in the sewing of garments, we do not directly manufacture fabric. Recognising that fabric constitutes the primary cost and any mismanagement can lead to substantial losses in time and resources, we have prioritised optimising fabric consumption and enhancing productivity through streamlined and automated processes.

One critical process that we have refined is marker making. This process is crucial for arranging pattern parts efficiently. Manual execution of this process could consume 15% of productive time and result in 2% fabric wastage. Similarly, spreading and preparing fabric layers for cutting and sewing traditionally incurred a 1% fabric wastage. To address these inefficiencies, we implemented a standardised 'Fabric Evaluation Process' encompassing validation, pattern, hardness, and symmetry checks, significantly reducing time and errors. Automation through advanced software enables bulk marker generation, while an accompanying application determines optimal pinning positions, minimising personnel time.

Furthermore, fabric transportation for cutting posed challenges due to shifting during transit. Leveraging pneumatic lay stapling technology, we ensured fabric stability during transport to the auto-cutter, optimising the cutting process. These initiatives collectively yielded annual cost savings of ₹0.22 Crore, reduced workforce requirements by six personnel simultaneously and enhanced process efficiency by 1.7%.



Effect on Fabric Consumption

	Shirt	Blazer	Trouser
Fabric Used Before (in metres)	1.47	1.65	1.27
Fabric Used After (in metres)	1.45	1.62	1.24

IMPROVING EFFICIENCY THROUGH MICRO MANUFACTURING

The cost of manufacturing a garment plays a significant role in remaining competitive. Hence, to reduce costs, we have implemented a Hub and Spoke model as a part of which, micro-manufacturing facilities (Spoke) will be set up in the rural areas within a 100 km distance from the existing manufacturing facilities and controlled by a parent factory (Hub). These facilities will produce 40,000 garments/month using less than 4,000 sq. ft. of space, thus resulting in a 44% reduction in manufacturing cost per shirt. We are providing technical training at the facilities and allowing for cross-deployment of high performers from hub plants to other micro manufacturing units.

This lean manufacturing model occupies less space integrated with sewing and finishing, resulting in higher efficiency, lower lead times, and smaller run capabilities by employing fewer people than existing manufacturing facilities. These manufacturing facilities have resulted in shorter employee commutes and increased employment opportunities.

DIGITALISING OUR OPERATIONS

At ABFRL, we embrace digital transformation by digitalising operations across all facets of our business. We encompass a collection of widely recognised brands and retail formats that cater to a broad range of customer needs. Our brands are expanding their digital presence, enabling customers to browse and purchase products online, thereby expanding our reach and enhancing convenience. We have developed in-house capabilities, allowing our brands to build e-commerce platforms, including dedicated websites, mobile sites, mobile apps, and virtual stores. Additionally, our capabilities enable seamless integration with over ten marketplaces, expanding our reach and visibility.

Our Pantaloons website has improved its interface by incorporating hyper-personalisation capabilities. Our Lifestyle brands—Peter England, Louis Philippe, Van Heusen, Allen Solly, and Simon Carter, have a multi-brand website allowing a seamless online shopping experience. Our brands, Tasva and Love Child by Masaba, have also launched their e-commerce websites. We have prioritised enhancing our e-commerce platforms, focusing on personalisation, hyperlocal capabilities, content management, and performance optimisation.

Leveraging cutting-edge technology, such as inventory management systems and data analytics, we have streamlined our supply chain, reducing inventory holding costs and minimising stockouts. Our integrated order management and supply chain system offers a unified view of inventory across all digital channels, spanning warehouses and stores. This seamless integration ensures efficient fulfilment processes and enables seamless omnichannel capabilities, providing customers with a consistent online or in-store shopping experience. We have established a robust omnichannel infrastructure with approximately 2,000 brand stores and around 300 fully omnichannel-enabled Pantaloons stores.

Furthermore, we have optimised our store layout and staffing schedules, ensuring that resources are allocated efficiently to meet customer demands. Integration with analytics and marketing automation platforms enables customer funnel tracking and real-time notifications. Our cloud-based Point-of-sale system across over 2,000 stores enables seamless omnichannel capabilities and online order delivery.

OUR INTEGRATED ORDER MANAGEMENT AND SUPPLY CHAIN SYSTEM OFFERS A UNIFIED VIEW OF INVENTORY ACROSS ALL DIGITAL CHANNELS, SPANNING WAREHOUSES AND STORES.

We have modernised and automated Core IT systems, including upgrading and consolidating multiple ERP platforms and adopting cloud-based ERP for new businesses. A company-wide data warehouse has been established to promote data democratisation and facilitate reporting. Other innovative developments include a single view of a customer mobile app for Store Managers and a Markdown Management System utilising Artificial Intelligence (AI)/ Machine Learning (ML) and analytics. Adopting data analytics allows us to gain valuable insights into customer behaviour and market trends, empowering strategic decision-making. As we continue to leverage digital innovation, we remain focused on staying competitive and customer-centric in today's rapidly evolving retail landscape.

A COMPANY-WIDE DATA WAREHOUSE HAS BEEN ESTABLISHED TO PROMOTE DATA DEMOCRATISATION AND FACILITATE REPORTING.

HUMAN CAPITAL

KEY HIGHLIGHTS

47,900+ Employees	**53.81%** of total permanent workforce is female	**85.5%** Women in permanent workers category	**10,628** New Hires
79 Differently-abled individuals	**85** Engagement Index in VIBES Survey	**69,000+** Training hours	**Zero** Fatality at workplace

CONTRIBUTION TO SDGS

INTERLINKAGE WITH OTHER CAPITALS

Social and Relationship Capital | Financial Capital | Intellectual Capital | Manufactured Capital

Our business is deeply people-centric. We continually attract, develop, hone, and retain top talent. Our HR processes provide our diverse workforce with a stimulating flexible work environment which fosters innovation, and builds a results-oriented, high-performance culture. We aim to inspire today's multi-generational and mobile workforce to pursue personal and professional growth, thus future-proofing the organisation. By investing in our employees' development and well-being, we empower them to drive the Company's success and adapt to the ever-changing business landscape.

Our People Vision is to "Drive a High Performing and Customer-Centric Culture with Happy and Value-Oriented Employees." Our performance is grounded in capabilities and productivity with a strong service orientation. We emphasize happiness through purposeful behaviour, creating an environment where employees feel valued and motivated to contribute their best. Our deep commitment to the values of the Aditya Birla Group, ensures that our actions align with our business principles and drive sustainable growth.

We prioritise improving the employee experience and well-being by fostering a culture of ownership and accountability. Guided by our Code of Conduct and strict adherence to our Human Rights Policy, we ensure a respectful, safe, and equitable work environment for all. Our commitment to health and safety is reinforced through ongoing measurement, monitoring, benchmarking, and reporting of our practices, ensuring a workplace where everyone can thrive.

Together, these efforts position us as a leader in our industry, delivering exceptional value to our customers and stakeholders.

Our Focus Areas

- ORGANIZATION EFFECTIVENESS
- DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITY
- HUMAN CAPITAL DEVELOPMENT
- EMPLOYEE WELL-BEING
- HUMAN RIGHTS
- OCCUPATIONAL HEALTH AND SAFETY

Drive a **High Performing** and **Customer-Centric** Culture with Happy and **Value-Oriented** Employees

Talent Management and Career Growth	Learning and Development	Reward and Recognition	Enrich Your Life
Strong Talent Review Process	Leadership Development	Rewards and Recognition	Flexible Work Arrangement
Striders - Young Talent Mangement	Role Movements	Market-linked Rewards	Employee Friendly Policies
Succession Planning	Structured Capability Building	Best in Class Benefits	Aditya Birla Wellness Studio
Accelerated Career Development	My Development Plan	Signature Performance Management	Scholarship Programmes

Best at Basics & Digital Capabilities

ORGANISATION EFFECTIVENESS

Workforce Snapshot

Our robust workforce consists of 47,908 employees and workers. This includes 14,436 permanent employees across corporate, retail and manufacturing set-up, of which 73.7% are male and 26.3% are female. Among the 12,529 permanent workers, 85.6% (10,721) are female while 14.4% (1,808) are male. Additionally, we have 20,943 non-permanent employees. The gender-specific data for the non-permanent employees is currently being collated.

Among our permanent workers, there are 79 differently abled individuals, comprising 53 females and 26 males, marking an increase of four from the previous year. This reflects our commitment to being an equal-opportunity employer and our aspiration to create an inclusive environment that uplifts society.

Permanent Employees and Workers by Gender

	Gender	Permanent Employees	Permanent Workers	Total
FY 2023-24	Male	10,645	1,808	12,453
	Female	3,791	10,721	14,512
	Total	14,436	12,529	26,965
FY 2022-23	Male	10,688	2,070	12,758
	Female	3,693	11,939	15,632
	Total	14,381	14,009	28,390

PERMANENT EMPLOYEES CATEGORISATION (FY 2023-24)

		Age group (Years)			
		<30	30-50	>50	Total
GENDER	Male	4,835	5,568	242	10,645
	Female	2,519	1,227	45	3,791
	Total	7,354	6,795	287	14,436
MANAGEMENT	Senior Management	0	41	30	71
	Middle Management	10	532	45	587
	Junior Management	1,558	3,175	95	4,828
	Non - Management	5,786	3,047	117	8,950
	Total	7,354	6,795	287	14,436

The location-wise breakdown of wages paid to all individuals employed, including both permanent and non-permanent/contract workers, expressed as a percentage of the total wage cost.

Location	FY 2022-23	FY 2023-24
Rural	Not Applicable	Not Applicable
Semi-urban	2.35%	2.55%
Urban	10.21%	10.51%
Metropolitan	87.43%	86.94%

Employee Engagement

At ABFRL, transparent communication is a vital component of our HR strategy and employee experience. We are committed to fostering a supportive and engaging work environment through well-structured platforms such as town halls, leadership connect sessions, and regular email updates. To further enhance our employee experience, we distribute an engagement calendar across our offices and stores, detailing the events and celebrations planned for the year. This calendar is designed to focus on key aspects of well-being (physical, mental, financial, and social). We also recognise and reward high-performing employees and provide them with various benefits.

We frequently organise open house sessions led by HR leadership, CEOs, and MD on topics such as workplace inclusion and process efficiency. We conduct CEO townhalls on a monthly and quarterly basis. These townhall reinforce our mission and provide our employees with key business updates, our successes and challenges, as well as provides a platform to share key milestones and reward outstanding performers. Weekly and quarterly review meetings are also conducted as closed group sessions where leadership evaluates their teams' progress.

Our real-time feedback platform 'PingMe' and 360-degree feedback enable employees to communicate and seek instant feedback from anyone in the ABG Group. The platform fosters a culture of open communication, allowing cross-functional teams to provide feedback and work together more efficiently.

Employee Engagement Survey

At the Group level, we undertake an employee engagement survey, VIBES, every two years. The survey covers aspects such as job satisfaction, purpose, happiness, stress management and employee satisfaction against nine dimensions, including engagement, alignment, performance culture, managerial effectiveness, agility and more. While our engagement score has decreased slightly from 87% in 2021-22 to 85% in FY 2023-24, we are proactively addressing the gaps through various initiatives aimed at fostering a more collaborative and supportive work environment.

VIBE
Survey Score

85%

FY 2023-24

Rewards and Recognitions

Acknowledging achievements not only fuels productivity but also strengthens company culture and fosters a sense of belonging and appreciation among employees. Our rewards and recognition programmes are designed to acknowledge and reward their achievements and outstanding performance.

The recognition framework at ABFRL employs a 2 x 2 matrix that evaluates both behaviours and achievements. This approach is designed to comprehensively acknowledge contributions by assessing how individuals embody the Group's values and the tangible results. By focusing on both the demonstration of core values and measurable accomplishments, we ensure a balanced and holistic recognition process that celebrates what is achieved and how it is accomplished.

ABG Awards

The ABG Group proudly hosted the ABG Awards 2023 in Atlanta, USA, celebrating exceptional contributions and efforts of employees across all business units at the group level. The Company excelled in this prestigious event, securing seven awards out of 27 nominations in the Chairman's Individual Awards category, highlighting our commitment to recognising outstanding performance and dedication.

Business Level Awards

PACE Awards

PACE (Performance Acknowledgement and Celebration of Excellence) is designed to recognise exceptional contributors from the previous year, providing a platform to celebrate the excellence and dedication of our teams and individual employees who have worked tirelessly to deliver superior performance. The categories of awards are mentioned below:

- Individual Excellence
- Team Excellence
- Retail Excellence
- Manufacturing Excellence

GEMS Awards

GEMs (Go Extra Miles) Awards is a quarterly recognition programme that celebrates exceptional contributors who are acknowledged by the CEO and Ex-Com. It includes employees from Head Office (HO), Zonal Offices (ZO), and Area Teams of Pantaloons, Style Up, and Marigold Lane (MGL), excluding Ex-Com members.

The awards feature two categories: Individual and Team (CEO's Club Award). To be eligible, nominees must have consistently exceeded their regular responsibilities and demonstrated extraordinary behaviour aligned with core ABG values of Integrity, Commitment, Passion, Seamlessness, and Speed.

PAT on the Back

Our 'Pat on the Back' programme recognises HO and ZO employees (including off-roll) who have performed exceptionally in the previous months. The nominees must have demonstrated an exceptional performance, consistently exhibiting behaviour that embodies the ABG values.

LAMA: Long and Meaningful Association

Lama is a way for our MFL business unit to show appreciation for its employees' commitment, loyalty, and contributions within the organisation. All employees who are covering milestones like 5, 10, 15, 20, 25 and 30+ years of long service are awarded and recognised as LAMA. It's an event to thank the employees and their families for their extended support.

DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITY

Talent Attraction and Retention

Our talent attraction strategy is rooted in our commitment to foster an inclusive and diverse workplace where every individual can thrive and reach their full potential. As an equal opportunity employer, we adhere to our Corporate Principles and Code of Conduct to ensure that our hiring practices are non-discriminatory and free from bias. We encourage a culture that values inclusivity, where employees of all nationalities, castes, religions, colours, and genders are empowered and contribute to our success.

In the reporting year, we hired a total of 10,628 employees, with 62% of these hires being females, underscoring our commitment to gender diversity. Additionally, 15% of our positions were filled by internal candidates, demonstrating our focus on promoting talent from within the organisation. We invested an average of ₹53.1 Lakh in hiring each full-time employee, reflecting our dedication to attracting top talent.

WE ENCOURAGE A CULTURE THAT VALUES INCLUSIVITY, WHERE EMPLOYEES OF ALL NATIONALITIES, CASTES, RELIGIONS, COLOURS, AND GENDERS ARE EMPOWERED AND CONTRIBUTE TO OUR SUCCESS.

Employee hire and turnover by gender (FY 2023-24)

Gender	Employee Hires	Employee Turnover
Male	4,082	4,380
Female	6,546	7,637
Total	10,628	12,017

Employee hire and turnover by age-group (FY 2023-24)

Gender	Employee Hires	Employee Turnover
>50 Years	13	65
30-50 Years	2,943	4,171
<30 Years	7,672	7,781
Total	10,628	12,017

We are making significant strides in retaining top talent with a reduction in our turnover rate. Our efforts to foster a supportive work environment and enhance employee engagement yielded a 2.48% reduction in our permanent employee turnover rate, from 35% to 32.52% in FY 2023-24. Additionally, the turnover rate for our permanent workers has reduced from 59% to 54.78% during the reporting period. This achievement demonstrates our commitment to building a loyal and dedicated workforce, driving improved productivity and performance for our organisation.

As the employees near retirement, we provide transition assistance training to them. This poses as an opportunity for them to continue their association with the entity as an external expert or consultant for any critical assignments.

	FY 2021-22	FY 2022-23	FY 2023-24
No. of employees who choose to leave voluntarily (such as resignation, retirement, early retirement, etc.)	513	626	599
Average No. of persons employed	2,430	2,985	3,142
Employee Voluntary Turnover Rate	21.11	20.97	19.07

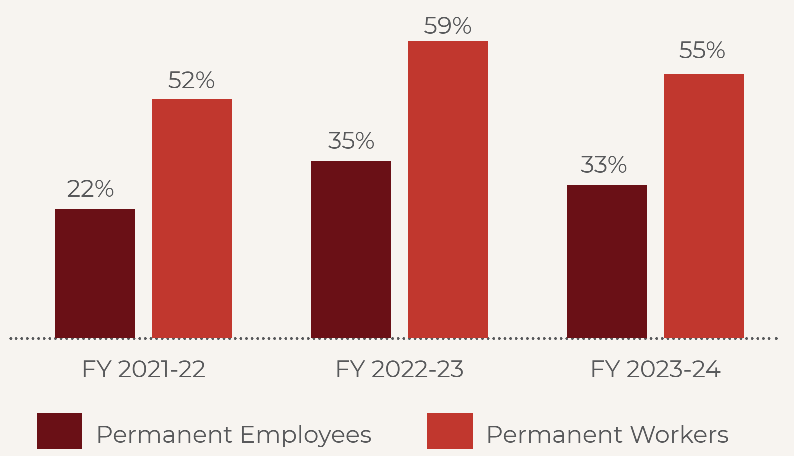
IN THE REPORTING YEAR, WE HIRED A TOTAL OF 10,628 EMPLOYEES, WITH 62% OF THESE HIRES BEING FEMALES, UNDERSCORING OUR COMMITMENT TO GENDER DIVERSITY.

Diversity and Inclusion

54%

Share of Women in total permanent workforce (including workmen)

Employee Turnover Rate



We believe that a diverse workforce drives innovation and enhances business performance. Our initiatives focus on promoting equal opportunities, encouraging a wide spectrum of perspectives, and ensuring a supportive environment for all employees irrespective of gender, ethnicity, age, or background.

We do not discriminate against any employee on the grounds of race, colour, religion, caste, gender, age, marital status, disability, nationality, or any other factor under applicable laws and contemporary practices at the workplace. Recruitment, placement, promotion, transfer, compensation, training, and other benefits are strictly based on the merit and competency of the individual.

More than 95% of our senior management are hired from the local communities.

Representation of Women

Employee Category	FY 2023-24
Share of women in all management positions	26.26%
Share of women in junior management positions	26.74%
Share of women in top management positions	18.57%
Share of women in revenue-generating positions	25.94%
Share of women in STEM-related positions	16.45%

	Total	No. and percentage of Females	
		No.	%
Board of Directors	14	4	29
Key Management Personnel*	5	1	20

*Includes a Managing Director and two Whole-time Directors

29%

Share of Women in Board

Fair Remuneration

We are committed to paying fair remuneration and wages to our employees and workers based on their qualifications and experience. To fortify this commitment, we have adopted Executive Remuneration Policy for employees at the executive level, including Directors, Key Management Personnel and Senior Management. We offer our employees commensurate wages and as an equal opportunity employer do not discriminate on any grounds.

The wage bifurcation for other than permanent employees is not available and hence not reported, and we do not have other than permanent workers.

Gross wages paid to female employees as a percentage of the total wages has increased from 32.64% in the previous reporting period to 33.72% in FY 2023-24. On the whole, the average salary paid to women at an executive level base salary is ₹18,277,914, while it is ₹12,654,375 for the men. Additionally, at the executive level, the average base salary with incentives amounts to ₹20,316,659 for women, and ₹15,866,712 for men. At the management level however, the average base salary for men is ₹1,595,257, and the average base salary with incentives is ₹1,750,095, while for women, the average base salary is ₹1,571,453, and the average base salary with incentives is ₹1,708,787. At the non-management level, there is a contrast between the average salary of men and women and stand at ₹351,937 and ₹290,286 respectively.

		FY 2023-24					FY 2022-23				
		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)
PERMANENT EMPLOYEES	Male	10,645	1,416	13%	9,229	87%	10,688	496	5%	10,192	95%
	Female	3,791	765	20%	3,026	80%	3,693	238	6%	3,455	94%
	Total	14,436	2,181	15%	12,255	85%	14,381	734	5%	13,647	95%
PERMANENT WORKERS	Male	1,808	64	4%	1,744	96%	2,070	87	4%	1,983	96%
	Female	10,721	2,611	24%	8,110	76%	11,939	3,191	27%	8,748	73%
	Total	12,529	2,675	21%	9,854	79%	14,009	3,278	23%	10,731	77%

HUMAN CAPITAL DEVELOPMENT

As a leading fashion and lifestyle company in India and a trusted employer, we are dedicated to unlocking the full potential of every individual within our organisation. At the heart of our HR strategy is a commitment to fostering an environment that prioritises employee experience and well-being, which in turn drives exceptional business performance.
Our comprehensive talent management process includes a strong focus on succession planning. By identifying high-potential employees and offering tailored training and development opportunities, we prepare them for future leadership roles.

Our institutionalised Talent Councils actively monitor our talent pipeline for critical positions, ensuring that our management team has a clear understanding of the skills and competencies required. By aligning our talent with our business objectives and core values, we create a dynamic and engaged workforce that contributes to our success. Our holistic approach to employee development not only enhances individual growth but also strengthens our overall organisational capability, making us a leader in our industry.

₹2.56 CRORE

Spent on training and development

>89,000

Total hours of training provided

Learning and Development

Training and Development Snapshot

To keep our employees motivated, we create a supportive and growth-oriented work environment. We turn our talent into top performers by providing them with essential knowledge and opportunities for ongoing learning. We deliver an array of training programmes designed for different management levels to enhance their skills and improve efficiency. These training programmes aim to foster strategic thinking, effective leadership and better decision-making capabilities.

Training is critical for our employees' onward journey, and we give emphasis to even sensitising our senior leaders and Board members on relevant topics through the Committee meetings. For our Risk Management and Sustainability Committee, the CSO and other C-suite members share details on the developments in the sustainability industry, with focus on the changes within the Retailing sector, on a timely frequency.

The learning of employees is anchored by our internal capability-building academy. All our business units have learning and talent Centres of Excellence (COE), which designs the learning interventions for specific cohorts in areas of functional and behavioural as well as Gyanodaya, and the Aditya Birla Group Global Centre for Leadership.

Functional Focus

Digital Transformation Capacity Building

The programme is aimed at building higher levels of Digital Leadership Capability with features including new-age digital leadership assessments, a well-researched digital capability building framework – BLUR model templates to help leaders with strategy, mentoring on digital projects, etc.

Achieve Career Excellence (ACE) Programme

The ACE programme provides employees, especially in the junior management, with functional development opportunities aligned with their career aspirations. It focuses on providing key experiences through projects and exposures, both from internal and external

1,948
Learning Hours across 54 ACE programme sessions

597
Employees participated in ACE programmes

45%
Participants moved to new roles as a result of ACE programmes

36%
Cross Function Movements because of ACE programmes

leadership perspectives. The seven-month programme is designed in collaboration with internal subject matter experts, business leaders, deans, and convenors.

Visual Merchandising (VM) Academy

We established the Virtual Merchandising (VM) Academy to bolster the skills and operational efficiency of the visual merchandisers. Through the VM Academy, the talent is trained in strategies and techniques to effectively attract and enrich customer experience. During the reporting year, 90% of the employees who participated were certified as VM experts.

Competency Focus

Store Managers Academy

The programmes under the Store Managers Academy have been designed to minimise the gap between current skills and the future role of a store manager. Based on a detailed study of the qualitative and quantitative factors for this role, it covers all professional life stages of a store manager, starting from onboarding to taking up the leadership role. Through the implementation of this programme, 90% of Cluster Business Manager (CBM) and Area Business Manager (ABM) positions are filled internally every year.

of the enrolled participants placed in vertical and cross-functional roles under India's Finest Store Manager (IFSM) Programme	**50%**
Employees moved to Manager roles through the i-Pearl-Saksham Programme	**55%**
Placed in Store leadership role under the i-Pearl Daksha Programme	**64%**

India's Finest Store Manager (IFSM) Programme

The India's Finest Store Manager (IFSM) Programme is designed to cultivate store managers by immersing them in industry-leading practices through robust learning and development initiatives. This structured programme prepares participants for senior leadership roles within the organisation. The comprehensive 12-month learning journey, is guided by esteemed faculties at IIM Indore along with internal leaders.

i-Pearl

Our store managers have numerous opportunities for their career advancement such as the i-Pearl programme. Under this initiative, we have implemented the Daksha and Saksham programmes that offer training for fashion assistants who aspire to become store managers.

FA STAR

FA (Fashion Assistants) STAR is another skill-based certification course designed for fashion assistants in stores. This course has four stages, and every stage is linked to define competencies as per the roles and responsibilities of the fashion assistant.

LEADERSHIP DEVELOPMENT

RISE – Leadership Development Programme

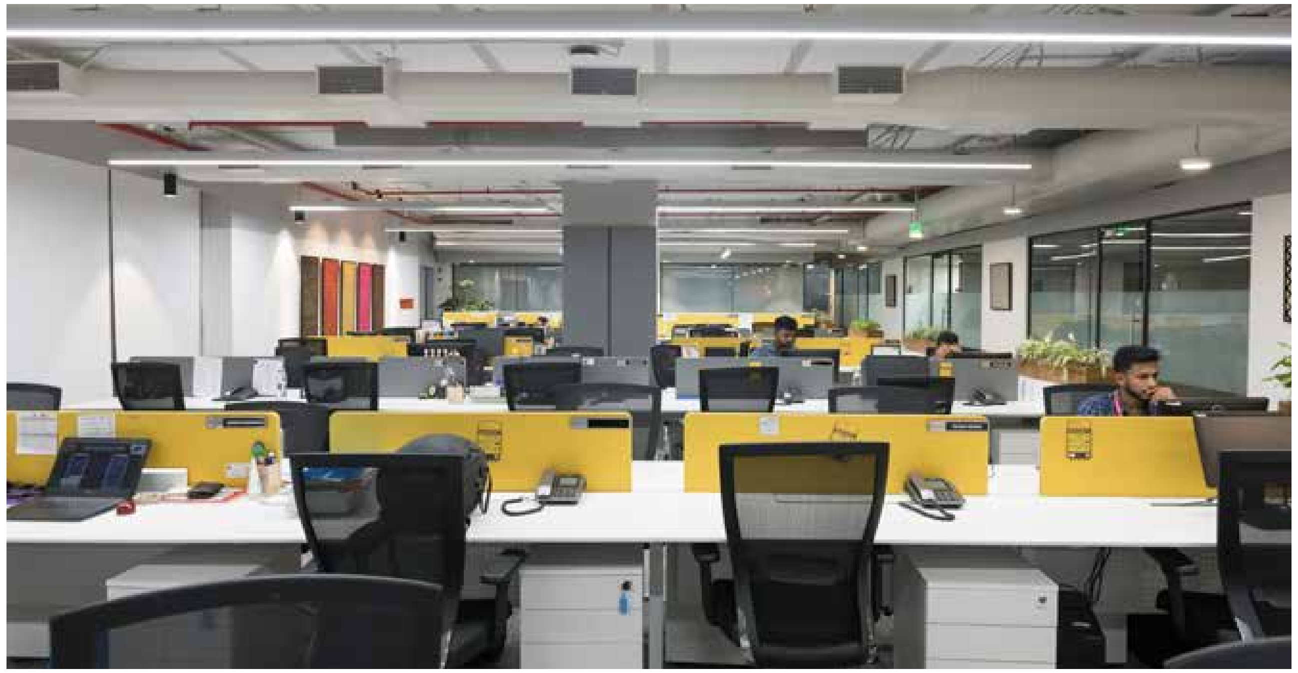
Our flagship leadership development programme, RISE, is designed to identify and develop a pipeline of mid-management talent for future senior leadership roles. RISE focuses on three key areas, including self-leadership, digital literacy, and team leadership. During the reporting period, 14 employees in middle-management positions underwent this development journey.

Accelerated Leadership Programme (Step Up, Springboard, Leading Edge)

Our Accelerated Leadership Programme, Step Up, is a transformative journey designed to equip Manufacturing Department Heads with the skills and expertise needed to excel in Function Heads roles. This comprehensive programme focuses on developing key competencies in personal leadership, financial acumen, adaptability to change, digital transformation, employee relations, sustainability, problem-solving, analytics, and presentation skills. During the reporting period, six department heads were covered under the Step-Up programme. Through these initiatives, we ensure our employees are well-equipped to take on greater responsibilities and drive the organisation's success.

Propel

Propel is our succession-building programme to build leadership bench strength for critical and niche roles in the organisation. The programme aims at building future-ready leaders for critical business functions. This is a 9 to 12 months long journey, which focuses on developing the functional and leadership expertise for senior roles in the organisation.



OTHER LEARNING INITIATIVES

ABFRL Digital Academy

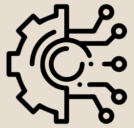
We are committed to equipping our workforce to excel in today's fast-paced digital environment. To this end, we have launched a variety of initiatives under the ABFRL Digital Academy to enhance digital literacy throughout our organisation. This programme features training sessions on Search Engine Optimisation (SEO), performance marketing, retention marketing and web analytics. These sessions include self-paced courses that provide a flexible learning environment, enabling employees to develop their digital skills at their own convenience and speed.

Madura Manufacturing University

Madura Manufacturing University has developed into a comprehensive learning and development entity, leveraging the TOT Model (Training of Trainers). The purpose of Madura University is to offer technical expertise, behavioural development, and cross-functional learning to both, management and non-management staff. The flagship programmes of Madura University - Unnati, Pragati and SHIKSHAN have been designed to enhance the capabilities of our engineering talent, who are the backbone of the production. A diverse range of courses are offered and led by subject matter experts. These programmes include:

Training and Development for Madura Clothing (FY 2023-24)

Training Type	Total Employee Participation	Total Training Hours	Total Manhours of training
Functional	526	21	649
Behavioural	1,070	119	4,361



21,687

Employees have completed self-paced e-learning courses in the Data/Digital domain

8,193

Participants successfully developed under SHIKSHAN

123

Participants graduated under PRAGATI

33

Participants enrolled under Super 30 Programme

MADURA MANUFACTURING UNIVERSITY

UNNATI LEARNING PROGRAMME

This programme aims to provide technical expertise behavioural development and cross functional learning for non-management and management staff in enhancing their performance in the current role. Under this programme, we have constituted two segments, Super 30 and Six Sigma Green belt trainings

SHIKSHAN

A 14-day fast-track training programme that prepares new workers to work on the shop floor

PRAGATHI

Our front-end capability building programme that provides career progression for store staff from customer care Associate (CCA) to Senior CCA to Assistant store Manager to Store Manager

MC SHIKSHAK

Cross-functional sessions by internal functional experts on finance, warehouse operations, quality, labour laws and emotional well-being.

PROJECT SPARSH

Emphasising on mental health awareness and counselling know-how

NIMHANS LAY

Counsellor's programme

NAMMA KALIKE

Facilitating vernacular learning through digital media on POSH and safety designed by employee relations officers and HR team.

Gyanodaya Virtual Campus (GVC) App

Under the Gyanodaya Academy, we have launched the GVC application to help our employees upgrade their skills and the topics are tailored specifically based on their interests and goals.

Collaboration with External Training Platforms

We have collaborated with Coursera, a popular online training platform that offers a wide range of courses, certifications, and even degrees. Employees at ABFRL have the facility to choose these courses through the 'My Development Plan' portal available. This platform provides a wide variety of courses on various subjects including:

- COMPUTER SCIENCE
- DATA SCIENCE
- BUSINESS
- SOCIAL SCIENCES
- ARTS AND HUMANITIES

Our Talent Management Process

We have adopted a comprehensive talent management process to ensure the growth and development of our employees. The process involves identifying employees who have demonstrated consistent performance and have spent an adequate amount of time in their current roles. These employees are then considered for the Potential Assessment Process.

The Potential Assessment Process utilises a 9-box grid tool, a well-regarded framework in talent management, to categorise employees into one of the nine groups based on their performance and potential. This tool helps in visualising where each employee stands, considering both their performance and potential for future roles. The assessment covers a variety of factors, including employee competencies, skills, and personal characteristics.

Once the assessment is complete, the identified employee receives a potential rating, supported by a detailed rationale that explains the reasoning behind the rating. This potential rating is crucial as it influences the subsequent stages of the talent management process.

The ratings and rationales are then presented to the Business Talent Council. This Council conducts a segmentation discussion to ensure that the assessments are fair and accurate. Following this validation, the employees are moved to the Final Talent Pool, which is a collection of high-potential individuals identified for future growth opportunities within the organisation.

Furthermore, Development Assessment (DAC). Following the assessment, the Development Talent Council reviews the talent pool and begins the process of creating personalised career development plans for each identified employee. These plans are tailored to help employees build on their strengths, address any areas for improvement, and prepare them for future leadership roles within the Company.

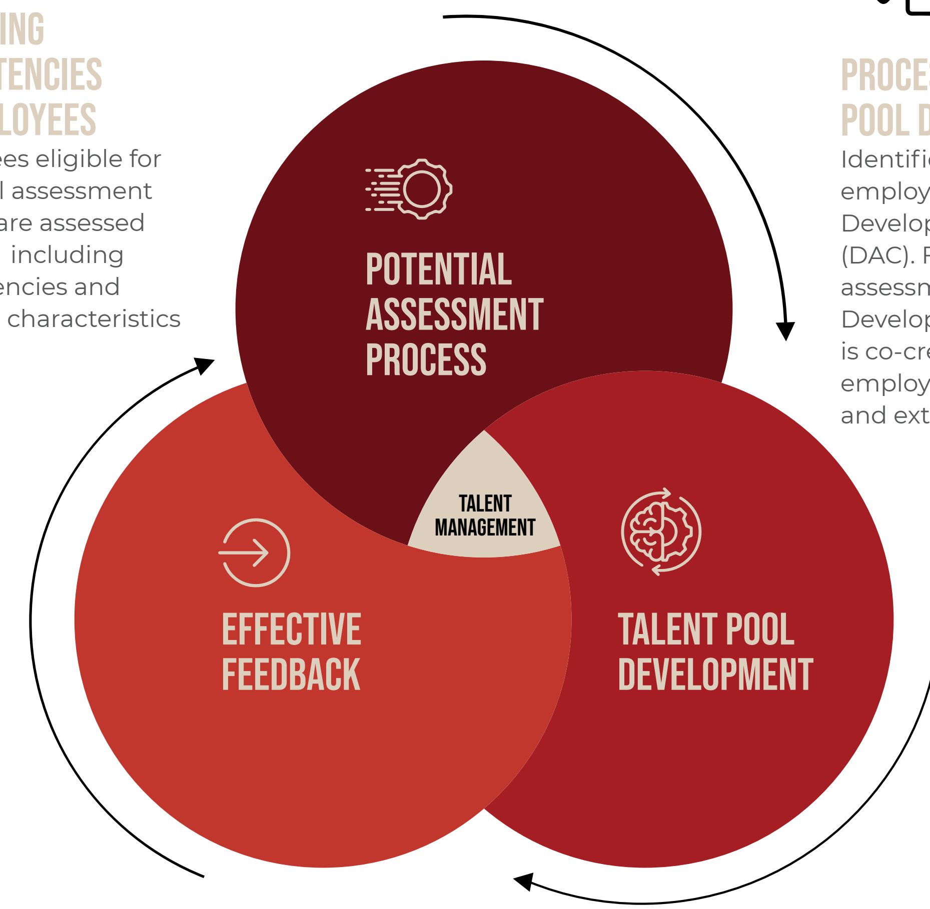
Our multidimensional performance appraisal system guides us in supporting the employee on their individual growth journey. The employees' performance manager and assessor provide feedback through our 'My Development Plan' initiative bi-annually. We also help employees set their individual goals and track their progress periodically.

ASSESSING COMPETENCIES OF EMPLOYEES

Employees eligible for potential assessment process are assessed on areas including competencies and personal characteristics

PROCESS FOR TALENT POOL DEVELOPMENT

Identified talent pool employee undergoes a Development Assessment (DAC). Following the assessment,, a Management Development Plan (MDP) is co-created involving the employee, their manager and external Coach



MY DEVELOPMENT PLAN

Feedback calls are arranged under the 'My Development Plan' with the assessor and the performance manager of the employee.

Employee Well-being

Employee well-being has always been a priority in enriching the lives of our workforce. During the reporting period, 0.16% of our total revenue was spent on well-being measures such as insurance coverage and annual health checkup. We have launched the Aditya Birla Wellness Studio, which considers aspects such as, physical, mental, emotional, financial, social, and corporate well-being. This comprehensive strategy is designed to support the well-being of our employees and promote work-life balance.

Aditya Birla Wellness Studio

During the last reporting period, we launched the Chairman's wellness project where we observed enthusiastic participation from ~3,500 employees on the ABW wellness app, Multiply. This app offers a bouquet of wellness solutions such as wellness savers cards, active age, stress assessments, free counselling services with doctors and free gym memberships. Under ABW studio, around 2,765 employees went through various webinars/ workshops and health camps organised across the cities of Mumbai, Bangalore, Delhi, Gurgaon, Kolkata, etc.

We have rolled out a 'Wellness Calendar' for our employees, which contains a list of events planned under the ABW Studio. We hosted a series of educational webinars and workshops aimed at enhancing our employees' knowledge. During the reporting year, we carried out several initiatives presented as follows:

₹19.86 CRORE

Spent on employee-related benefits.

PHYSICAL WELLNESS	• Awareness sessions on building immunity, Keeping Blood Sugar Balanced, Cholesterol under Check, 30 Day Mindfulness Challenge, Keep BMI under check, • Masterclass on Yoga Exercise • Eye check-up Camp • Bone Mineral Density Camp • Body Composition Analysis Camp • Dental Check-up
EMOTIONAL AND MENTAL WELLNESS	• Awareness session on mental health
FINANCIAL WELLNESS	**Awareness sessions on:** • Banking Basics • Mutual Funds and SIPs • National Pension Scheme • Investing in Markets • Life and Health Insurance • Orientation to Financial Goals Planning and Investments
SOCIAL WELLNESS	• Volunteering Drives • Joy of Giving Campaign
CORPORATE WELLNESS	• ABG Group Purpose Masterclass • Driving Feedback culture – Ping Me! • POSH Refresher • ABG Values Refresher • Code of Conduct Declaration campaign

WE HAVE KICK-STARTED 'FINSPIRATION—A TO Z OF INVESTING SERIES TO HELP EMPLOYEES UNDERSTAND THE PRINCIPLES OF MONEY MANAGEMENT, INVESTING AND MANAGING PERSONAL FINANCE.

Emotional and Mental Wellness

To promote emotional and mental well-being, we conducted five workshops reaching around 1,034 employees. These sessions addressed issues like work-life balance, emotional fitness, coping with worry and anxiety, managing emotions, and praticising mindfulness.

Finspiration—A to Z of Investing series

We have kick-started 'Finspiration—A to Z of Investing series', to help employees understand the principles of money management, investing and managing personal finance. We have partnered with the Aditya Birla Capital (ABC), wealth and other industry experts and financial advisors to conduct customised curated sessions for cohorts at ABFRL.

This programme featured multiple workshops led by financial experts, covering crucial topics such as investment strategies, tax planning, right choice of investments, power of compounding, the National Pension Scheme (NPS), planning for children's higher education, family health cover, drafting a will, importance of nominations, and financial records management. Approximately 6,857 employees participated in the Finspiration programme.

Madura Championship: Fit Madura Hit Madura

Our MFL segment organises several events wherein employees participated in more than 15 types of sports and other competitions like cricket, marathon, chess, badminton, fashion show, treasure hunt, singing, dancing, etc. Over 500 participants across MFL brands took part in such events. Such events help in strengthening team building, promote good health of employees and create a happier atmosphere at the workplace.

Counselling

At ABFRL, we recognise the importance of providing counselling. We have appointed Welfare Officers in our factories to offer individual and group counselling services. This comprehensive approach helps us identify and address the unique needs of each employee, fostering a strong rapport between them and our organisation. Furthermore, our Employee Assistance Program (EAP) offers 24x7 access to confidential counselling services through our Santulan and Mpower teams. This dedicated hotline is available to all employees and their families, thereby providing a trusted resource for support and guidance whenever needed.

Womb-to-Cradle

Our Womb-to-Cradle Programme is a crucial part of the larger wellness initiative of Sanjeevini, focusing on the needs of a woman as she steps into the role of a mother for the first time. The programme caters to the female workforce base of Madura manufacturing unit. It encompasses pre-natal and post-natal care, addressing medical, personal and social needs.

Anaemia Alleviation Programme

We conducted a detailed assessment to identify anaemia in approximately 1,350 female workers in our factories. Following the assessment, we implemented rigorous nutrition and corrective programmes to address and alleviate anaemia.

A World of Opportunities

At ABFRL, we are proud to announce that we have secured 39 scholarships for the children of our Madura Manufacturing employees through the 'A World of Opportunities (AWOO) Foundation'. This initiative aims to provide educational support to deserving students, enhancing their prospects for future employment. These scholarships will benefit children pursuing undergraduate and postgraduate degrees in cutting-edge fields such as Biotechnology, Aeronautical Sciences, Computer Sciences, Aerospace, and Financial Management. This investment in education will help empower the next generation of leaders and professionals, while also strengthening the bonds between our organisation and our employees.

Pratibha Scholarship Programme

At Aditya Birla Group, we offer the Pratibha Scholarship Programme, a holistic initiative that empowers the children of our long-serving employees to pursue higher education. The scholarship offers financial assistance to employees' children for pursuing undergraduate and graduate degrees in their preferred fields of study. To maintain transparency and fairness in the process, the programme is administered at the Group level in terms of eligibility, norms and quantum of payouts, ensuring scholarships are awarded to the most deserving candidates.

Employee Benefits

At ABFRL, we are consistently working towards creating a supportive, friendly and happy workplace. This includes flexible working arrangements, work-from-home arrangements, childcare facilities, breastfeeding and lactation support, health and accident insurance, daycare facilities and paid maternity leave of 26 weeks, and paternity leave of five days.

In order to support our workforce who are parents, we have tied-up with child-care providers such as IPSA and Clay in the vicinity of our workplaces. We also provide employees long-term incentives that align with our organisation's goals and strategic objectives. This includes stock options and restricted stock units to employees below senior management with an average vesting period of three years.

	FY 2022-23	FY 2023-24
Total number of employees that returned to work in the reporting period after parental leave ended (Male)	62	60
Total number of employees that returned to work in the reporting period after parental leave ended (Female)	15	20
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work (Male)	53	52
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work (Female)	13	13
Return to Work Rate (%) (Male)	100	100
Return to Work Rate (%) (Female)	100	100
Retention Rate (%) (Male)	85	87
Retention Rate (%) (Female)	65	87

Our employees and workers are covered through various wellness initiatives for FY 2023-24 as mentioned below:

% of employees covered by (FY 2023-24)

Category	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)
MALE	10,645	6,658	63%	10,645	100%	0	0%	2,582	24%	0	0%
FEMALE	3,791	1,841	49%	3,791	100%	3,791	100%	0	0%	0	0%
TOTAL	14,436	8,499	59%	14,436	100%	3,791	26%	2,582	18%	0	0%

% of Workers covered by (FY 2023-24)

Category	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)
MALE	1,808	460	25%	1,808	100%	0	0%	0	0%	1,808	100%
FEMALE	10,721	276	3%	10,721	100%	10,721	100%	0	0%	10,721	100%
TOTAL	12,529	736	6%	12,529	100%	10,721	86%	0	0%	12,529	100%

HUMAN RIGHTS

At ABFRL, we are committed to respecting and upholding the human rights of our workforce, communities and those affected by our operations. Our company-wide Human Rights Policy ensures strict adherence to applicable national and international laws and standards related to human rights, fair labour practices, and safe working conditions. These include complying with the UN Global Compact Principle of Human Rights and Labour, Social Accountability 8000 International Standard and other associated international instruments.

We strive to create a workplace where every individual is valued, treated with dignity, and provided with equal opportunities. We prohibit all forms of child labour, forced labour, human trafficking, discrimination, and harassment. Furthermore, we forbid any contribution to armed conflict or human rights abuses in conflict-affected and high-risk areas. During the reporting period, there were no instances of child labour, forced labour and discrimination reported. We received 24 complaints pertaining to sexual harassment in FY 2023-24, and all of them were resolved.

We value diversity and equal opportunity and respect the rights of vulnerable groups, including indigenous people, women, migrant workers and other minorities. During the reporting period, there were no identified incidents of a violation involving the rights of indigenous people.

We respect the rights of all workers to form and join a trade union of their choice without fear of intimidation or reprisal in accordance with national law. All our employees and workers have freedom of association and collective bargaining rights. In the reporting period, 3% of our total workers were covered by collective bargaining agreements .

Membership of employees and worker in association(s) or Unions

	FY 2023-24			FY 2022-23		
	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 WORKERS	12,529	407	3%	14,009	499	4%
MALE	1,808	34	2%	2,070	39	2%
FEMALE	10,721	373	3%	11,939	460	4%

Association(s) or Unions in place only for 'Permanent workers' category

We expect and encourage our suppliers, contractors, and other business partners to respect and abide by our policy on human rights through contractual agreements.

To demonstrate our commitment to fairness and transparency, we provide a minimum notice period of 60 days to workers, to inform them of any significant operational changes that could substantially affect them. This notice period is also formally agreed upon with trade unions as part of our collective bargaining agreements.

Human Rights Assessment and Due Diligence

We uphold and respect human rights and forbid any form of human rights abuse in our operations and value chain. To this end, we have implemented a robust human rights due diligence framework that helps us in proactively identifying potential risks associated with human rights and assessing their impacts. On identification of any negative impacts of the risks, we devise mitigation strategies to minimise such impacts. We also perform human rights due diligence before entering new business relationships, including mergers, acquisitions, and joint ventures. These risks are periodically reviewed to prevent any violation of human rights.

We have conducted a thorough assessment of all our warehouses, retail stores, business offices, and in-house factories for actual and potential human rights impacts. These covered child labour, forced labour, human trafficking, freedom of association, collective bargaining, fair remuneration, discrimination, sexual harassment, working conditions, and health and safety. The assessment covered all our permanent and other than permanent workforce, women, children, local communities, migrant workers, and indigenous people and other stakeholders as applicable. The assessment covered 100% of our operations and suppliers. During the reporting period, no significant risks related to human rights violations were identified, hence no mitigation and remediation actions were taken.

Training on Human Rights

All our new employees and workers, at the time of onboarding, are familiarised with the Company's Code of Conduct, Human Rights Policy, POSH Policy, prevention of discrimination, and other human rights-related aspects. 25,439 employees were covered under the e-learning from all segments—corporate, retail and manufacturing and instructor-led POSH refreshers, including new businesses.

	FY 2023-24			FY 2022-23		
Human Rights Training	**Total (A)**	**No. of employees / workers covered (B)**	**% (B / A)**	**Total (A)**	**No. of employees / workers covered (B)**	**% (B / A)**
EMPLOYEES						
Permanent	14,436	13,456	93%	14,381	11,955	83%
Other than permanent	20,943	-	-	19,855	-	-
Total Employees	35,379	13,456	38%	34,236	11,955	35%
WORKERS						
Permanent	12,529	11,983	95%	14,009	8,948	64%
Other than permanent	-	-	-	-	-	-
Total workers	12,529	11,983	95%	14,009	8,948	64%

Employee Grievance

Our policies and mechanisms safeguard the employees and business from any risk and harm as mentioned in detail in the Anti-Fraud Policy, Vigil Mechanism, and the Whistleblower Policy. We have conducted e-learning based ABG Values refresher for 700+ employees. As a part of the annual calendar, we celebrated 'Values Week' in alignment with the Group's purpose.. Additionally, we have a Code of Conduct mandatory training for 100% of our management cadre employees.

To ensure a professional, mature, and respectful workplace free of hostility, we have aligned our POSH Policy with the POSH Act. This Policy is applicable to all employees and vendors. Detailed guidelines for communication and redressal procedures are accessible on the Company Intranet and have been communicated to the employees and workers through emails and awareness posters. All our POSH committee members received refresher training from an external facilitator in the reporting year, with 104 IC members retrained. Currently, we have 21 POSH IC committees.

Last year, we transitioned to a fully digital platform for complaint registration, called the Complaint Management System (CMS), managed by a third party. This system handles all employee and vendor grievances, including those related to sexual harassment, code of conduct, and value violations. Employees can register complaints via a dedicated hotline, email, or through the CMS website. Whenever any employee raises a complaint, the respective BU SPOCs are alerted via e-mail. The CMS allows us to track a report from initiation through resolution. It provides a role-based access to case reports, follow-up communication with reporters, even when anonymous, and serves as a secure central repository of all issues regardless of reporting channels. It also helps manage, access, filter, categorise, route, resolve, track action taken, and audit reports. It maintains a complete audit trail on each case, derives relevant analysis, and periodically manages reports from the case data.

We have a Vigil Mechanism in place, comprising of Directors and Senior Managers for attending and addressing complaints received from the employees on matters concerning unethical behaviour, both actual, or suspected fraud and violation of the Code of Conduct, or Ethics Policy. There were 196 complaints pertaining to value violation filed, out of which nine are pending for resolution.

Complaints filed under the sexual Harassment of women at workplace (prevention, prohibition and redressal) act 2023, in the following format.

	FY 2022-23	FY 2023-24
Total complaints reported under Sexual harassment on of women at workplace (Prevention, prohibition and redressal) Act 2013 (POSH)	31	24
Complaints on POSH as a % of female employees (permanent workers and employees)	0.20%	0.17%
Complaints on POSH upheld	31	24

OCCUPATIONAL HEALTH AND SAFETY

At ABFRL, the safety and well-being of our employees is integral to us. We aim to provide a safe and healthy work environment to our employees, such that they can perform their duties in a secured space.

Our Approach to Safety

We have a comprehensive Occupational Health and Safety Policy that is shared with our employees and workers in English and other Indian languages, including Hindi, Tamil, Kannada, Bengali and Odia for ease of understanding. The scope of the policy is not limited to our employees and workers but also covers our business partners, vendors, suppliers, etc.

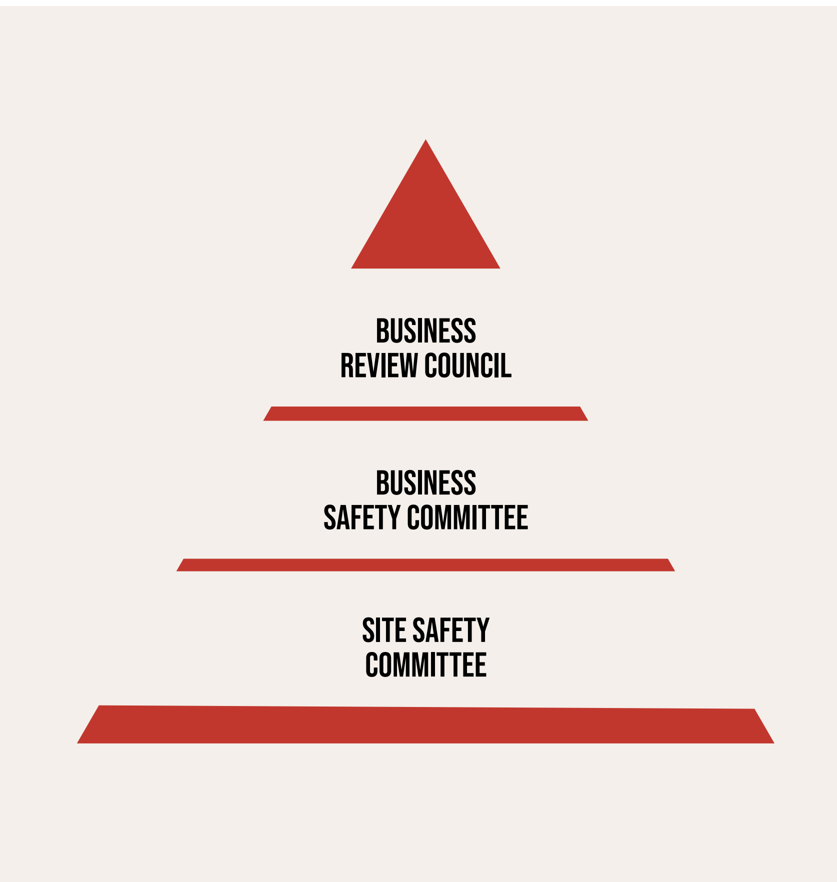
We have an Occupational Health and Safety (OHS) roadmap to anticipate and avoid workplace hazards. Safety SOPs are circulated across all factories, warehouses, and retail stores. Our safety management system framework is aligned with the ABG Technical Standards and complies to all applicable legal, and other standards such as OSHA, ANSI, BSI, ASTM, NFPA, etc. and national standards including BIS, NBC and NSC to adopt the best local practices, making our safety protocols extensive. Our goal is to achieve 'Zero Harm' and demonstrate visible progress. We target to achieve Zero fatalities by 2025 at our workplace. To this end, we have established systematic practices to assess, manage, and improve our safety practices.

- Implementing OHS risk and hazard assessments
- Prioritisation and integration of action plans with qualified targets to address risks
- Independent external verification as per ISO 45001:2018 (OHSMS)
- Internal audits
- Evaluation of safety performance against the set targets
- Integration of actions to prepare for and respond to emergency situations
- Processes to investigate work-related injuries, ill health, diseases and incidents
- Trainings provided to employees to raise awareness

OHS Governance

We have a three-tier structure to oversee safety performance of the Company. This includes an initial review by the Site Safety Committee, followed by the Business Safety Committee/ Sub-Committee and finally by the Business Review Council.

Monthly review meetings are conducted to review safety performance and identify gaps. The CSO monitors OHS performance and communicates to the Management Committee and RMSC. Further, the RMSC provides oversight on the safety-related matters and strategy.



Multi-Tiered Safety Committees

Our facilities have multi-tiered safety committees established to strengthen our safety governance systems. This enables the alignment of the Site Safety Committee with the Business Safety Committee. Committee members review the safety performance, identify gaps in the system and suggest improvements and suggestions.

The role of the Safety Committee is to:

- Coordinate with the management to ensure effective implementation of the OHS policy
- Safeguard employees' interest in health and safety issues
- Ensure health and safety activities to be part of the core element of the organisation's operating procedures, culture and programmes
- Provide awareness and safety trainings to managers, supervisors and employees
- Facilitate open dialogue on health and safety concerns
- Ensure strict adherence to health and safety standards

Committees	Committee Members	Objectives
ABFRL BOARD	• Board Members • Managing Director • Mancom Members	• Review of safety performance progress • Key decisions on safety improvement
ABFRL MANCOM	• Board Members • Chief Executive Officers • Chief Operating Officer	• Review of safety performance • Gaps in safety trainings • Safety compliance status • Budget-related discussions
BUSINESS SAFETY COMMITTEE	• Chief Sustainability officer • Chief Operation Officer • ABFRL Corp Safety Head • ABFRL Safety Head - Business • Business Safety Head • Chief Medical Officer • Factory Managers	• Review of safety performance • Gaps in safety trainings • Safety compliance status industrial change • Budget-related discussions
SITE SAFETY COMMITTEE	• Factory Manager • HR Manager • Medical Officer (Doctor) • Safety Lead • Maintenance Dept Lead • Production Dept Lead • Purchase Dept Lead • Employees from each department	• Safety related issues and corrective actions • Communication of injuries and Incidents • Training needs • Safety communication

Safety Management System

We have established a thorough Safety Management System (SMS) throughout our operations. Central to our SMS is the Hazard Identification and Risk Assessment (HIRA) process, where we conduct both qualitative and quantitative assessments to categorise risks into low, medium, high, and extreme levels on an annual basis. Additionally, we perform a mid-year review of these risks. Notably, eight of our factories hold ISO 45001:2018 certification for Occupational Health and Safety Management Systems.

Our stores, warehouses and offices are covered under robust safety management system. Some of the key activities undertaken to promote a safe workplace include the following:

Safety Audits and Inspections

Safety audits and inspections cover health, safety, industrial hygiene, industrial ergonomics, and emergency preparedness policies and action plans. Audits and inspections are conducted on-site. Post this, a report highlighting the action plan to address deficiencies or best practices is developed for further implementation. The action plans are reviewed regularly by the corporate safety function.

Real-Time Safety Equipment Monitoring System

Staying at par with the industry best practice, we implemented a real-time remote monitoring system for critical safety equipment. This helps us monitor the critical equipment's working condition and its readiness.

Safety Newsletter and E-Posters

With the aim of enriching a positive safety culture among our employees, we have initiated a Safety Newsletter that will provide safety information and insights to them. Frequent e-posters on safety aspects like hazards, road safety, travel safety, ladder safety, etc. have been circulated to employees. We have established 10 Life Saving Rules and strict adherence to them is mandatory for all employees.

Safety KPIs

With the introduction of target-based KPIs for factories and warehouses, we seek to achieve the ABFRL Safety Goal.

Safety Training Videos

Continuing our efforts in capacity building, we have developed safety-training videos to train all employees in our retail stores and we evaluate its impact through online assessments.

Our strong occupational health function plays a vital role in identifying and eliminating hazards, thereby minimising risk. We ensure that all employees and workers are protected by rigorous safety standards and practices. If any employee or worker feels unsafe, they are encouraged to immediately remove themselves from the potentially harmful situation.

CENTRAL TO OUR SMS IS THE HAZARD IDENTIFICATION AND RISK ASSESSMENT (HIRA) PROCESS, WHERE WE CONDUCT BOTH QUALITATIVE AND QUANTITATIVE ASSESSMENTS TO CATEGORISE RISKS INTO LOW, MEDIUM, HIGH, AND EXTREME LEVELS ON AN ANNUAL BASIS.

We have launched a digital portal for all our facilities to report any safety-related information like incidents, safety observations, inspection details, etc. to ensure effective safety data management. Incidents reported on the portal are thoroughly investigated, root causes are identified, and corrective actions are immediately implemented. This portal also entails a safety checklist to ensure that all facilities are following the safety standards.

Moreover, we have introduced QR codes for our employees and workers to report safety-related incidents and accidents. Scanning the QR code directs them to a form where they can provide their identity details, observations, and any relevant photos or evidences. Furthermore, we also circulate self-assessment questionnaires in our warehouses and factories to identify any gaps in the established systems such as Fire Safety Management System, Fire Risk Management, Emergency Preparedness and Response, and Road and Driving Safety. These questionnaires help us review any safety-related risks and develop areas for improvement. We also monitor occupational health and safety management system for third party leased warehouses and franchise stores and ensure legal compliance with respect to health and safety.

To equip our employees for emergencies, we regularly conduct Emergency Preparedness Drills in line with regulatory standards at all our facilities. We select and train staff members from each facility to join the Emergency Response Team (ERT), covering areas such as evacuation procedures, basic first aid, and firefighting. This training improves employees' readiness and response times, facilitating quicker recovery. Post-drill debriefings help identify improvement areas and implement necessary adjustments.

Our comprehensive on-site emergency response plan outlines potential emergency scenarios, including fires, explosions, spills, and natural disasters. It also includes a roster of emergency response team members and crucial contact numbers.

At all our ABFRL factories, medical facilities are staffed with a Chief Medical Officer and nurses to ensure the health and safety of our employees. Awareness of safety-related matters is conveyed through various channels, including emails, quarterly newsletters, webinars, and training programs. We also provide our workers with non-occupational health services at the factory level.

We have a joint health and safety committee, with 50% worker participation. The joint safety committee meeting is conducted monthly, which enables workers and employees to raise any issues during meeting or in suggestion box.

Details of safety-related incidents (FY 2023-24)

	Total manhours worked (million manhours)	Fatalities as result of work-related injuries (Nos.)	High consequence work-related injuries (excluding fatalities) (Nos.)	Recordable work-related injuries (Nos.)	Lost Time Injuries (Rate)	Lost Time Injury Frequency Rate (LTIFR)
EMPLOYEES	68.57	0	0	44	0.01	0.03
WORKERS	49.78	0	0	41	0.01	0.04

Safety Training

To enhance awareness and elevate skills of our workforce, we conduct an average of 56 trainings per month. We have created a well-organised training calendar that integrates the identified hazards and risk assessment. We have created animated safety training videos to train all our retail store employees. These training videos have been made available on an online platform that can be accessed from any location and at any time.

Several safety-related topics such as fire safety, incident reporting, emergency preparedness, electrical safety, work permit system, legal requirement updates, road safety awareness, machine guarding, HIRA, Lock Out and Tag Out (LOTO) are covered in these online trainings. We award e-certificates after the employees finish the training videos to encourage better participation. In addition to the online trainings, we also conduct classroom trainings and awareness sessions across our operations and facilities.

In the reporting year, we conducted 16,272 man-days of safety training.

WE AWARD E-CERTIFICATES AFTER THE EMPLOYEES FINISH THE TRAINING VIDEOS TO ENCOURAGE BETTER PARTICIPATION.

Details of safety trainings provided

	FY 2022-23		FY 2023-24	
	Employees	Workers	Employees*	Workers
Male	8,246	2,380	82,810	89,704
Female	3,129	14,010	56,744	45,880

* No of participants attended training. This is not a total manpower of the employees.

REAL-TIME MONITORING OF SAFETY EQUIPMENT

Our safety team recognised a significant gap in our ability to digitally monitor the condition of fire safety equipment such as fire pumps, alarms, hydrants, and water supplies. Without a centralised system to track these elements, assessing their readiness was challenging and time-consuming. To address this, we developed and integrated an IoT device into our existing infrastructure. This device continuously monitors the status of the fire safety equipment and transmits data to the cloud. This information is then processed by our software, allowing us to monitor equipment status from a central dashboard in real-time.

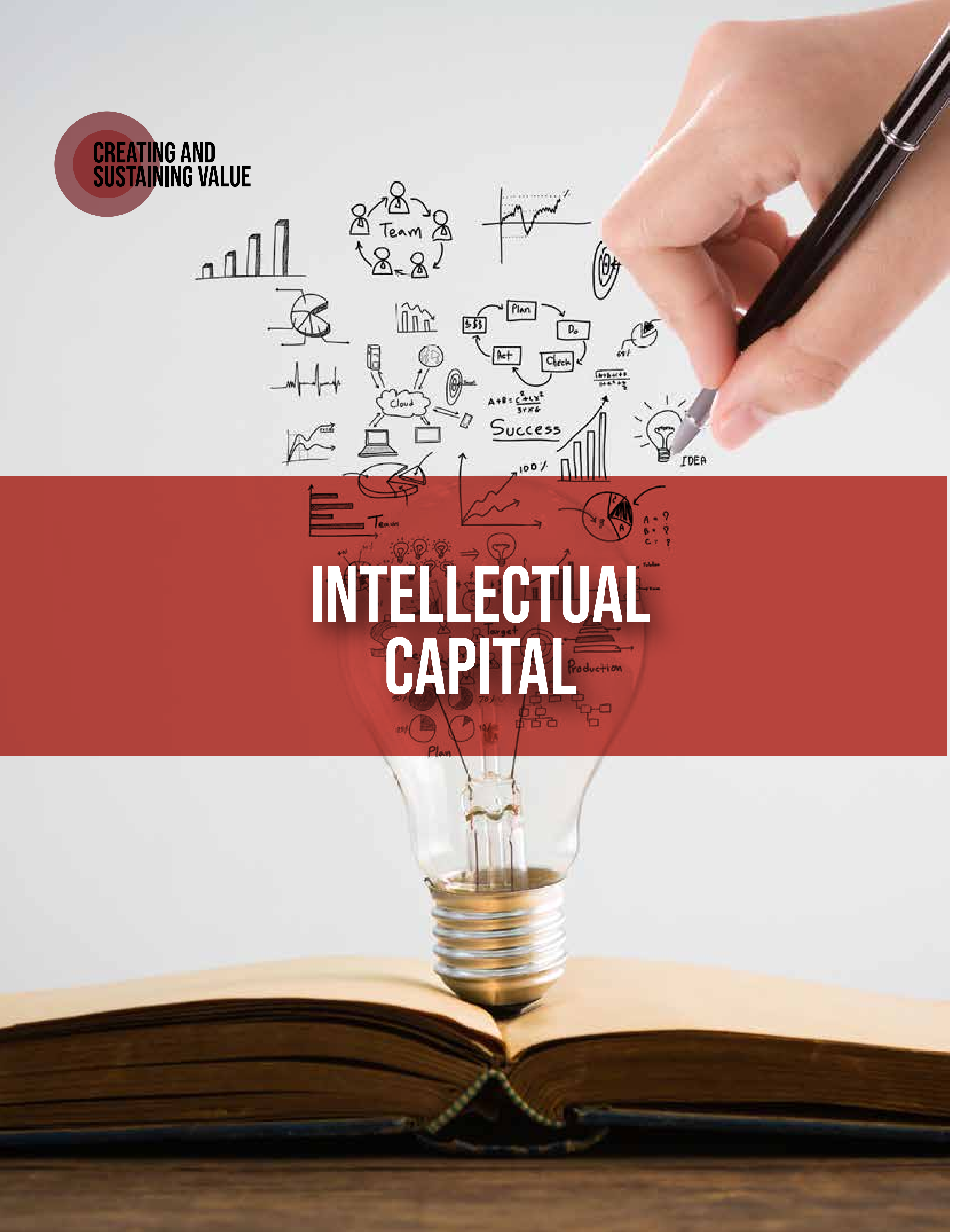
As a result, our warehouse facility's fire safety systems are now automated and continuously monitored throughout the year, significantly enhancing our ability to maintain operational safety.

ENHANCING SAFETY MEASURES FOR CRITICAL MACHINERY

We identified a significant safety gap in the snap button machine provided by the manufacturer, which lacked adequate safety precautions. This led to an incident where an operator sustained a finger injury due to insufficient safeguards.

We integrated a Time-of-Flight (TOF) sensor, a programmable control box, and a process indication light. This setup was designed to enhance the safety of the machine by providing real-time monitoring and automatic shutdown capabilities. With the new system in place, if an operator's finger is detected on the dye while the machine is in operation, the alarm light will immediately illuminate, and the machine will cease to operate. This automatic response system ensures that any potential accidents are promptly prevented.

The introduction of these safety measures resulted in a substantial improvement in workplace safety. We achieved complete safety guarding of the snap button machine and successfully eliminated lost time injuries. This proactive approach not only protected our operators but also reinforced our commitment to maintaining a safe working environment.



INTELLECTUAL CAPITAL

FOCUS AREAS

- CIRCULARITY IN FASHION
- PRODUCT INNOVATION
- DIGITALISATION

KEY HIGHLIGHTS

1,636 Trademarks (received till date)	**19** Patents (won till date)	**Zero cases** of data breach	**9** Copyrights (received till date)	**3** Centres of Excellence (CoE)

CONTRIBUTION TO SDGS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

INTERLINKAGE WITH OTHER CAPITALS

Financial Capital | Manufactured Capital | Human Capital

We nurture a culture of innovation and creativity, leveraging our expertise to stay attuned to shifting technological trends and evolving customer preferences. As a leading fashion and retail company, we recognise the importance of intellectual capital in driving our success. Our organisation continues to build on the solid back of experienced professionals; the knowledge and creativity they bring and exceed customer expectations.

Our three Centres of Excellence – Technology Management Centre (TMC), Garment Technical Cell, and Knowledge Management Centre – play a crucial role in monitoring and measuring market trends and customer preferences. This allows us to uphold our market leadership position and drive growth by developing new and innovative products.

Our intellectual property portfolio is a significant asset, comprising 1,636 trademarks, 9 copyrights, and 19 patents, giving us a competitive edge in the industry. In the reporting period, we filed for one patent and eight trademarks. Five trademarks have been granted whereas three are under review.

We are leveraging the power of partnerships and collaborations to drive innovation within our organisation and the industry. Our partnerships with Circular Apparel Innovation Factory (CAIF) and GIZ's develoPPP project enables us to accelerate sustainable fashion concepts and develop new circular solutions within the sector.

OUR PARTNERSHIPS WITH CIRCULAR APPAREL INNOVATION FACTORY (CAIF) AND GIZ'S DEVELOPPP PROJECT ENABLES US TO ACCELERATE SUSTAINABLE FASHION CONCEPTS AND DEVELOP NEW CIRCULARITY SOLUTIONS WITHIN THE SECTOR.

EMBRACING CIRCULAR FASHION

Our commitment to sustainability goes beyond our operations and extends to our product offerings. We focus on designing apparel that maximises the clothing lifecycle through recycling, reusing, or repurposing garments, reducing the industry's reliance on finite resources and minimising our environmental footprint.

At ABFRL, we embrace circular fashion by integrating sustainability in every stage of our product lifecycle-from design and production to distribution and end-of-life disposal. We believe the cornerstone of circular fashion is designing garments that are built to last. We prioritise quality craftsmanship and durable materials to ensure our products withstand all conditions. Furthermore, we seek to innovate materials and use production techniques that minimise waste and reduce environmental impact. From BCI cotton and recycled polyester to biodegradable fibres, we are constantly exploring new ways to create sustainable fashion without compromising style or quality.

Through our take-back programme and partnerships with recycling facilities, we provide our customers a convenient way to responsibly dispose old clothing. Moreover, we give new life to discarded textiles by repurposing them into new garments or products.

50%
coverage

361
stores

Take Back Programmes at Peter England and American Eagle

Our brands, Peter England and American Eagle, launched a take-back programme to help end-users sustainably dispose their old garments and minimise waste generation. The initiative was run in various cities across India and allowed customers to buy their old clothes at stores near them. The collected garments were repurposed and donated to NGOs, thus embedding circularity in the value chain. This initiative has been successfully implemented across 361 stores.

At ABFRL, our brands take several initiatives to embed circularity into their respective product strategies. Our brand Jaypore, known for its intricately crafted traditional ethnic wear has commenced a programme intending to minimise resource use. We upcycle old heirloom sarees to make other ethnic pieces like *lehenga cholis and kurtas*. Additionally, we follow a made-to-order model for online stores, where the garments are prepared only after the order is placed, reducing wastage of fabric. At Shantanu and Nikhil, we have instituted a Buy-Back Programme, allowing customers to return clothes for store credit. Additionally, our efforts have been recognised and documented in the book 'Circular Design for Fashion' by The Ellen MacArthur Foundation, which promotes the idea of a circular economy. The book includes insights from 80 circular design practitioners in fashion.

We have a well-defined system to ensure accountability at every stage of product creation. Our management systems and processes are specifically structured to achieve our product sustainability objectives, which are reviewed regularly through transparent evaluation procedures.

Collaboration for Sustainability

Collaborating with GIZ

We have partnered with GIZ to strengthen textile circularity in India. The project titled 'Approaches for Circular Textiles and Apparel Industry in India', a part of the 'develoPPP programme', is supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) and was launched in the previous reporting period. The project prioritises innovating materials,, minimising harmful substances, closed-loop recycling, developing eco-friendly plastic alternatives, and enhancing traceability. The programme also provides technical and financial support for suitable projects. It aims to complement existing practices such as downcycling, recycling and promoting new sustainable production methods. Ultimately, the project seeks to foster a more sustainable and environmentally friendly textile and apparel industry, resulting in reduced waste and pollution.

In the previous reporting year, we conducted the 'Circularity Innovation Challenge' to provide a platform for innovators in the textile and apparel industry to showcase new and creative solutions for circularity within the sector. The challenge focused on eight categories, namely textile recycling and repurposing, sustainable textile production, circular materials, product design, digitalisation and traceability, end-of-life textile management, sustainable packaging materials, and innovative business models on circularity. As a part of this challenge, 89 applications in the form of innovative solutions were received. These were screened and reviewed by industry experts, academia and businesses. Subsequently, nine innovative solutions were identified for pilot projects. Of those shortlisted, we initiated three pilot projects.

Company	Description	Status
PUNARBHAVAA SUSTAINABLE PRODUCTS	**Packaging** Convert used cotton textile waste from ABFRL's value chain to make recycled paper, which can be used in our packaging	Pilot Project completed
SCHUTZEN CARE PVT. LTD	**Wet Processing** Use innovative sustainable, non-toxic, bio-based and biodegradable textile auxiliaries in textile production	Initial trial with one of the key textile partner
BUNKO JUNKO STUDIO	**Upcycle** Upcycle end consumer waste and textile small cut pieces into new products	Initial discussion with Pantaloons and Jaypore Brand

OUR MANAGEMENT SYSTEMS AND PROCESSES ARE SPECIFICALLY STRUCTURED TO ACHIEVE OUR PRODUCT SUSTAINABILITY OBJECTIVES, WHICH ARE REVIEWED REGULARLY THROUGH TRANSPARENT EVALUATION PROCEDURES.

STUDYING CIRCULARITY IN TEXTILE AND SETTING INDUSTRY BENCHMARKS

As part of the 'GIZ DeveloPPP Project', we undertook a baseline assessment that explored various aspects of waste and circularity in the textile value chain, including the need for circularity. The assessment helped us develop a broad action plan to embrace circularity by building a robust infrastructure, collaborating with the government, raising awareness and investing in research and development. The assessment report has proven to be beneficial to all stakeholders in the industry.

ADVANCING SUSTAINABILITY THROUGH PRODUCT INNOVATION

In our commitment to sustainability, we prioritise every aspect of our brand's operations, from sourcing materials to manufacturing processes and beyond. Our dedication extends to promoting transparency and accountability across our brands. We aim to set new standards for the fashion industry through continuous innovation and collaboration, demonstrating that style and sustainability can co-exist seamlessly.

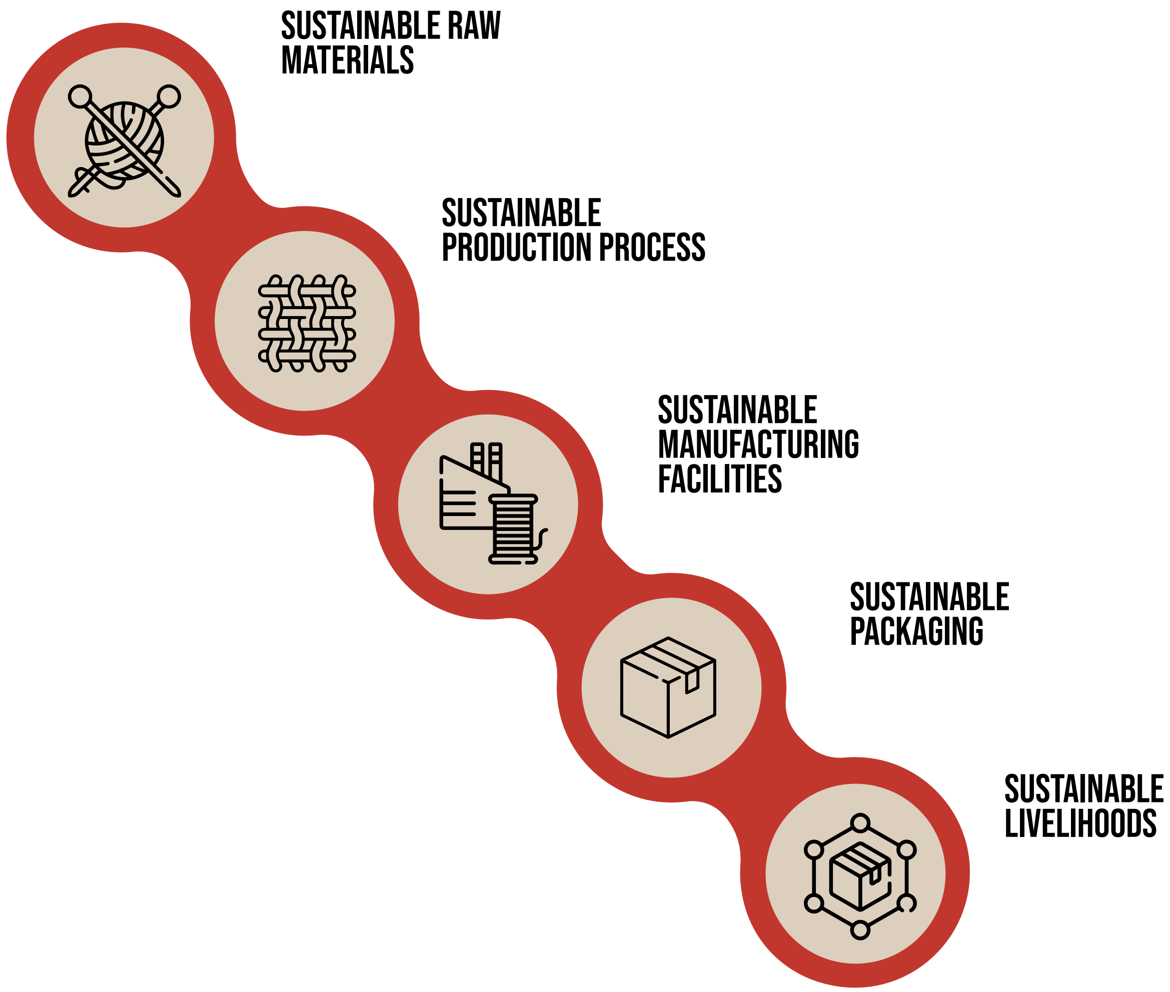
Product sustainability is integral across our brands, and we offer high-quality products, strive to improve resource efficiency and pay attention to the health and well-being of our customers and the workforce across the value chain. We have developed a comprehensive guideline called the 'Product Sustainability Attribute', which outlines five sustainable attributes that a product must have to be considered sustainable.

These attributes are based on the environmental and social impact of the product throughout its lifecycle. We measure the sustainability attributes of our products by volume bi-annually and annually and communicate these findings to individual brands and significant stakeholders through a specialised Management Information System (MIS) called the 'Brand Sustainability Dashboard'. This system allows brands to evaluate their sustainability performance, develop action plans, and enhance their overall sustainability efforts. In FY 2023-24, 89.2% of our products had at least one sustainability attribute out of the five attributes.

Our brand Louis Philippe has introduced Green Crest Denims made from PULCRA fabric. Since this fabric is made from recycled cotton, it has reduced the need for virgin cotton production and subsequently our carbon footprint. Additionally, the product has significantly reduced the amount of water required for the dyeing process and the emissions released from the process. The chemicals used in this product have zero harmful effects and the manufacturing process uses an eco-friendly laser dry process, thus preventing any hazards for the workers. Additionally, we utilise recycled metals for the shank and rivet, use 100% recycled polyester yarn from post-consumer plastic bottles and reuse leftover leather, thus preventing the need for virgin raw material production.

At our brand, Van Heusen, we have developed the 'Move Labs Collection'. The collection features ultra-stretchable, lightweight, and wrinkle-free fabric that minimises the need for our customers to iron their clothes, thus minimising their carbon footprint.

Sustainability Attributes for Products



BRAND SUSTAINABILITY

VAN HEUSEN

Bamboo Blended Shirts and Tops

During the reporting period, Van Heusen introduced VDOT Breathable Bamboo Blended shirts in the men's wear collection and Natural Formal Shirts and Tops in the women's wear collection. These shirts and tops were crafted from a blend of bamboo and polyester. Bamboo requires less water and pesticides to grow as compared to cotton and has natural antimicrobial and high absorbency properties, reducing the need for frequent wash. The blend ensures the garments are easy to care for with minimal ironing, reducing electricity consumption during the use phase. The bamboo-polyester fabric is eco-friendly, soft, breathable, moisture-wicking and temperature-regulating, providing comfort and a smooth, elegant appearance.

Cactus Leather - Women's Bags

Cactus leather is a revolutionary material offering eco-friendly and cruelty-free fashion solutions. It provides a sustainable alternative to traditional leather by using plant-based materials, specifically, cactus fibre from the prickly pear cactus.

Benefits of using Cactus Leather

- Cactus leather is highly durable and breathable, outperforming many other alternative leather materials.
- The manufacturing process is free from toxic pollutants, resulting in minimal wastage. Any waste generated is repurposed to the food industry, supporting a circular economy.
- Cactus leather requires significantly less water to produce compared to traditional leather. Cactus farms are carbon-negative, as they absorb 578 tonnes of CO2 per acre annually.

By opting for cactus leather at Van Heusen, we ensure quality and durability of our products while promoting environmental sustainability and ethical sourcing practices. With this innovative material, bags can be created with minimal environmental impact, contributing to a sustainable fashion industry.

ALLEN SOLLY

Laser Tech Denims in Allen Solly

At Allen Solly, we have integrated digital laser technology into our denim manufacturing to achieve colour fading, whiskering, distress patterns and surface texture engraving. This innovative approach significantly reduces environmental impacts by minimising chemical usage and enhancing worker safety. It also drastically reduces water consumption by eliminating multiple wash cycles. Additionally, laser technology operates with high precision and efficiency, consuming less energy compared to traditional denim finishing methods.

Vegan Enzyme Wash in Allen Solly Denims

Allen Solly uses sustainable, high-performance vegan enzymes developed from fungi in its denim manufacturing. The process involves using a non-GMO, neutral alkaline cellulase enzyme for washing, replacing the traditional stonewashing process. This hetero functional neutral cellulase enzyme was developed to deliver high abrasion contrast, reduce back staining and optimise strength retention. Additionally, the process produces minimal wastewater, supporting environmental sustainability.

Women's LIVA viscose Tops and Dresses

At Allen Solly, we have integrated LIVA viscose fabrics into our women's wear. This high-quality fabric is made from natural cellulosic fibres sourced from cultivated wood pulp, which uses significantly less water and land compared to cotton.

Recycled Polyester Blend

To promote sustainability, Allen Solly's women's wear uses a blend of 25% recycled polyester with 75% regular polyester. This supports circularity by repurposing plastic waste and reducing reliance on fossil fuels. We worked closely with suppliers to transition to recycled polyester, ensuring that the durability and functionality remain consistent with virgin polyester.

LOUIS PHILIPPE INTRODUCED A RANGE OF SPORTS CASUAL T-SHIRTS WITH A BLEND OF 30% BAMBOO, 32% COTTON, 32% POLYESTER, AND 6% SPANDEX. THE PRODUCTION PROCESS INVOLVES EXTRACTING SOFT, SMOOTH, AND DURABLE CELLULOSIC FIBRES FROM THE BAMBOO PLANT.

LOUIS PHILIPPE

Sustainable Hemp-Blend Sports Casual Shirts

At Louis Philippe, we introduced hemp and hemp-blended shirts and trouser collections. The collection includes—shirts made with 60% cotton and 40% hemp, along with a selection of shirts with 100% hemp composition; and trousers composed of 33% hemp, 66% cotton, and 1% spandex.

Hemp is a sustainable fibre requiring minimal pesticides, herbicides, and water, while also producing more oxygen than typical trees. Known for its durability, comfort, and breathability, hemp fabric ensures long-lasting garments ideal for everyday wear, offering significant environmental benefits.

Sustainable Bamboo-Blend Sports Casual T-Shirts

Louis Philippe introduced a range of sports casual t-shirts with a blend of 30% bamboo, 32% cotton, 32% polyester, and 6% spandex. The production process involves extracting soft, smooth, and durable cellulosic fibres from the bamboo plant. Bamboo fibres naturally resist bacteria and fungi due to bamboo kun, making the T-shirts odour-resistant and maintaining hygiene and freshness. Additionally, bamboo provides UV protection, and excellent moisture-wicking and thermoregulating properties, ensuring comfort and functionality in the apparel.

Recycled Polyester Formal

To reduce the usage of virgin polyester fibres in the formal trousers range of Louis Philippe, we incorporated 12-20% recycled polyester. These trousers blend recycled polyester with virgin polyester and viscose.

Recycled polyester repurposes PET bottles, preventing them from polluting landfills and oceans. This approach not only gives a second life to non-biodegradable materials but also requires significantly less energy.

100% Organic LP jeans Casual Shirts

Louis Philippe Jeans has introduced a range of casual shirts made from 100% organic cotton. Organic cotton is more sustainable than regular cotton with no chemicals, fertilisers or pesticides used in the production process. Certified organic cotton further ensures fair wages and ethical working conditions for farmers. It also uses less energy, emits less CO2 during the cultivation cycle and requires less water than conventional cotton, while promoting soil quality.

RDS-certified Down Jacket

At Louis Philippe, RDS (Responsible Down Standard) certified down jackets ensure that the down is sourced without causing unnecessary harm to animals, such as force-feeding or live-plucking. This certification provides traceability throughout the supply chain, ensuring ethical sourcing from farm to finished garment.

100 % BCI Cotton across LP Sports Shirts & Trousers

LP Sports is committed to using 100% BCI (Better Cotton) for all cotton and cotton blend shirts and trousers. BCI cotton is grown by promoting sustainable use of natural resources, responsible crop protection, and climate change measures.

DIGITALISATION AT ABFRL

We are committed to harnessing the power of digitalisation to drive commerce, build stronger engagement and affinity for our brands, and achieve greater efficiencies. Our digitalisation strategy aims to make our organisation smarter, intelligent, efficient and sustainable.

Digitalising the Design

At the heart of our apparel product creation process lies product designing, a function that drives innovation and excellence. We have undertaken significant strides to digitalise our end-to-end process, from design conception to customer feedback. By leveraging cutting-edge technologies and digital tools, we are optimising our design-to-delivery process, thereby reducing timelines and increasing efficiency.

Design through Artificial Intelligence

We have leveraged the power of Artificial Intelligence (AI) to optimise artwork creation and accelerate the design process. We are focused on creating collections through AI-based prompts, building visual creations and reducing physical sampling. This has led to substantial resource savings and improved design quality.

Digital Product Creation

We have scaled up 3D garments to create a wider range of 3D assets and applications. This includes processes such as design shortlisting, booking, marketing, and shopper-facing experiences. By leveraging digital technology, we have minimised the workload on our sampling and manufacturing teams, thereby creating sustainable and responsible design processes.

Design Grading System: Amplifying Customer Feedback

Our Fabric Grading System is designed to capture valuable feedback from our frontline store employees, who interact with shoppers daily. The customer feedback is used to inform our buying and merchandising teams and enables them to make our business process calendar more agile. By incorporating their insights into our design process, we can create products that meet market demand and hence, minimise waste while maximising resource deployment.

THE CUSTOMER FEEDBACK IS USED TO INFORM OUR BUYING AND MERCHANDISING TEAMS AND ENABLES THEM TO MAKE OUR BUSINESS PROCESS CALENDAR MORE AGILE.

Data Transformation: Unlocking Efficiency and Sustainability

As we continue to harness the power of data, we are recognising the importance of making data management more sustainable and efficient. To achieve this, we have been focusing on:

Cloud Migration: Enabling Scalable and Sustainable Data Storage

We are upgrading our data storage infrastructure by migrating our existing on-premises Data Warehouse (Teradata) to a cloud-based Data Lake. This will enable us to overcome the challenges of ingesting unstructured data, storing larger datasets, and in scaling the capacity as needed. This will also help in reducing our energy consumption and carbon footprint and create a more sustainable environment.

Product Lifecycle Management: Enhancing Transparency and Accountability

To bring transparency and accountability to our end-to-end process, from product development to sale, we are implementing digital solutions for product lifecycle management across our new and upcoming business units. This will provide seamless connectivity among all stakeholders, from internal teams to external suppliers, across the concept-to-shelf spectrum.

Content Management System: Streamlining Digital Cataloguing

To enhance efficiency and accuracy in digital cataloguing, we are focusing on ensuring single-source data management. This will eliminate manual efforts and reduce redundancy in information and data storage while maintaining access and usability.

S/4 HANA: The Single Digital Core Platform

We are moving to a 'Single Digital Core' on the S/4 HANA platform, which is vertically integrated from manufacturing to retail. Implementation of S/4HANA FVB 2022 will help prevent data duplication, reduce process redundancies, and repurpose hidden space. We have already implemented this for one business unit and are in the process of rolling it across all business units.

Unlocking Sustainability through Digitalisation

In addition to the environmental benefits of digitalising processes, sustainability as a function can also reap significant benefits from digital transformation. By leveraging technology, we can streamline data collection, storage, and retrieval, making it easier to monitor and track our sustainability initiatives.

ReEarth Portal: Streamlining Sustainability Data Management

Our ReEarth Portal is a cutting-edge IT platform that automates sustainability data collection, making our disclosures more efficient, accurate, and informative. This has significantly enhanced our data accuracy, timeliness, and future planning capabilities.

Safety Process Digitalisation: Enhancing Safety

To ensure safety across all aspects of our operations, we have digitalised our safety operations under a one-stop application within our internal messaging environment. This will help us to track, monitor, prevent and mitigate the scope of safety lapses.

Business Intelligence and Application Modernisation: Informing Decision-Making

Our goal is to integrate insights from data into decision-making through action-oriented dashboards. We are currently working on system integrations to enable seamless communication between source and end-state systems, reducing manual intervention.

INFORMATION SECURITY

Our Information Security Policy outlines our approach to protecting information and information systems. It defines the rules for IT Security to ensure confidentiality, integrity, and availability of information. Employees, trainees, vendors, contractors, business partners, and other related third-party personnel are required to comply with our Information Security Policy. Failure to comply may result in disciplinary actions.

Our IT governance and strategy are monitored by the Information Security Committee consisting of six members. We have a Chief Information Security Officer (CISO) who oversees the information security across the Company. At the Board level, the Risk Management and Sustainability Committee (RMSC) oversees the information security and cybersecurity-related concerns and strategies to overcome them.

Security Awareness and Training

We conduct regular training and awareness programmes for employees and third-party contractors on cybersecurity and data privacy policies, IT system security controls, Do's and Don'ts, handling confidential/sensitive Personally Identifiable Information (PII), etc. This is done through various mediums such as e-mailers, presentation media, videos, and course notes. All the employees are required to attend and complete the training. We also conduct mandatory refresher training once a year. To test the effectiveness of our programmes, we launch periodic email-based phishing campaigns.

Information Security Controls

All our IT processes and infrastructure are certified with ISO 27001: Information Security Management System and are annually audited by an external auditor for their effectiveness.

WE HAVE A ROBUST INCIDENT MANAGEMENT PROCESS IN PLACE, DEFINED ACCORDING TO INFORMATION TECHNOLOGY INFRASTRUCTURE LIBRARY (ITIL) STANDARDS.

We have implemented a defence-in-depth strategy with various security controls, including physical security, network security, identity protection, access management, application security, endpoint security and data security. We monitor our security controls using Security Incident and Event Management (SIEM) technology, which is supported by a skilled security operations team.

We subscribed to cyber threat intelligence services to stay informed about targeted attacks on our IT systems, users, and applications. This has strengthened the security of the systems since we are able to promptly implement required patches or fixes and prevent breaches.

We conduct vulnerability assessments and penetration testing at least once a year through internal and external (third-party) assessments. Furthermore, we also perform red teaming to identify weaknesses in our organisation's security system. The red team leverages attack simulation methodology to determine how well our people, processes and technologies resist an attack. Our red teams evaluate the overall information security posture and provide recommendations for improvement, helping us to reduce the risk of data breaches and cyber-attacks.

Business Continuity

We have a business continuity plan (BCP) in place to ensure our business operations are resilient. We have implemented a disaster recovery site on the cloud and have developed Cyber Incident Response and Recovery process to minimise business disruption. The business continuity plans are maintained, updated, and tested at least annually.

Data Security

We have implemented various measures to safeguard customer data, including data leakage prevention, encryption of data in transit using Transport Layer Security (TLS), access controls, multifactor authentication, etc. that are aligned to ISO 27001:2013 (Information Security Management Systems).

Incident Response Management

We have a robust incident management process in place, defined according to Information Technology Infrastructure Library (ITIL) standards. Any suspicious activity or breaches are reported to our helpdesk portal and escalated to our stakeholders for immediate response and resolution. The actions are tracked and governed based on the Service Level Agreement (SLA). Our incident management process is available to employees for logging the ticket through the internal ticketing tool. Investigation of information security incidents is carried out by trained and skilled personnel only. We conduct root-cause analysis to identify the underlying causes and prevent the reoccurrence of security incidents. The outcome of the analysis is signed off by each business unit Information Officer, and any outcomes impacting the security of the entire Aditya Birla Fashion and Retail Limited must be signed off by the Chief Digital and Information Technology Officer.

We did not experience any cases of data breach and information security failure in the reporting year, and we received no substantiated complaints from stakeholders regarding data breaches, including customer privacy in the past two financial years.

CREATING AND SUSTAINING VALUE

NATURAL CAPITAL

FOCUS AREAS

- RESOURCE MANAGEMENT
- WASTE MANAGEMENT
- EMISSION MANAGEMENT

KEY HIGHLIGHTS

67% of energy at owned facilities from renewable sources	**SBTi** validate Emission reduction targets	**14.5** Lakh sq. ft. certified area across owned facilities.	**Water Positivity** achieved across all owned facilities.	**100%** waste traceability across owned facilities	**Zero-waste** to landfill at all owned facilities.

CONTRIBUTION TO SDGS

INTERLINKAGE WITH OTHER CAPITALS

- Social and Relationship Capital
- Financial Capital
- Intellectual Capital
- Manufactured Capital
- Human Capital

ENVIRONMENTAL MANAGEMENT

OUR ENDEAVOURS SPAN FROM DECARBONISATION INITIATIVES AND CLIMATE CHANGE MITIGATION EFFORTS TO TRANSITIONING TOWARDS A ZERO-WASTE CIRCULAR ECONOMY THAT ACHIEVES WATER POSITIVITY AND COMMENCES OUR EFFORTS TOWARD PRESERVING BIODIVERSITY.

The UN Conference of Trade and Development (UNCTD) findings show that fashion is the second most polluting industry in the world. At ABFRL, we are aware of the impact of our industry and stand resolute in our commitment to spearhead initiatives to improve sustainability within the industry. As a leading apparel retailer, we ensure that our operations and products contribute to an environment-friendly economy where we pursue growth beyond profits. At the heart of our sustainability ethos lies a multifaceted approach to addressing the pressing challenges. Our endeavours span from decarbonisation initiatives and climate change mitigation efforts to transitioning towards a zero-waste circular economy that achieves water positivity and commences our efforts toward preserving biodiversity.

To further fortify our resolve towards sustainability, we have implemented a system of monetary incentives across our organisation. By incentivising sustainable practices at every level, we foster a culture of environmental consciousness and drive tangible progress towards our sustainability goals. The variable remuneration of our Management Committee is linked to the ESG performance.

Transparency and accountability serve as the cornerstones of our sustainability strategy. To better integrate ESG in strategic decisions, ESG risks have been incorporated as part of the Enterprise Risk Management framework. Further, our Environmental Policy, Biodiversity Policy, and Sustainable Supply Chain and Procurement Policy allow us to uphold the highest standards of ethical conduct and environmental stewardship. Our employees receive training on ESG aspects to help them better navigate the impact of our operations on the environment.

Moreover, we actively pursue certifications to validate our environmental performance. We have implemented the ISO 14001: 2015 Environment Management System for eight manufacturing facilities. Our systems have been certified by a third-party certification body.

In FY 2023-24, we received no significant fines and non-monetary sanctions from CPCB/SPCB for non-compliance with environmental laws and regulations. In the last five years, we have not received any fines/penalties related to violations of any ecological legal obligations/regulations. Furthermore, there were no other significant instances of non-compliance with laws and regulations during the reporting period.

In addition to regulatory compliances, our commitment towards preserving the environment is guided by our sustainability framework and a robust governance mechanism.

GOVERNANCE MECHANISM

Our corporate governance framework operates through a multi-tiered sustainability governance mechanism, ensuring diligent oversight of climate-related risks and fostering a transparent and ethical ecosystem.

The Board of Directors serves as the highest governing body, which is responsible for supervising the sustainability strategy and policies and guiding the senior management on ESG initiatives. Semi-annual meetings of the Board deliberate on climate risks, strategies, policies, and company performance. The Board and Senior Management oversees materiality assessment, ESG performance and Integrated Annual Report. Our board-level Risk Management and Sustainability Committee (RMSC) is crucial in monitoring and overseeing ESG issues, including climate-related matters. The committee meets bi-annually to review progress and provide updates to the Board.

The Managing Director sets the overall company strategy, while the Chief Sustainability Officer (CSO) leads the sustainability and climate strategy. During quarterly meetings, the CSO regularly reviews progress on implementing sustainability and corporate social responsibility (CSR) initiatives across our operations. The CSR and Sustainability budgets are carefully planned and approved, with inputs from the CSO and guidance from the RMSC and Corporate Social Responsibility Committee (CSRC). This collaborative approach ensures that our sustainability initiatives are aligned with our overall business goals.

Additionally, to drive cross-functional integration of ESG practices, we have a Management Committee comprising 12 CXOs representing different functions. This committee fosters open communication and collaboration across the organisation.

At the grassroot level, implementation teams meet bi-monthly with business unit heads to address sustainability and climate-related concerns at our factories, warehouses, and retail outlets. These regular meetings ensure that our employees are engaged and empowered to contribute to our sustainability efforts.

ADDITIONALLY, TO DRIVE CROSS FUNCTIONAL INTEGRATION OF ESG PRACTICES, WE HAVE A MANAGEMENT COMMITTEE COMPRISING 12 CXOS REPRESENTING DIFFERENT FUNCTIONS.

DIGITISING SUSTAINABILITY

The ReEarth Portal enhances efficiency and precision in disclosure processes by streamlining data collection and offering comprehensive sustainability data sources. Additionally, the portal is an effective ESG performance and risk management tool, focusing on Environment, Health, Safety, and Sustainability (EHS&S), Operational Risk Management, and Product Stewardship. Aligned with our five-year roadmap from 2021 – 2025, this initiative underscores our commitment to transparent and accountable business practices. We have set ambitious sustainability targets and business objectives, carefully balancing risks and opportunities, and diligently tracking our progress to inform effective decision-making.

OUR GOALS FOR 2025	OUR PROGRESS IN FY 2023-24
100% built environment to be Green Building certified	~14.5 Lakh sq. ft. of our Built Environment is green building certified
Deploying pilot initiative Net Zero as a holistic concept for select facilities • Net Zero Water Buildings • Net Zero Energy Buildings • LEED True Zero Waste Buildings	• HAL and FCL are certified as LEED Zero water • FCL certified as True Zero Waste to Landfill • LEED Zero Energy Building certification in progress
Water positive across owned facilities	100% of our owned facilities are water positive
Zero waste to landfill with 100% traceability across owned operations and facilities	Zero waste to landfill with 100% traceability across owned operations and facilities
50% renewable energy across owned facilities	67% renewable energy across owned facilities
5% reduction in total GHG emissions (Scope 1, 2 & 3)	3.8% reduction in Scope 1 & 2 emissions across ABFRL operations due to renewable energy and energy efficiency measures
100% Sustainable Packaging	88.9% of our packaging is sustainable

ALIGNED WITH OUR FIVE-YEAR ROADMAP FROM 2021 – 2025, THIS INITIATIVE UNDERSCORES OUR COMMITMENT TO TRANSPARENT AND ACCOUNTABLE BUSINESS PRACTICES.

BUILDING RESILIENCE TO CLIMATE CHANGE

At ABFRL, we understand the industry's impact on climate change and actively try to prevent and mitigate the potential negative impacts of our operations and products. Consequently, we recognise the impact of climate change on our business and incorporate these considerations in our financial, strategic, and operational decisions. We periodically conduct climate risk assessments in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) to understand the impact of climate change. The associated physical and transition risks were assessed, covering all current and under-construction assets, including manufacturing units, warehouses, and retail stores. We have devised the sustainability strategy 2025 to mitigate the risks identified and adapt to the impending effect of climate change at the various stages in the value chain. Our climate change-related risks and opportunities are integrated into the company's centralised enterprise risk management program.

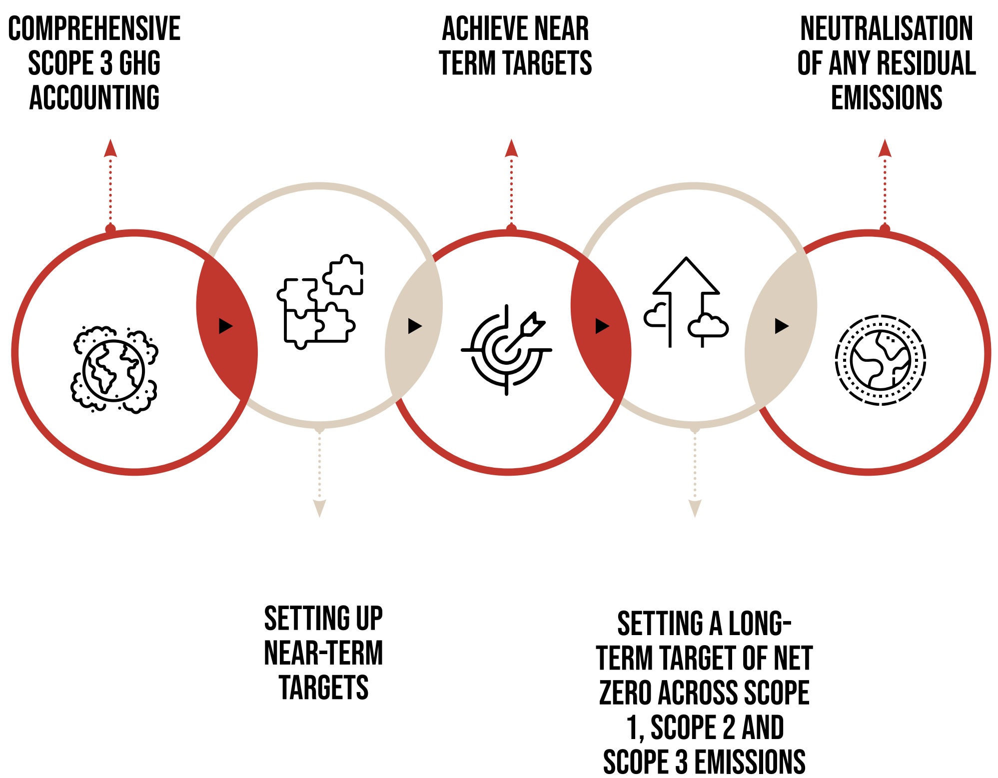
The assessment considered three different time horizons for assessing climate-related risks; risks arising up to 2030 were regarded as short term, 2030-2040 as medium term, and beyond 2040 as long term. We used the Representation Concentration Pathways (RCP) scenarios (RCP 2.6, RCP 4.5, RCP 6, and RCP 8.5 as well as the Shared Socioeconomic Pathways (SSP) scenarios (SSP1-1.9, SSP1-2.6, SSP2-4.5, SSP3-7.0, SSP5-8.5) by Intergovernmental Panel on Climate Change (IPCC) to evaluate physical risks, such as the effects of changes in temperature and precipitation at our sites. Further, we have considered IEA scenarios (Net Zero Emissions by 2050 Scenario (NZE), the Announced Pledges Scenario (APS), the Stated Policies Scenario (STEPS), and the Sustainable Development Scenario (SDS)) to analyse potential transition risks. We conducted scenario analysis using quantitative and qualitative models to illustrate potential outcomes in a detailed manner. This analysis has helped us to identify climate-related risks, identify steps to mitigate them and seize opportunities for the future.

To proactively address the physical climate risks identified, we have developed a comprehensive, context-specific plan that covers 100% of our operations. This plan is designed to ensure that our organisation is resilient and adaptable to the challenges posed by climate change. The plan sets an ambitious target to implement relevant adaptation measures within the next five years, focusing on prioritising and executing the most critical initiatives. This strategic approach will enable us to mitigate the impacts of climate-related physical risks on our operations and supply chain, such as increased frequency and severity of natural disasters, droughts, and heatwaves.

Decarbonising our Value Chain

As a company engaged in apparel retail and manufacturing, we recognise the imperative to develop a robust decarbonisation strategy and have established ambitious emission reduction targets to reduce Scope 1, 2, and 3 emissions. Aligned with the goals of the Paris Agreement, our climate change strategy is steadfast in its commitment to accelerating our decarbonisation efforts.

We are actively implementing measures to reduce our greenhouse gas (GHG) emissions through a multi-stage approach. These efforts include enhancing energy efficiency and optimising our value chain's fuel and energy mix. Moreover, we are collaborating with our value chain partners to fortify our decarbonisation strategy. Our SBTi near-term targets are validated, and we are committed to reducing absolute Scope 1 and 2 emissions by 54.6% by FY 2032-33 from the base year FY 2022-23 and absolute Scope 3 emissions from the categories purchased goods and services, fuel and energy-related activities, and franchises by 32.5% in the same timeframe. Our target has been validated by the Science Based Targets Initiative (SBTi) and aligns with the 1.5°C trajectory. We at ABFRL, stand to achieve net zero carbon emissions by 2050 in alignment with the Group's decarbonisation commitment.



CURTAILING EMISSIONS

In line with our SBTi targets, we are taking significant steps to reduce our emissions. We have conducted a comprehensive GHG Inventorisation and ensure that we track and monitor our emissions across our plants, warehouses, and retail stores. We calculate our emissions based on the GHG protocol and IPCC guidelines and have used a location-based method to calculate the Scope 2 emissions.

* Diesel consumption at the MF&L store and Fire DG at the factory is excluded from the Scope 1 calculations

** Pantaloons stores consume less per sq. ft. energy, whereas our MF&L stores consume more per sq. ft. energy; in the reporting year, the number of Pantaloons franchise stores reduced compared to the previous year.

*** tCO_2 - as break-up of other gases i.e., CH_4, N_2O excluded in CEA emission factor.

Carbon Footprint (Scope 1 and 2 emissions)

	FY 2021-22	FY 2022-23	FY 2023-24
Scope 1 (tCO_2e)*	1,926	2,890	2,458
Scope 2 (tCO_2)**	39,223	66,716	94,409
Scope 1+2 (tCO_2e)***	41,226	69,605	96,867
Turnover (₹ Crore)	8,136	11,737	12,351
Emission Intensity (tCO_2 e / ₹Crore)	4.82	5.9	7.8
Emission Intensity adjusted for Purchasing Power Parity (tCO_2e / ₹Crore)		420	655
Emission Intensity in terms of goods sold (tCO_2 e / Lakh Goods Sold)		57.1	80.1

MINIMISING EMISSIONS FROM GARMENT MANUFACTURING

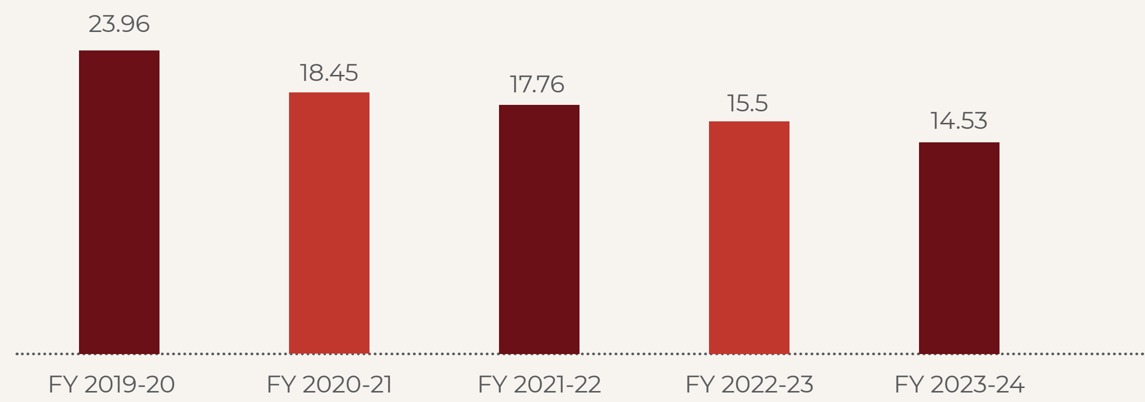
We have embarked on the sustainability journey and implemented focused measures to reduce carbon emissions and improve energy efficiency across our ten manufacturing units. Our carbon footprint intensity resulting from garment manufacturing and production quantities over the past five fiscal years indicates that we have achieved a 6% y-o-y reduction in energy consumption while factory output grew by 4%. Upon undertaking energy-saving measures we have observed an increase in energy efficiency at the site's infrastructural and machine levels, and a reduction in the emissions during the production processes.

Factors Driving Change

- Renewable Energy Adoption: We have been utilising energy from renewable sources like biomass-based boilers and rooftop solar to power our production facilities, lowering carbon intensity. Currently, 75% of the energy demand is met by renewable energy.
- Technological Innovations: We continue to invest in efficient motors and high-rating equipment in tandem with process improvements on the shop floor to enhance energy efficiency and reduce emissions.
- Employee Engagement: Employee training and engagement initiatives foster a culture of sustainability, encouraging staff to contribute ideas and implement environmentally friendly practices.

Our manufacturing units have demonstrated their dedication to environmental stewardship and positioned ABFRL as a leader in sustainable manufacturing practices.

Energy Consumption Intensity For Garment Manufacturing (Toe/Garment)



We have completed a comprehensive GHG Inventorisation of our scope 3 emissions. Our Scope 3 emissions account for 94% of our total GHG emissions. We are taking significant steps to collaborate with our value chain to reduce our Scope 3 emissions and, subsequently, our GHG emissions. In FY 2023-24, we avoided 2,676 tCO_2e through emission-saving initiatives.

Carbon Footprint (Scope 3 emissions) (tCO_2e)

	FY 2021-22	FY 2022-23	FY 2023-24
Category 1: Purchased Goods and Services	481,082	511,457	737,832
Category 2: Capital Goods	52,282	116,065	71,038
Category 3: Fuel-related Activities	32,293	46,463	45,446
Category 4: Upstream Transportation and Distribution	5,269	6,495	7,145
Category 5: Waste Generated in Operations	1,518	2,010	1,742
Category 6: Business Travel	2,014	7,884	8,987
Category 7: Employee Commute	7,294	8,871	9,397
Category 9: Downstream Transportation and Distribution	-	40,842	75,804
Category 11: Use of Sold Products (Optional- indirect emissions)	437,200	505,903	536,130
Category 12: End-of-life Treatment of Products	25,421	39,243	24,109
Category 14: Franchises	76,559	86,260	66,950
Category 15: Investments		36	52

* Our scope 3 calculations include subsidiary data as per SBTi target-setting methodology. We have restated the Scope 3 data for FY 2022-23 in line with the SBTi target-setting methodology
** Categories 8, 10, and 13 are non-relevant to our operations.

*Our scope 3 calculations include subsidiary data as per SBTi target-setting methodology. We have restated the Scope 3 data for FY 2022-23 in line with the SBTi target-setting methodology, and our Scope 3 emissions increased by 5.74%. Our Scope 3 emissions have increased vis-à-vis FY 2022-23 due to additional facilities in our reporting boundary.

Carbon Footprint (Scope 3 Emissions) (tCO_2e)

	FY 2021-22	FY 2022-23	FY 2023-24
Scope 3 (tCO_2e)*	1,120,853	1,371,530	1,584,632

Air Emissions

Our manufacturing operations contribute to stack emissions, namely SOx, NOx and PM. In our commitment to safeguarding the well-being of our employees and neighbouring communities, we have taken measures to reduce pollution and preserve air quality. While the air emissions are negligible, we take responsibility for our contribution to pollution and regularly monitor the air quality. These measures are undertaken to mitigate our environmental footprint, minimise impact and ensure compliance with regulatory standards.

Air Emissions (MT)

	FY 2021-22	FY 2022-23	FY 2023-24
SOx	2.2	3.0	3.6
NOx	0.7	1.9	1.7
Particulate Matter	3.0	5.6	2.7

Ozone Depleting Substances

ABFRL uses refrigerants for refrigeration and cooling in air conditioners and fire extinguishers across all our facilities.

Ozone Depleting Substance (MT)

	FY 2021-22	FY 2022-23	FY 2023-24
R22	0.004	0.019	0.029
R32	0.010	0.007	0.008
R407A	0.002	0	0

EFFECTIVE ENERGY MANAGEMENT

As we strive to curb emissions, energy management is integral to our decarbonisation strategy. We are continuously working towards reducing our energy usage and deploying measures to increase energy efficiency. Fostering a culture of energy conservation by creating awareness among employees through awareness campaigns has helped us enhance energy efficiency. Periodically auditing energy usage enables us to identify areas of improvement and track our progress. We have received the ISO 50001 Energy Management Systems Certification at our Europa Garments facility.

The increase in energy consumption is primarily attributed to expanding our operational footprint, including adding new facilities and retail stores within our reporting boundary. This expansion has been driven by robust growth in sales revenue.

Energy Footprint (TJ)

	FY 2021-22	FY 2022-23	FY 2023-24
From Renewable Sources	99	119	112
Fuel Consumption	91	109	102
Electricity Consumption	8	9	10
From Non-Renewable Sources	202	331	447
Fuel Consumption	24	35	34
Electricity Consumption	179	297	413
Total Energy Consumption	301	450	559
Turnover (₹ Crore)	8,136	11,737	12,351
Energy Intensity			
(TJ/ ₹ Crore)	0.04	0.04	0.05
Energy Intensity adjusted for Purchasing Power Parity (TJ/ ₹ Crore)	-	2.73	3.78
Energy Intensity in terms of goods sold (TJ / Lakh Goods Sold)	-	0.37	0.46

FOSTERING A CULTURE OF ENERGY CONSERVATION BY CREATING AWARENESS AMONG EMPLOYEES THROUGH AWARENESS CAMPAIGNS HAS HELPED US ENHANCE ENERGY EFFICIENCY.

Adopting Green Energy

In line with our goal to consume 50% renewable energy across owned operations, we continuously strive to switch to renewable energy. In FY 2023-24, 21% of our energy consumption is renewable. Over the past three years, we have increased our consumption of energy from renewable sources by 15%.

We have improved our energy mix by installing solar rooftops and solar streetlights at our campuses and switching to biomass-based briquettes as fuel for boilers. In FY 2023-24, we generated 32.3 lakh units of solar energy. Solar fencing and solar water heaters have also been deployed at our facilities.

100% of the Europa Garment facility runs on renewable energy which includes biomass and solar power generated on-site. Additionally, we purchase carbon credits to offset our emissions.

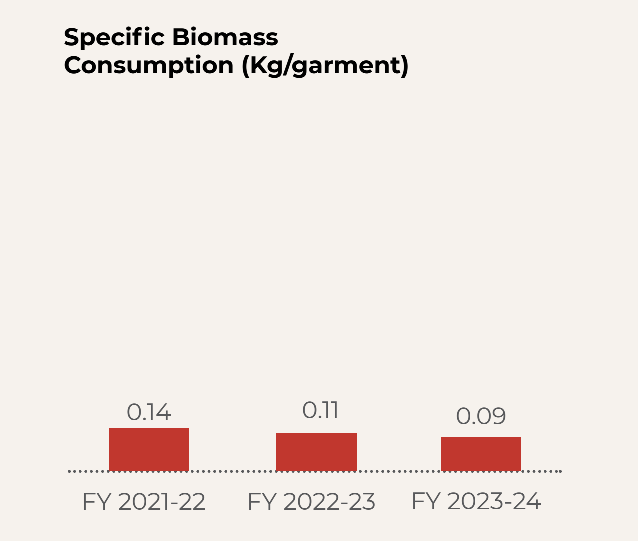
Given the limited feasibility of green energy initiatives in small spaces, deploying such initiatives at our retail stores can be challenging. However, we strive to increase the green energy used by our retail footprint by actively scouting for locations on campuses powered by green electricity, wherever feasible.

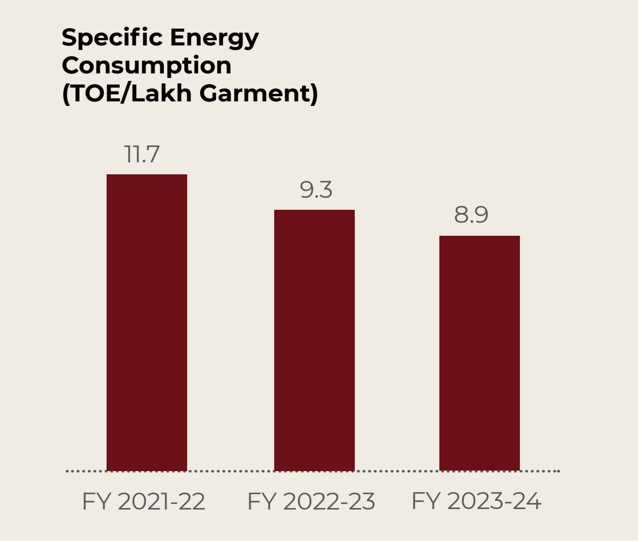
Maximising Energy Efficiency

Improving energy efficiency is integral to our operations. We have achieved the green building certification for several of our owned buildings, which is a testament to our commitment to energy efficiency. We have commenced optimising internal and external lighting, installing LED lights, motion sensors, VFDs and efficient equipment. We are designing new facilities and stores focusing on energy-efficient infrastructure and following the best practices in electrical systems. Prioritising energy efficiency reduces costs and contributes to mitigating climate change. In FY 2023-24, we saved 11.01 TJ of energy due to our energy efficiency measures. By 2025, we aim to reduce our energy consumption to 50%. We continually evaluate our progress in reducing energy consumption.

Energy Saving Initiatives

We have implemented various energy-saving initiatives to reduce our environmental footprint. Our manufacturing facilities have replaced steam straps to eliminate steam leakages, ensuring efficient use of resources and minimising waste. Furthermore, we have expanded the rooftop solar capacity at our Bhiwandi warehouse by 150 kWp, generating clean energy and reducing our reliance on non-renewable sources. Moreover, we have installed VFD-based HVAC systems at our retail stores, optimising energy consumption and creating a more sustainable shopping environment for our customers. These initiatives contribute to a reduced carbon footprint and help us achieve operational cost savings.





100% GREEN ENERGY AT EUROPA GARMENT

In our ongoing quest for sustainability, Europa Garment has achieved a remarkable milestone by using 100% Renewable energy for operations, through use of renewable energy sources (solar and biomass) and purchasing RECs to offset the remaining non-renewable based energy. Periodic cleaning of boiler tubes, upgrading steam traps to mitigate steam leakages, strategically setting up boiler operations and steam demand to match the production requirements, replacing ID Fan, and continually monitoring briquette quality demonstrates our dedication to optimising efficiency. Our endeavour has resulted in 15% reduction in specific biomass consumption as compared to last year.

Concurrently, we are also focusing our efforts on electrical energy. We switched the clutch motor to an energy-efficient servo motor and substituted ageing machinery with more energy-efficient machines reducing specific energy intensity by 24%. Furthermore, we are also acquiring more servo motors and energy-saving equipment and exploring automation for lights and fans during off-peak hours.

NAVIGATING WATER STEWARDSHIP

Efficient water use is critical to sustainable practices and is essential for environmental preservation and operational efficiency. Our Environmental Policy and Aditya Birla Group's Water Stewardship Policy guide us in conserving, recycling, and reusing water. As part of our commitment to Water Stewardship, we have achieved water positivity across all our facilities. We conduct water assessments to identify usage patterns and improvement opportunities to develop targeted strategies for reducing consumption. Additionally, we are strengthening our water management system to reduce our reliance on freshwater.

Water Withdrawal and Consumption

At ABFRL, primary sources of water withdrawal include Surface Water, Ground Water and Third-Party Water. In addition, we have also implemented rooftop rainwater harvesting systems to collect and utilise rainwater. This innovative approach reduces our reliance on freshwater supply and helps mitigate the impact of stormwater runoff. Rooftop rainwater harvesting has been categorised under surface water. In FY 2023-24, despite the significant expansion of our operations, the water consumption has only increased by 2%.

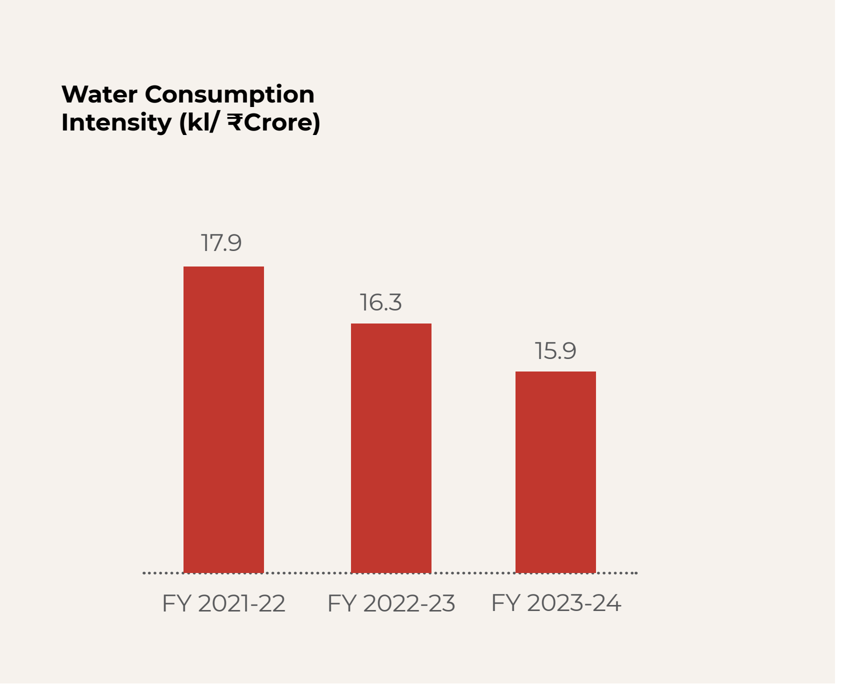
*In the current disclosure we have excluded the data for water consumption from bottles containing < 1 litre of water. We are establishing a mechanism to monitor < 1 litre of water bottles.

Water Footprint (kl)

	FY 2021-22	FY 2022-23	FY 2023-24
Surface Water Withdrawal*	8,726	12,287	8,903
Ground Water Withdrawal	132,350	158,713	161,920
Third-Party Water Withdrawal	8,774	27,783	28,050
Total Water Withdrawal	150,030	198,784	198,873
Total Water Discharged	4,398	8,005	3,033
Total Water Consumption	145,631	190,778	195,840
Turnover (₹Crore)	8,136	11,737	12,351
Water consumption intensity (kl/₹Crore)	17.9	16.25	15.9
Water Consumption Intensity adjusted for Purchasing Power Parity (kl / ₹ Crore)		1,219	1,324
Water Consumption in terms of goods sold (kl / Lakh Goods Sold)		156.38	161.4

OUR ENVIRONMENTAL POLICY AND ADITYA BIRLA GROUP'S WATER STEWARDSHIP POLICY GUIDE US IN CONSERVING, RECYCLING, AND REUSING WATER.

Efficient water management has allowed us to achieve a water consumption intensity of 15.9kl/₹Crore, showing a reduction of 11% in the past three years.



Managing Water Discharge

We primarily consume water for domestic purposes as our manufacturing operations are limited to the manufacture of apparel, and we do not manufacture fabrics. Therefore, wastewater discharge from our facilities only includes domestic sewage.

To effectively manage our water discharge, we have sewage treatment plants (STPs) at all manufacturing units to improve wastewater quality and subsequently recycle water for alternative purposes. 76% of the water withdrawn was recycled in the reporting period. We abide by Aditya Birla Group's technical standard on wastewater management to ensure proper wastewater discharge. Investing in wastewater treatment allows us to minimise freshwater withdrawals and mitigate pollution risks. 100% of treated wastewater is recycled/ reused to meet toilet flushing requirements, and the surplus goes for landscaping/gardening requirements. No treated wastewater leaves the site boundary, ensuring Zero Liquid Discharge .

We regularly monitor the water quality as per state pollution control guidelines. All our facilities comply with national/ regional/local air and water consent. We also test the water on physical, chemical, and biological parameters per the consent conditions, and 100% compliance is ensured before the treated wastewater is discharged into municipal sewers.

We conduct a water stress study annually using the WRI aqueduct tool. Two of our locations lie in water stress regions, i.e., Bengaluru and Gurugram.

WE REGULARLY MONITOR THE WATER QUALITY AS PER STATE POLLUTION CONTROL GUIDELINES. ALL OUR FACILITIES COMPLY WITH NATIONAL/ REGIONAL/LOCAL AIR AND WATER CONSENT.

Water Discharged by Destination and Level of Treatment (kl)

	FY 2022-23	FY 2023-24
Others	8,006	3,033
No Treatment	6,222	3,033
With Treatment	1,784	
Total Water Discharged	8,006	3,033

Water Footprint from Water-Stressed Areas (kl)

	FY 2022-23	FY 2023-24
Surface Water	10,262	8,333
Groundwater	107,281	114,196
Third-Party Water	11,451	10,738
Total Water Withdrawal	128,994	133,267
Total Water Consumption	127,680	130,234
Water Consumption Intensity (kl / ₹ Crore)	10.88	10.47
Total Water Discharge	3,098	3,033
No Treatment	3,098	3,033

WE ABIDE BY ADITYA BIRLA GROUP'S TECHNICAL STANDARD ON WASTEWATER MANAGEMENT TO ENSURE PROPER WASTEWATER DISCHARGE.

NET ZERO WATER AT HARITHA APPAREL

At Haritha Apparel, we have achieved Net Zero Water Certification by minimising our water footprint, optimising water efficiency, and promoting sustainable water management practices including closed-loop water systems, rainwater harvesting, and energy-efficient water fixtures. We have also installed IoT-based water flow meters to monitor and optimise real-time water consumption. The results of our efforts have been impressive, with a significant reduction of at least 20% in our potable water demand. In addition, we have implemented a comprehensive rainwater harvesting system, which utilises three distinct methods to collect and recharge groundwater. In FY 2023-24, we withdrew 17,553 kl of water, with approximately 67% recycled through our Sewage Treatment Plant (STP) and reused within the facility.

Furthermore, our rainwater harvesting initiatives have successfully recharged 7,726 kl of water. Our sustainable water management efforts have resulted in a “water positive” status, with a credit of 19,495 kl and a debit of 17,553 kl, indicating that we have given back 1,942 kl of water to the earth. This achievement demonstrates our commitment to preserving this valuable resource for future generations.

7,726 kl
Water Recharged

1,942 kl
Water Positive

67%
Water Recycled

Improving Water Management

In line with our commitment to water stewardship, we have deployed several innovative technologies to strengthen water management. We have established a state-of-the-art IoT and Cloud-based tool across our facilities that allows us to monitor and manage water usage through proactive analysis of our systems. This initiative will enable us to reduce water consumption.

Roof and non-roof rainwater harvesting systems, artificial recharge systems and waterless/ water-efficient fixtures have been installed across our facilities to encourage water reuse. Additionally, we offset our water discharge through watershed programmes at the community level. In FY 2023-24, we conserved 55,730 kl of water through community rainwater harvesting. As part of our water conservation efforts, we initiated training programs for employees and our surrounding communities to create awareness about the proper use and conservation of water.

Water Conservation through Community Rainwater Harvesting (kl)

	FY 2021-22	FY 2022-23	FY 2023-24
Rainwater Harvested	36,818	64,934	55,730

WE HAVE ESTABLISHED A STATE-OF-THE-ART IOT AND CLOUD-BASED TOOL ACROSS OUR FACILITIES THAT ALLOWS US TO MONITOR AND MANAGE WATER USAGE THROUGH PROACTIVE ANALYSIS OF OUR SYSTEMS. THIS INITIATIVE WILL ENABLE US TO REDUCE WATER CONSUMPTION.

RAINWATER HARVESTING AND BOREWELL RECHARGING AT THE ATTIBELLE WAREHOUSE

At our Attibelle warehouse, we have taken a proactive step towards sustainability by implementing a rainwater harvesting system. This innovative approach collects rainwater from the rooftop and stores it in an underground tank, which is used for daily utility purposes. During the rainy season, the collected rainwater exceeds daily usage, allowing us to recharge our underground borewells. This sustainable water management practice ensures reduced reliance on borewell water. As a result, we have achieved significant annual savings of 4,300 kl of water and cost savings of ₹387,000.

Furthermore, we have consistently recharged a previously dry borewell for over two years, offering a reliable and uninterrupted water supply. By adopting this initiative, we have realised key benefits, including reduced borewell water consumption, effective utilisation of rainwater resources, and a consistent and uninterrupted water supply.

4,300 kl
Water Saved

1,741 kl
Water Recharged

₹387,000
Cost Saved

SUSTAINABLE INFRASTRUCTURE

Green buildings are integral to sustainable development, offering innovative solutions to mitigate environmental impact while enhancing occupant well-being. The IGBC and USGBC rating systems have certified six of our facilities as green buildings. Owing to the labour-intensive nature of our operations, changing weather conditions may lead to reduced productivity. We mitigate this risk through insulation, daylighting, enhanced ventilation, and vegetation cover. Further, aligning our facilities with the highest standards for green buildings has allowed us to employ eco-friendly materials, energy-efficient technologies and sustainable design principles to minimise resource consumption and carbon emissions at these locations.

UPGRADING MANUFACTURING FACILITIES TO PLATINUM LEED STATUS

Our 3.57 lakh square foot Fashion Craft and Haritha Apparels facilities achieved the LEED platinum certification, showcasing our unwavering dedication to sustainable practices and environmental responsibility.

In the energy domain, we adopted cutting-edge technologies like servo motors in sewing machines, variable frequency drives (VFDs), ducting for air compressors, and energy-efficient machinery to enhance energy efficiency. Concurrently, strategic additions like air ducts and exhaust fans improved the quality of the indoor environment. These initiatives led to a reduction in energy intensity by 24% at HAL and 26% at FCL.

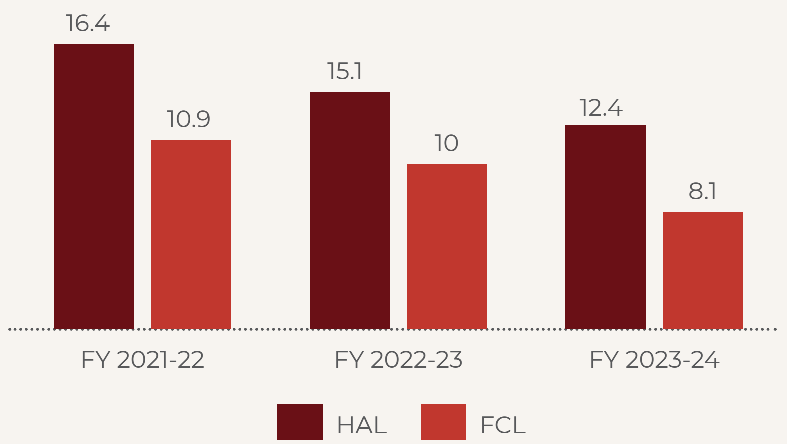
Our tireless efforts in the water domain are showcased by introducing innovative, real-time monitoring systems and low water flow fixtures into the facilities. Additionally, the facilities have an artificial recharge system and a rainwater harvesting system installed to support sustainable water practices. Complementing these advancements, a sewage treatment plant has been installed, and water for toilet flushing and landscape irrigation has been recycled. These efforts also resulted in the recognition of both our facilities as LEED Zero Water Buildings.

Achievements:

- Achieved LEED Platinum Certification
- Significant reductions in Energy Intensity and Specific Water Consumption

We will continue incorporating innovative technologies into our facilities to make our infrastructure more sustainable. We are also proceeding swiftly to expand this initiative to our remaining facilities.

Energy Intensity (TOE/Lakh Garments)



As part of the green building certification process, we focus on several key areas, including efficient water and energy usage, consumption of green energy, improved air quality, and utilisation of sustainable materials. We aim to harvest more water than we consume, treat most of our wastewater on-site and reuse it whenever possible. We also strive to ensure that at least 70% of regularly occupied areas receive natural light and fresh air and meet ASHRAE standards, limiting exposure to carcinogenic gases.

We prioritise local sourcing, using at least 50% locally manufactured materials, and encourage the transition to renewable energy by installing solar rooftops. Our green buildings leverage technology and infrastructure to optimise operational efficiency, reducing excessive utility consumption. We provide temperature-controlled working conditions, soothing music, and a surrounding vegetation area to minimise concrete use and maintain a comfortable environment. To track and monitor our progress, we have installed meters to record the performance of our resources.

HARITHA APPARELS

FASHION CRAFT

CRAFTED CLOTHING

ATTIBELE WAREHOUSE

INNERWEAR WAREHOUSE

LITTLE ENGLAND APPARELS

CLOSING THE LOOP: WASTE MANAGEMENT AND PACKAGING

Managing Waste

We have achieved "Zero Waste to Landfill" and have been certified by external bodies such as USGBC True Zero Gold and Bureau Veritas. We realised our goal by implementing sustainable resource management and comprehensive waste reduction strategies, including the Reduce-Reuse-Recycle approach, waste diversion from landfills, recycling, co-processing, and using composting systems.

Our initiatives allow us to embed circularity in our operations and strengthen circularity in the industry. As a result of our investment in research and development technologies, we have been able to deploy cutting-edge innovations like automated cutting and marking tools that assist in minimising waste generation. We invested ₹0.38 Crore to improve the cutting and marking process.

Specific guidelines and Standard Operating Procedures (SOPs) for each type of waste allow for the safe and responsible handling of waste. Investing in employee training programs to create awareness about effective waste management practices and waste reduction has further enhanced our waste management efforts, leading to long-term economic and environmental benefits.

Waste Footprint (MT)

	FY 2021-22	FY 2022-23	FY 2023-24
Non-Hazardous Waste	3,730	5,455	4,822
Hazardous Waste	5	10	19
Total Waste Generated	3,735	5,556	4,841
Turnover (₹Crore)	8,136	11,737	12,351
Waste Generation Intensity (MT/ ₹Crore)	0.46	0.47	0.39
Waste Generation Intensity adjusted for Purchasing Power Parity (MT/ ₹Crore)	9.60	35.5	32.73
Waste Generation Intensity (MT/ Lakh Goods Sold)		4.55	4.00

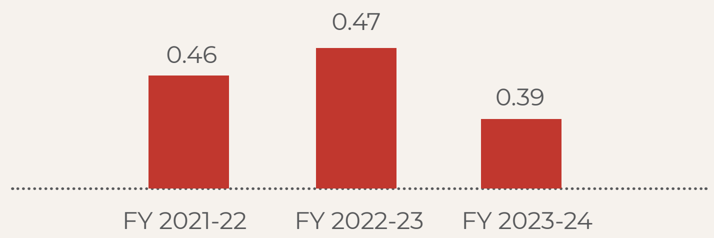
OUR INITIATIVES ALLOW US TO EMBED CIRCULARITY IN OUR OPERATIONS AND STRENGTHEN CIRCULARITY IN THE INDUSTRY.

In FY 2023-24, the waste generated was decreased by 14%, and the intensity was reduced by 18%. Non-hazardous waste accounts for most of the waste generated, with a significant proportion of 99.6% for the reporting period.

Our two-pronged approach towards adapting circular practices includes reducing waste generated and implementing end-to-end waste traceability. To ensure traceability, we audit and monitor the waste disposal system regularly. As part of the system, we validate safe disposal and verify the amount of waste sent to authorised recyclers. We ensure that all our facilities dispose waste in compliance with operating permits and legal authorisations and finalise the waste disposal facilities/ waste recyclers after proper due diligence. A special focus on reducing waste during production and packaging has reduced fabric and packaging waste.

Hazardous Waste is disposed in compliance with all applicable guidelines and regulations. Of the total waste generated bio-medical and sanitary waste is incinerated while the non-hazardous waste, is either recycled or reused to prevent the waste from being sent to the landfill. Food waste is composted at the in-house biodigesters and used as bio-manure for farming as many of the facilities have digesters.

Waste Generation Intensity (MT/ ₹Crore)



Waste Footprint (MT)

	FY 2021-22	FY 2022-23	FY 2023-24
Used Oil	2	2	2
Batteries (Nos)	171	189	77
E-waste	0	4	14
Bio-medical Waste and Others	3	4	4
Total Hazardous Waste	5	10	20
Paper	301	375	410
Fabric	1,515	2,299	1,950
Metal	29	129	30
Plastic	130	151	128
Carton Box	1,313	2,073	1730
Wood	0	4	11
Briquette Ash	362	394	405
Canteen Waste	42	83	101
Any other non-hazardous waste	16	39	57
Total Non-Hazardous Waste	3,708	5,546	4,822
Total Waste Generated	3,735	5,555	4,841

Waste Footprint (MT)

	FY 2021-22	FY 2022-23	FY 2023-24
Waste Recovered	3,732	5,552	4,838
Waste Recycled	2,175	3,170	2,788
Waste Reused	1,515	2,300	1,950
Other Recovery Operations	42	83	101
Waste Disposed	3	4	4
Incineration (Bio-medical waste)	3	4	4

Innovative Packaging

At ABFRL, we acknowledge the pivotal role of packaging in our commitment to environmental stewardship. In line with our target to use 100% sustainable packaging materials by 2025 and eliminate plastics, we emphasise a holistic approach to minimise packaging waste across our value chain. We employ innovative methods such as integration of lightweight materials, use eco-friendly alternatives, and optimisation of packaging designs. We aim to enhance recyclability and promote circularity by embracing innovation and collaborating with suppliers.

We have implemented several initiatives to optimise our packaging mix. We have standardised our packaging items across all product categories, striving for a reduced packaging ratio per product. This effort has eliminated non-functional packaging items such as metal pins and product boxes. In our MFL lifestyle brands, we launched the "One Garment, One Tag" initiative to reduce wastage and unnecessary expenditure on labels. Plastic-free shirt packaging was adopted at Louis Philippe Green Crest and Simon Carter. At our brand, Louis Philippe, we have implemented a programme to make our tags from recycled paper. We incorporate recycled plastics in our packaging as part of our stores' M-clips, U-clips, and hangers. At our MFL brands, we replaced the collar traveller and butterfly with compostable material, used a compostable Kimble, incorporated recycled thread for hand tags, and removed the button-to-button spacer to maximise resource efficiency. At our brand, Jaypore, we have integrated reusable muslin bags to replace plastic packaging with reusable packaging.

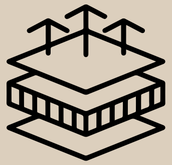
The #BetterThanPlastic challenge, in collaboration with the Circular Apparel Innovation Factory (CAIF), has allowed us to explore new innovative solutions in sustainable packaging. We have successfully replaced HDPE/PP polybags with compostable polybags across our MFL and Pantaloons. In FY 2023-24, we utilised 589 tonnes of compostable polybags. The compostable polybags are made from PLA, a biodegradable thermoplastic polymer that can break down into biodegradable elements like carbon dioxide, water, and biomass. Additionally, we are implementing programs to increase recyclable packaging and phase out single-use packaging. We have also substituted plastic carry bags with paper bags at all of our retail stores.

Packaging Mix

	Total Weight (MT)	Recycled Material (% of total weight)	Target % for 2023
Wood and Paper	9,360	61%	100%
Metal	0.01	-	-

MINIMISING PAPER-BASED CORRUGATE BOXES AT MFL WAREHOUSES

The Warehouse Operations team has successfully implemented a comprehensive strategy to reduce our reliance on paper-based corrugated boxes. By introducing reusable plastic crates for transporting goods between factories and warehouses, we have eliminated the need for single-use corrugated boxes. Additionally, we have optimised our return shipment process by reusing inward corrugated boxes rather than issuing new ones. Furthermore, we have increased our packing efficiency by consolidating goods into more significant quantities, reducing the need for multiple boxes. We have adopted inward carton boxes for outward dispatch to minimise waste further and implemented wave-picking strategies to streamline our delivery process. As a result, we have significantly reduced paper-based corrugated box usage, with a monthly reduction of 109,344 units, resulting in savings of 32.8 tons of paper and ₹393.6 lakhs annually. This initiative has also reduced transportation costs, saving ₹62 lakhs this year. We achieved an annual cost savings of ₹455.6 lakhs in FY 2023-24 due to our efforts to reduce paper-based corrugated box usage in our warehouse operations.



32.8
Tonnes of paper saved monthly

₹455.6
lakhs saved annually

AT ABFRL, WE HAVE REGISTERED WITH THE CENTRAL POLLUTION CONTROL BOARD (CPCB) UNDER THE BRAND OWNERS CATEGORY UNDER THE PLASTIC WASTE MANAGEMENT RULES, 2022. WE COLLECTED 922.13 TONNES OF POST-CONSUMER PLASTIC WASTE IN THE REPORTING PERIOD COMPARED TO 645 TONNES IN THE PREVIOUS YEAR .

At our Pantaloons warehouses, we use reusable packaging, such as reusable carton boxes received from vendors, for further transportation. The boxes are reused for as long as they are in good condition and sent to recyclers at the end of their life. The concerned employees are trained to identify the boxes that are in good condition and can be reused safely. In FY 2023-24, we reused more than 13 lakh carton boxes. This initiative has allowed us to maximise resource efficiency, reduce wastage and carbon emissions, and minimise expenditure on packaging. Additionally, at some locations, we have substituted the corrugated boxes for collapsible plastic crates that can be reused multiple times.

Extended Producer Responsibility

As we transition towards sustainable packaging, Extended Producer Responsibility (EPR) is a tool to transparently communicate our efforts to minimise our ecological footprint and maximise our environmental footprint and resource efficiency. At ABFRL, we have registered with the Central Pollution Control Board (CPCB) under the Brand Owners category under the Plastic Waste Management Rules, 2022. We collected 922 tonnes of post-consumer plastic waste in the reporting period compared to 645 tonnes in the previous year. In FY 2023-24, our EPR target for recycling was 922 MT, and we have successfully achieved it. Category I, i.e., Rigid plastic packaging, does not apply to us as we do not use the material in our operations. We conduct thorough due diligence to ensure that the plastic is recycled before selecting the authorised vendors/recyclers through detailed background checks. Additionally, we receive recycling certificates from the recyclers verifying that the waste sent for recycling has been properly recycled. Our waste collection plan aligns with EPR requisites and has been submitted to the CPCB.

Plastic Packaging

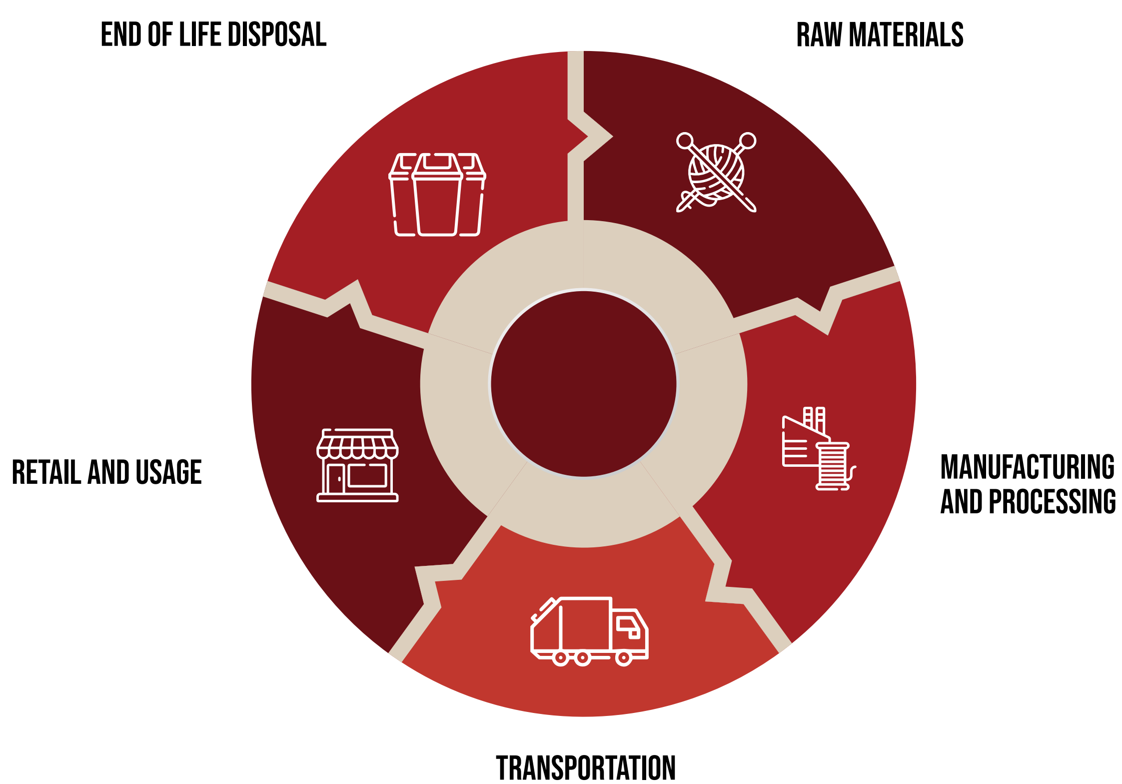
	FY 2021-22	FY 2022-23	FY 2023-24
Total Weight of Plastic Packaging (MT)	871	1,238	1,267
Percentage of recyclable plastic packaging	100%	100%	100%
Percentage of compostable plastic packaging	9%	18%	47%
Percentage of recycled content within your plastic packaging	-	-	2%

CHARTING THE JOURNEY FROM CRADLE TO GRAVE

Our Product Lifecycle

As part of our sustainability efforts, we conduct comprehensive lifecycle assessments (LCA) to evaluate the environmental impact of our products from cradle to grave. We assess the energy consumption, GHG emissions, water usage, and waste generation through meticulous analysis at each product lifecycle stage. An LCA helps identify critical hotspots in the value chain, scope-3 GHG emission and product footprint estimation. These insights guide our decision-making process, allowing us to identify opportunities to innovate and create sustainable products. As part of the LCA, we identify ten impact categories.

Cradle to Grave



Impact Categories Identified across the Value Chain

RAW MATERIAL	GWP	ADP	AP	HT	PED	BWC	WSF			
MANUFACTURING	GWP	ADP	EP	AP	ODP	HT	PED	BWC	WSF	HHPA
TRANSPORTATION	GWP	ADP	ODP	PED	HHPA					
RETAIL AND USAGE	GWP	ODP	PED	BWC	WSF	HHPA				
END-OF-LIFE DISPOSAL	GWP	AP	ODP	HT						

GWP - Global warming Potential
ADP - Abiotic Resource Depletion
EP - Eutrophication Potential
AP - Acidification Potential
ODP - Ozone Depletion Potential
HT - Human Toxicity
PED - Primary Energy Demand
BWC - Blue water Consumption
WSF - Water Scarcity Footprint
HHPA - Human Health Particulate

By continually refining our practices, we strive to minimise our environmental footprint and cater to the increasing consumer consciousness. We have conducted complete LCA studies for our casual and formal shirts, T-shirts, and denim jeans, which constitute 40% of our turnover.

DESCRIPTION OF THE RISK/CONCERN	ACTION TAKEN
High Energy Consumption at Yarn Spinning, Fabric processing stages	Presently, we are collaborating with a tier 1 supplier; however, these processes fall under our tier 3 supplier category.
Usage of chemicals during Fabric Processing and auxiliary materials used in cutting and sewing	Collaboration with ZDHC to use better and safer chemicals in dyeing process, Implementation of Restricted Substance List (RSL)
High Energy Consumption for Washing and ironing during the product use phase	Collaboration with industry partners
High Blue water consumption and toxicity in the agricultural phase	Collaboration with Better Cotton Initiative (BCI), increasing the recycled content in raw material.
Usage of corrugated board, plastic paper, polyethene foam, and paper for packaging	Increasing usage of compostable polybags for packaging, reducing packaging requirements

NURTURING RESPONSIBLE RAW MATERIAL PRACTICES

In our pursuit of sustainable fashion, we consistently seek eco-conscious raw materials to minimise our environmental footprint. We carefully assess and prioritise materials that align with our responsible sourcing and ethical production values. Each choice, from natural fibres to recycled materials, reflects our commitment to reducing waste and supporting sustainable practices. By prioritising using renewable resources and embracing innovative alternatives, we aim to lead by example in the fashion industry and inspire positive change.

In our quest for the most environment-friendly materials, we consult widely recognised benchmarks like the Higg Materials Sustainability Index (MSI), Textile Exchange's Preferred Fiber and Material Matrix (PFMM), and manufacturers' assertions backed by the Lifecycle Analysis. We strive to ensure that our raw material production processes have minimum environmental and social impacts by using high-quality raw materials that do not negatively impact workers' rights, health, and safety. Moreover, we advocate for artisanal textiles and apparel employing indigenous methods, thus bolstering India's cottage industries, which face formidable hurdles due to the dominance of factory-produced fabrics. Our internal procurement team is regularly trained in sourcing sustainable raw materials.

At ABFRL, upon internal review, we have identified cotton as a priority raw material. We prioritise the use of cotton, which is certified by the Better Cotton Initiative and the Global Recycled Standard.

Cotton cultivation is characterised by its significant water requirements, necessitating substantial volumes for irrigation. This contributes to the depletion of water reservoirs and strains indigenous ecosystems. Periods of drought and flooding further compound the risks associated with cotton procurement. At ABFRL, we have seized this opportunity to underscore our commitment to using BCI cotton, thereby mitigating reliance on water-intensive irrigation practices and minimising the environmental impact. Through our concerted efforts, we safeguard against cotton scarcity and endeavour to reduce the adverse ecological ramifications of cotton production.

Sustainable Raw Materials at ABFRL

Birla Modal Fibre

ABFRL uses Birla Modal, an eco-friendly viscose innovation derived from renewable natural resources, ensuring garments are fully biodegradable. Our women's wear category incorporates modal blended fabrics, offering style and sustainability.

Birla Cellulose LIVA Eco Fibre

At ABFRL, we are also championing LIVA Eco, crafted from responsibly sourced viscose certified by FSC, and employing blockchain to track the fabrics' journey across the value chain, providing transparency and accountability in the supply chain. The wood used to make these fibres is FSC certified, ensuring responsible forest management and that their production has a low environmental impact with minimal greenhouse gas emissions.

Recycled Materials

In line with our commitment to circular fashion, we have integrated recycled materials like GRS-certified recycled polyester into our products, reducing landfill waste, energy consumption, GHG emissions and reliance on virgin materials. The use of recycled materials is helping us deploy a closed-loop production cycle.

Better Cotton Initiative

We have collaborated with Better Cotton Initiative (BCI) to prioritise sustainable cotton sourcing, aiming to mitigate the environmental impact of conventional cotton production. Although cotton is a natural and renewable fibre, its chemical and water-intensive cultivation presents challenges. BCI is the world's foremost effort towards sustainable cotton, aiming to enhance global production for the well-being of growers, the environment and the industry's future.

Leather Working Group

Leather Working Group (LWG) is a group of brands, retailers, suppliers, and manufacturers that audit and certify tanneries for their environmental and social impact. Our brand, Louis Philippe, imports shoes from a Gold Rated Tannery certified by LWG.

MOREOVER, WE ADVOCATE FOR ARTISANAL TEXTILES AND APPAREL EMPLOYING INDIGENOUS METHODS, THUS BOLSTERING INDIA'S COTTAGE INDUSTRIES, WHICH FACE FORMIDABLE HURDLES DUE TO THE DOMINANCE OF FACTORY-PRODUCED FABRICS.

HAZARDOUS CHEMICAL MANAGEMENT

At ABFRL, we are committed to responsibly use chemicals in our supply chain and have partnered with Zero Discharge of Hazardous Chemicals (ZDHC). At our manufacturing facilities, we carry out tailoring and stitching activities only, and dyeing or using chemicals is not a part of our manufacturing process. However, to ensure that sustainable practices are embedded in the supply chain. We are working towards transforming our value chain by reducing the chemical footprint and producing sustainable products. We have published a Chemical Management Manual that serves as a guide on chemical usage and restricted substances for all our suppliers.

Our Objectives

Phase out 'Substance of Concern' from the Supply Chain and thus ensure product safety

Monitor Conformance to the SoC through testing of finished products based on a Testing Protocol

Build a trained and knowledgeable supply chain that has incorporated best practices in chemical management at production facilities

The 'Substances of Concern' (SoC) guideline adheres to global regulations such as REACH, CPSIA, Indian law on banned amines, toxicology reports, eco-labels such as Oekotex 100 and GOTS, and the ZDHC MRSL. Divided into the 'Usage Ban' and 'Restricted Use' categories, the list dictates chemicals to be eliminated and those to be controlled intentionally.

Suppliers must conduct periodic end-product testing to ensure conformance with SoC. Any deviations are documented, and appropriate preventive actions are taken. Root-cause analysis is conducted for any non-conformance to prevent recurrence.

We have developed a comprehensive 'CMS Assessment Checklist' to evaluate chemical management practices at our supply chain's garment laundries, fabric mills and printing units. ABFRL representatives or approved agencies use the checklist to assess each site. Facilities with lower ratings take action to improve their score within agreed timelines, and a follow-up audit is conducted to evaluate the improvements. Annual surveillance audits ensure ongoing improvement.

Each facility is tasked with forming a chemical management team with defined roles and responsibilities. We provide guidelines for assembling the team, on purchasing practices, covering chemical inventorisation and risk assessment, labelling of chemicals, and chemical storage.

We provide chemical management training in collaboration with ZDHC and have integrated 15 tier-1 laundry units onto the ZDHC Gateway for real-time monitoring of chemical compliance. Our ABFRL Chemical Management Toolkit, comprising of SOPs, audit standard templates, training manuals, and best practices documents, has been developed to help our laundry vendors ensure compliance with our chemical program.

Our detailed assessment allows us to assess potential risks and hazards associated with using materials, chemicals and substances in our products. Our chemical management strategy is consistent across business units and product categories, and our strategy integrates hazard-based methodology. The periodic audits, product testing and corrective action plans allow us to manage any hazards or risks.

PRESERVING BIODIVERSITY

As a responsible corporate citizen, we recognise the importance of preserving the natural environment and conserving biodiversity for future generations. We believe sustainability is an integral part of our business strategy and a key driver of long-term growth and success. We have a comprehensive Biodiversity Policy that guides our operations across the entire value chain.

Our approach is aligned with the Aditya Birla Group's biodiversity management framework, which is in line with the Convention on Biological Diversity. We are committed to avoiding operations in ecologically sensitive areas and proactively mitigating any potential environmental impacts on surrounding ecosystems.

Biodiversity Roadmap

To ensure a comprehensive and structured approach to identifying and mitigating nature-related risks and opportunities, we have developed a Biodiversity Roadmap, leveraging the LEAP framework. This strategic plan enables us to systematically identify, assess, and evaluate biodiversity-related challenges and opportunities, ultimately driving improvements in our sustainability performance.

The roadmap is designed to be target-oriented, with short-term, medium-term, and long-term goals. We have identified biodiversity-sensitive areas within our operations and will extend this assessment to our tier 1 and 2 suppliers' operations.

As a next step, we will thoroughly evaluate our dependence on raw materials and our impact on land use change, climate change, resource exploitation, and pollution. This assessment will provide a foundation for identifying opportunities, risks, and corresponding mitigation strategies across our entire value chain.

Following this stage, we will develop a comprehensive biodiversity strategy that outlines key objectives and actions. This strategy will be implemented through various initiatives and monitored regularly to ensure alignment with the Task Force on Nature-related Disclosures (TNFD) requirements.

LOCATE
The interface with nature

EVALUATE
Dependencies and Impacts

ASSESS
Risks and Opportunities

PREPARE
To respond and report

Biodiversity Assessment

We have initiated an initial biodiversity assessment using the Integrated Biodiversity Assessment Tool (IBAT), a comprehensive framework that enables us to identify key biodiversity areas surrounding our operations and the IUCN Red List species in our vicinity. This assessment is the foundation for our biodiversity management plan, guided by the LEAP approach.

We conducted this assessment using a location-specific approach at 11 factories, 2 offices, and 10 warehouses. The IBAT tool leveraged multiple databases, including the IUCN Red List of Threatened Species and the Threats Classification Scheme, to derive results. We are developing a comprehensive plan to protect the species in their surrounding areas.

Plantation Drives at ABFRL

At our Van Heusen warehouse in Bangalore, we have successfully implemented a pioneering forest initiative using the Miyawaki technique. This innovative approach involves planting multiple species together in a single pit, allowing them to share nutrients and grow collectively into healthier, more resilient trees. The Miyawaki technique has been shown to accelerate tree growth by a factor of 10, resulting in a forest that is 30 times denser and capable of absorbing 30 times more carbon dioxide than traditional tree plantations.

Spanning an area of 2,750 square feet, our forest is home to 350 carefully selected trees, which will continue to thrive and flourish in the years to come. This unique initiative not only contributes to the local ecosystem's biodiversity but also plays a significant role in mitigating climate change by sequestering carbon dioxide.

CLUSTER FIG	PORTIA TREE	ROSE WOOD	ALMOND TREE
KAPOKA TREE	PIPAL TREE	JAMUN TREE	CUSTARD
JACK FRUIT		NEEM TREE	

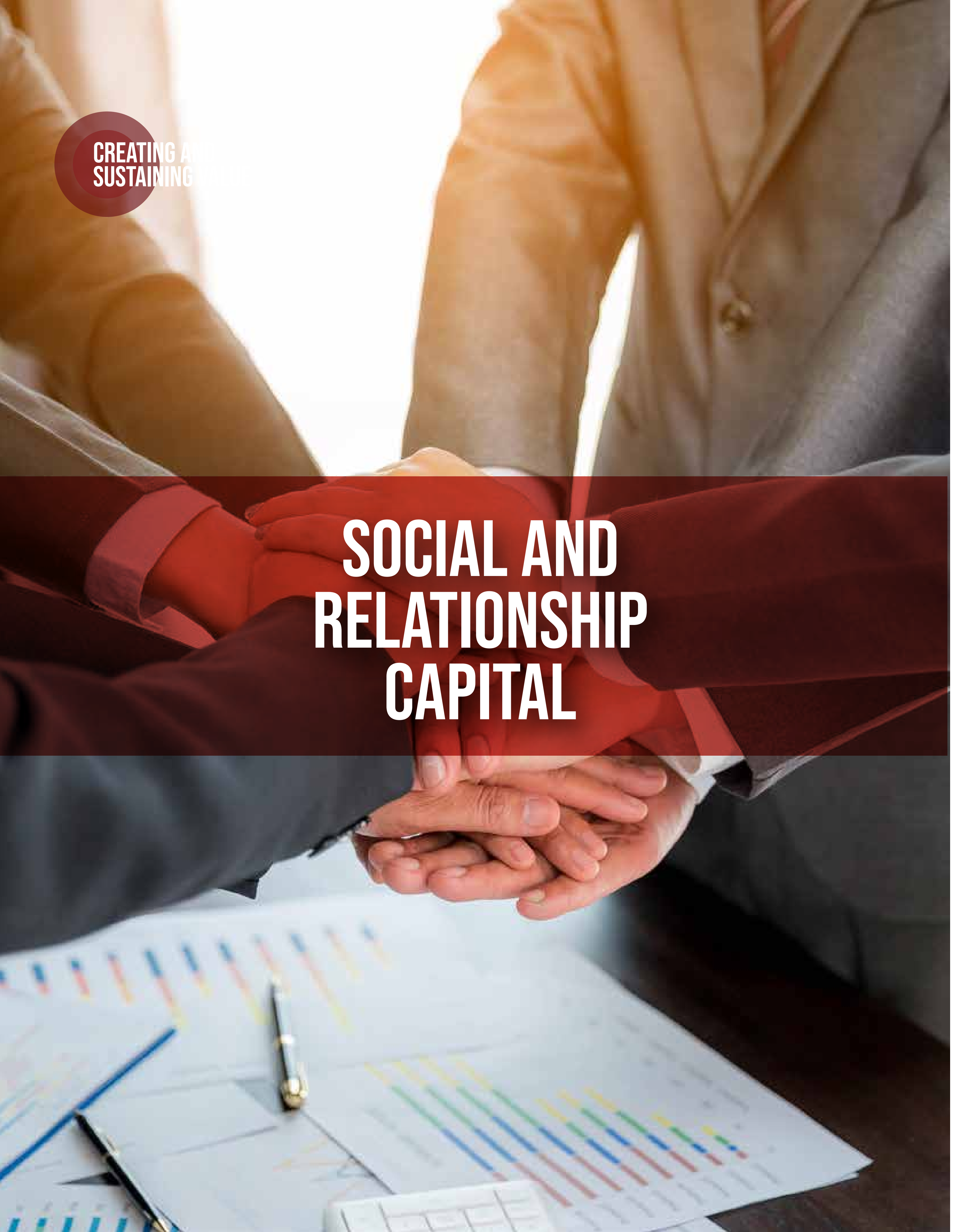
ORGANIC CULTIVATION OF FRUITS INSIDE THE MFL WAREHOUSE

At our MFL warehouse, we have taken a significant step towards reducing waste and promoting sustainability by implementing a food waste composting program. Through this initiative, our employees have successfully converted 30,000 kgs of food waste into organic manure, valued at over ₹3 lakhs. This composted manure is then used as a natural fertiliser for our on-campus gardens, creating a healthy, chemical-free environment. Our campus boasts over 200 banana trees and a variety of fruit-producing trees and vegetables, which are nurtured using composted manure. The fruit yield is distributed to our employees during lunchtime, promoting a healthy workplace. In FY2023-24, we distributed over 10,000 bananas, 1,000 mangoes, and 800 guavas.

Our facility's lush gardens feature a range of fruit trees, including guava, mango, fig, star fruit, and papaya. The warehouse admin team manages this initiative and ensures the seamless operation of our sustainable gardening practices. By converting food waste into organic manure, we reduce waste, and promote sustainable agricultural practices.

30,000 KG
of manure produced

11,800
fruits distributed



SOCIAL AND RELATIONSHIP CAPITAL

FOCUS AREAS

EMPOWERING COMMUNITIES	CRAFTING UNIQUE CUSTOMER EXPERIENCES	RESPONSIBLE VALUE CHAIN

KEY HIGHLIGHTS

₹4.1 Crore CSR Spend	**3 lakh +** Lives Impacted through CSR activities	**40,000 +** Employee Volunteering Hours	**87% NPS Score** for Pantaloons business	**55** significant suppliers assessed through Supplier Sustainability Index	**97.2%** Tier-1 vendors audited for Vendor Code of Conduct

CONTRIBUTION TO SDGS

INTERLINKAGE WITH OTHER CAPITALS

Financial Capital | Manufactured Capital | Human Capital

As we strive to build a more sustainable and responsible business, we believe that building strong relationships with our stakeholders is crucial to our success. At ABFRL, we acknowledge that our stakeholders play a crucial role in our success, including the local communities where we operate, customers who entrust us with their loyalty, and our value chain partners who work diligently to bring our products to the market. We believe that by considering their needs, concerns, and aspirations as our own, we can create a positive impact that resonates far beyond the confines of our organisation. By fostering a culture of openness, transparency, and inclusivity, we aim to build trust and collaborative relationships with our stakeholders, empowering them to thrive alongside us.

EMPOWERING AND UPLIFTING COMMUNITIES

Our CSR Strategy

As a responsible business, we recognise that our actions have a profound impact on the world around us. We believe that by prioritising social responsibility, we can create a positive impact that benefits the wider community. Through our CSR interventions, we aim to make a meaningful difference in the lives of our community members.

Inspired by the visionary leadership of Mrs. Rajashree Birla, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development, and guided by Dr. (Mrs.) Pragnya Ram, Group Executive President - CSR, Legacy Documentation & Archives, ABFRL unwaveringly upholds the Aditya Birla Group's CSR Policy.

At ABFRL, we continue to focus on creating sustainable and impactful CSR programmes aligned with the Group's CSR Vision. We undertake CSR interventions across the states of Karnataka, Tamil Nadu, Maharashtra, Odisha and Andhra Pradesh through an independent entity called Aditya Birla Fashion and Retail Jan Kalyan Trust (ABFR Jan Kalyan Trust).

Our CSR initiatives are focused on five key pillars: Education, Health and Sanitation, Sustainable Livelihood, Water and Watershed, and Digitalisation. These pillars are the guiding thematic areas for the projects, including the Girl Child Education Project, the Village Development Project, and the Kaushalya Project. School Transformation, Gyanarjan and KGBV school programs primarily focus on girl students and these programmes are implemented under the ambit of the Girl Child Education Project. Furthermore, at ABFRL, we strongly encourage voluntary employee participation in CSR activities and have a policy in place to facilitate employee volunteering.

Our Group CSR Vision

"To actively contribute to the social and economic development of the communities in which we operate and beyond. In sync with the UN SDGs, our endeavour is to lift the burden of poverty weighing down the underserved and foster inclusive growth. In doing so, build a better, sustainable way of life for the weaker, marginalised sections of society and enrich lives. Be a force for good."

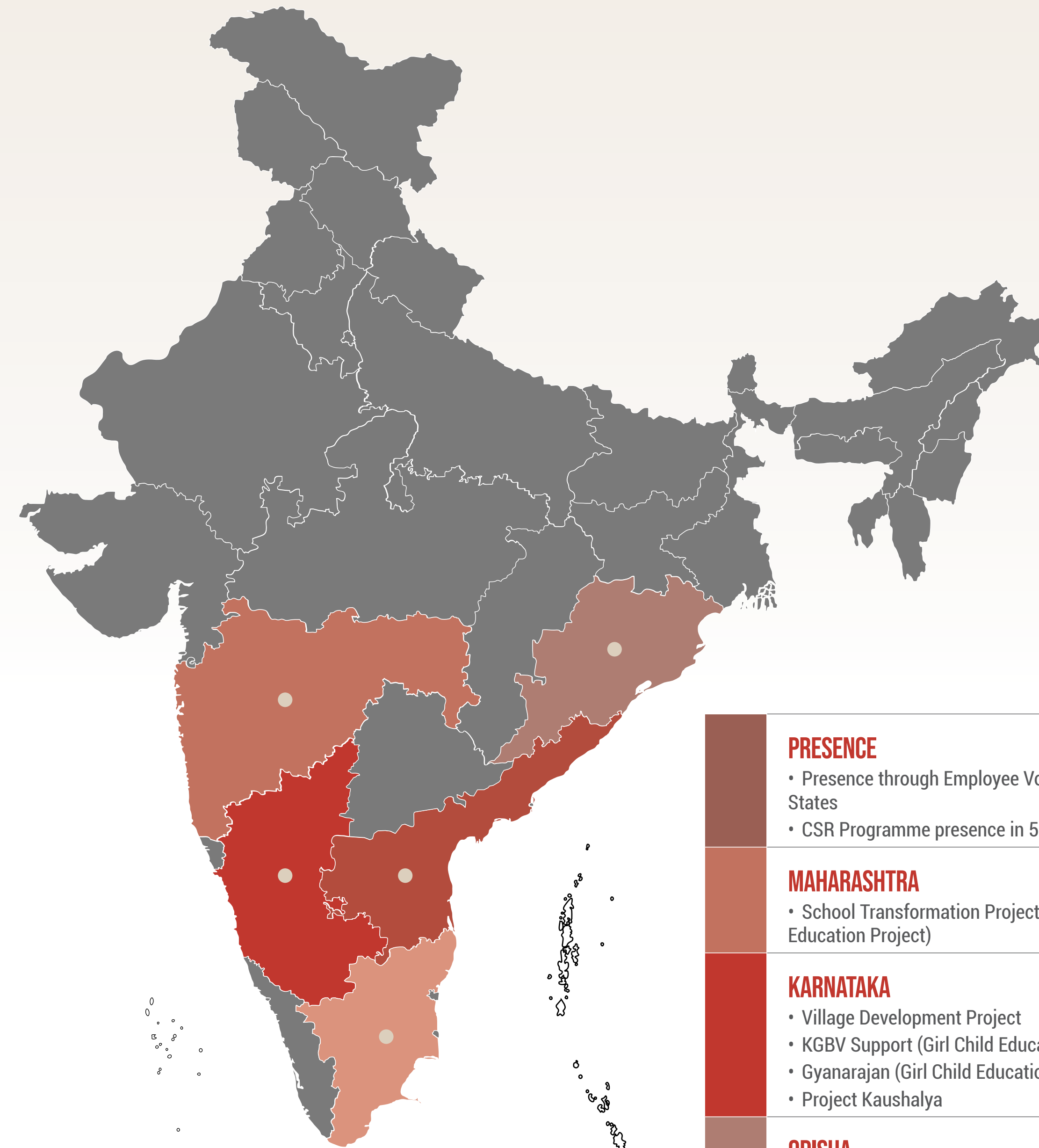
CSR MISSION

To make a meaningful impact on the lives of individuals in communities around us by developing model villages through our focus on Education, Health & Sanitation, Sustainable Livelihood, Water & Watershed, and Digitalisation.

To facilitate a culture of caring in the organisation through employee volunteering.

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Community Expenditure (₹Cr.)	1.91	3.09	3.55	4.10

OUR CSR PRESENCE AT ABFRL



PRESENCE
- Presence through Employee Volunteering in 18 States
- CSR Programme presence in 5 States

MAHARASHTRA
- School Transformation Project (Girl Child Education Project)

KARNATAKA
- Village Development Project
- KGBV Support (Girl Child Education Project)
- Gyanarajan (Girl Child Education Project)
- Project Kaushalya

ODISHA
- Village Development Project
- Preservation and promotion of Art forms, Odisha

ANDHRA PRADESH
- Village Development Project

TAMIL NADU
- Village Development Project

CSR spending on focus areas and beneficiaries in ₹Crore for FY 2023-24

FOCUS AREA	EDUCATION	HEALTH AND SANITATION	SUSTAINABLE LIVELIHOOD	DIGITALISATION	WATER AND WATERSHED	OTHER INITIATIVES
CSR SPEND (₹ CRORE)	2	0.37	0.48	0.05	0.63	0.54
BENEFICIARIES*	30,019	180,534	3,666	31,220	47,844	8,815

*100% of the beneficiaries from the CSR Projects belong to vulnerable or marginalised groups

THE ONUS OF SUCCESSFUL AND TIME-BOUND IMPLEMENTATION OF THE CSR PROJECTS IS OF ADITYA BIRLA FASHION AND RETAIL JAN KALYAN TRUST (ABFRJKT), THE SENIOR LEADERSHIP AT ABFRL, AND THE ON-GROUND CSR TEAMS.

CSR Policy and Governance

All our CSR interventions are carried out in alignment with the CSR Policy approved by the Board. The Policy guides us in formulating community welfare programmes for the sustainable development of our surrounding communities. The CSR Committee is the apex body that provides guidance and oversight and supports in formulation of the CSR Annual Action Plan in conformance with the CSR policy. The onus of successful and time-bound implementation of the CSR projects is of Aditya Birla Fashion and Retail Jan Kalyan Trust (ABFRJKT), the senior leadership at ABFRL, and the on-ground CSR teams.

PERMANENT INVITEES

Mrs. Rajashree Birla
Chairperson of Aditya Birla Centre for community initiatives and Rural Development

Dr. (Mrs.) Pragnya Ram
Group Executive
President - CSR, Legacy Documentation of Archives

CSR COMMITTEE

Mr. Ashish Dikshit
(Chairperson - Managing Director)

Mr. Nish Bhutani
(Member - Independent Director)

Ms. Preeti Vyas
(Member - Independent Director)

Mr. Yogesh Chaudhary
(Member - Independent Director)

BOARD OF DIRECTORS	Oversees the CSR activities of the company and monitors the compliance of the CSR Policy	• Approve the CSR Policy • Ensure that the activities included in the CSR policy are undertaken by the company • Ensure the Company spends in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years
CSR COMMITTEE	CSR Committee reports on the progress on CSR activities to the Board	• Ensure compliance CSR Initiatives to the law of the land • provide strategic direction for CSR initiatives • Approve the CSR plan and monitor its progress
ABFRL MANCOM	MANCOM and Aditya Birla Fashion and Retail Jan Kalyan Trust works parallely under the CSR Committee	• Ensure alignment of CSR initiatives to ABG's CSR policy • Provide direction and funds • On-board new partners and ensures execution as per the Board approved CSR plan
ADITYA BIRLA FASHION AND RETAIL JAN KALYAN TRUST		• Ensure the Alignment of CSR activities with its stated mission and objectives • Ensure compliance with applicable trust laws and regulations • Oversee the financial management of the trust, and ensures transparency and accountability in all decision-making processes • Seamless cross - functional deliverables • Periodically review CSR initiatives • Provide guidance and direction in programme implementation
CSR TEAM	Reports Progress to MANCOM	• Ensure execution of the CSR plan • Monitor CSR partners • Formulate MOUs with partners (in consultation with Legal and Finance teams)

Community Consultation and Engagement Process

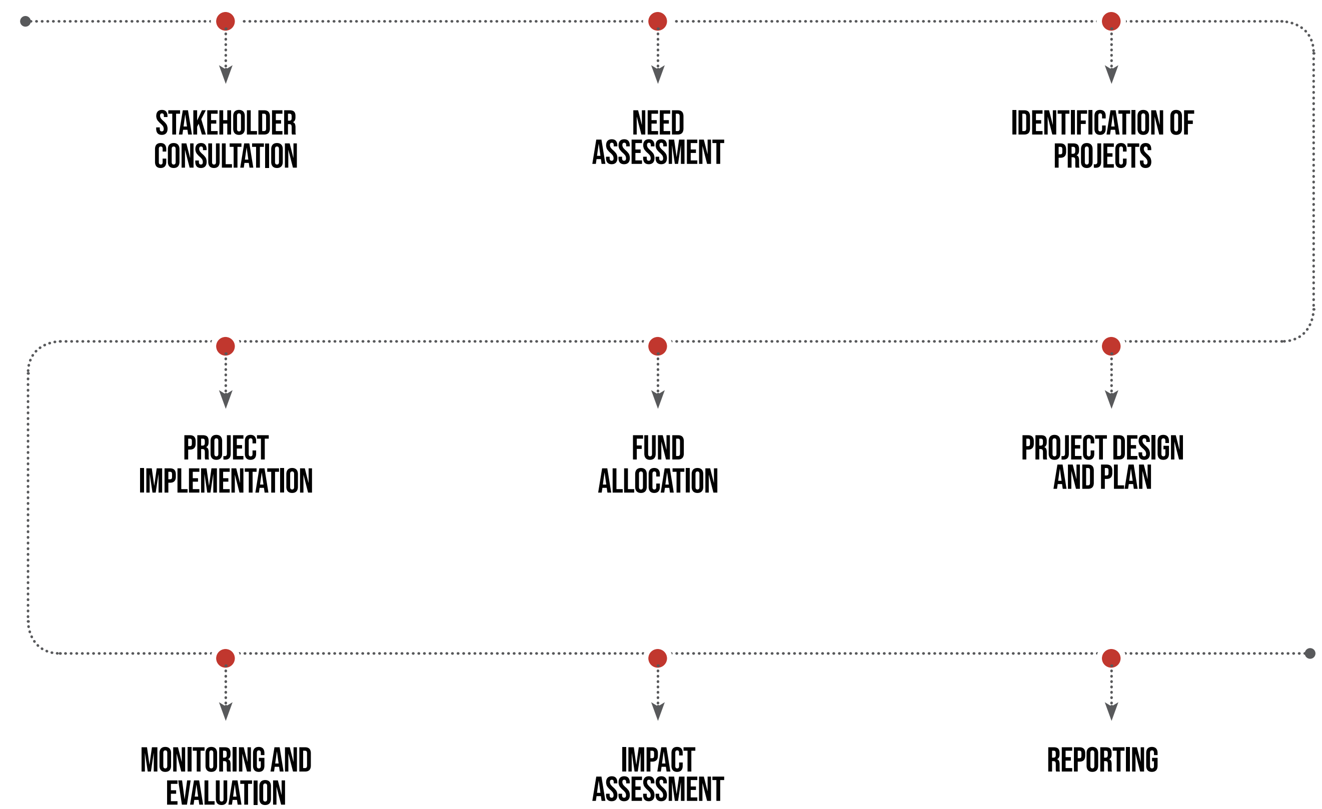
Community Engagement Process

All our CSR projects are identified in consultation with the community in a participatory manner. We conduct a need assessment to understand the challenges and concerns of the communities. Projects are then prioritised based on a consensus with the village panchayats and other stakeholders.

We develop a detailed Annual Action Plan based on the identified and prioritised needs, outlining specific activities, timelines, and responsible parties and further allocate resources, including budget and personnel.

Projects are implemented in collaboration with stakeholders and are regularly monitored to track progress. We conduct impact assessments to evaluate the effectiveness of our CSR initiatives. The results are shared with stakeholders through our corporate website, annual reports, in-house journals, and media channels.

All our operations have implemented local community engagement with defined impact assessment and development programmes. During the reporting period, there were no significant actual or potential negative impacts on local communities.



Community Relations and Grievances

We regularly engage with our communities through meetings, site visits, workshops, need assessment and satisfaction surveys, CSR reports, etc. Our robust grievance redressal mechanism effectively addresses any community concerns or grievances. Notably, there have been no reported community grievances in the reporting period.

Our CSR Programmes

Village Development Project

The Village Development Project is an inspirational and unique project, centred around our five focus areas—education, health and sanitation, sustainable livelihood, water and watershed, and digitalisation. Since 2017, we have been implementing this project across eight villages in Karnataka and Tamil Nadu. In 2019, it expanded to include three villages in Odisha, followed by an additional three villages in Andhra Pradesh in 2023.

Aligned with the Sansad Adarsh Gram Yojana (SAGY) guidelines, the project framework aims to uphold the essence of rural India while providing its people with access to essential amenities and opportunities for communities to shape their own future. In the journey to becoming a model village, 10 model villages achieved 100% of relevant attributes as per the Sansad Adarsh Gram Yojana (SAGY), National Urban Livelihood Mission (NULM)/Smart City guidelines in FY 2023-24.

Our Villages—Madiwala, Karnataka and Uttrarmundamunha, Odisha have been rated as Platinum Green Villages by the Confederation of Indian Industry (CII) – Indian Green Building Council (IGBC) as per the Green Village Guideline. This recognition highlights the impact of our initiatives in empowering and improving the lives of people in the villages.

MODEL AND FOCUS VILLAGES - DEMOGRAPHY

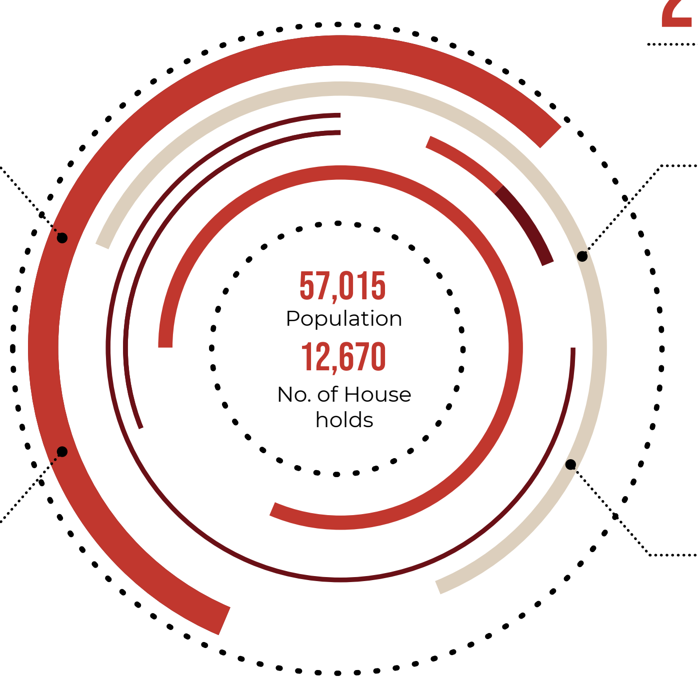
23 Villages mapped with ten factories

ABG - CSR Guideline, Sansad Adarsh Gram Yojana

Inspired from ABG - CSR Guideline and GOI - SAGY framework

Hub and Spoke

Interventions in 23 focus villages caters to other peripheral villages. Total impact on 73 villages



Geographical Focus

Karnataka, Tamil Nadu, Odisha and Andhra Pradesh

Focus Areas

Education, Health & Sanitation, Sustainable Livelihood, water & Watershed and Digitalisation

COVERAGE : ADDITIONAL 50 SPOKE VILLAGES | TOTAL POPULATION OF 73 VILLAGES : 260,746

252,392 community members benefitted in Karnataka and Tamil Nadu till date

Village Development Project
Karnataka and Tamil Nadu

The Project was launched in eight villages around our factory locations in Karnataka and Tamil Nadu. This is in addition to the ongoing initiatives to enhance and support the development of village. These villages serve as a 'Hub' to seven nearby 'Spoke' villages, collectively serving a total of 65 villages. In the journey to become a model village, Hinnaki village achieved 100% of the SAGY relevant attributes in FY 2023-24.

MAJOR HIGHLIGHTS

- Four rural villages achieved 100% SAGY relevant attributes, thus attaining the status of model villages
- Four urban villages achieved 100% NULM/ Smart city relevant attributes
- 158,387 community members benefitted from health and sanitation initiatives
- 100% pure drinking water facility provided in ten model and focus villages
- 36,923 community members benefitted from various water and watershed programmes

33,113 community members benefitted in Odisha till date

Village Development Project - Odisha

Based on a comprehensive need assessment in Janla Gram Panchayat, located in the Khordha district of Odisha, the village development project was initiated in three villages. These project interventions have created a positive impact not only in the selected villages but also in neighbouring communities. In FY 2023-24, Ogalapada village from Odisha achieved 100% of the SAGY relevant attributes.

MAJOR HIGHLIGHTS

- Two villages achieved 100% SAGY relevant attributes
- 4,793 community members benefitted from solar water project
- 320 SHG members benefitted from livelihood programme
- 14,071 community members benefitted from health initiatives

11,213

community members benefitted in Andhra Pradesh till date

Village Development Project
Andhra Pradesh

Last year, we launched our CSR programmes in Pullivendula, Andhra Pradesh to address the critical needs of the seven mandals in the Pulivendula Division of YSR Kadapa district. Our project is designed to tackle the most pressing issues in this area and provide meaningful support to the local community. YSR Kadapa district is recognised as an aspirational district by the Government of India and is widely regarded as one of the most underdeveloped districts in Andhra Pradesh. During the reporting period, our CSR spent towards this aspirational district was ₹3,005,072.

MAJOR HIGHLIGHTS
One village is in the pipeline to become a Model Village by FY 2024-25
8,076 community members benefitted from health and sanitation initiatives
286 SHG members benefitted from the livelihood programme

Focus Areas

Education

We believe that education is the key to unlocking the full potential of individuals and communities. At ABFRL, we recognise that education is not just a fundamental right, but a powerful tool for empowering people to break free from cycles of poverty and inequality. We are thus committed to supporting initiatives that promote access to quality education. Our education programmes provide skills, knowledge, and confidence, to students in the communities to succeed in their academic pursuits and beyond.

During the reporting year, we undertook various educational programmes, including notebook and school uniform distribution, library programmes, smart classrooms, academic support centres, cluster-level competitions, music classes, educational trips, and teacher training on Information and Communication Technology (ICT).

34
libraries established in government schools, benefitting 7,523 students

8,782
notebooks distributed to 1,899 students through 'Help Vidya Write'

3,500
students participated in talent hunt programmes

2,235
students benefitted through school uniform distribution

736
students benefitted through Academic Support Centres

80
students received scholarships

Health and Sanitation

We understand that good health is essential for overall well-being and productivity. Unfortunately, many communities around us face significant health challenges due to limited access to quality healthcare, sanitation, and hygiene facilities. At ABFRL, we are thus undertaking continual efforts to promote health and sanitation in rural areas and improve accessibility to healthcare services.

During the reporting period, we undertook several healthcare initiatives, including health camps, cancer and eye camps, vaccination drives, village cleanliness drives, solid waste management, and yoga sessions. We also undertook health awareness programmes on preventive health measures and resilience-building techniques.

102,389
children immunised through polio drives

56,602
people reached through awareness programmes

YOGA SESSIONS
organised in 5 schools, benefitting 1,304 students

14
eye camps organised, benefitting 2,299 people

9
cancer camps organised, reaching 718 rural women

ELEPHANTIASIS VACCINATION
drive organised, reaching 3,341 people

10,500+
people benefitted through solid waste management initiatives

Sustainable Livelihood

We believe that every person deserves the right to a dignified life, free from the constraints of poverty. We thus, support initiatives that promote sustainable livelihoods, particularly among rural women. Through our CSR initiatives, we strive to create income-generating opportunities that enable individuals and communities to break the cycle of poverty and build a brighter future.

In FY 2023-24, we provided livelihood opportunities through skill development training and career readiness programmes to people in rural areas, especially the marginalised and vulnerable groups.

500
households reached through veterinary camps

1,400
youth trained through career readiness programmes

1,126
women empowered through 72 Self-help Groups

ANITHA'S JOURNEY TO FINANCIAL INDEPENDENCE

We collaborate with women SHGs and offer them financial support to encourage women and engage them in income-generating activities. In light of this, Mrs. Anitha Babu, a member of the Duggalamma Swasahaya Sangha, SHG in S. Kurubatti village, leveraged the support to start a handloom business on her own.

Anitha previously worked as a daily wage labourer on farms. With the assistance of a revolving fund and an additional loan from the SHG, Anitha Babu received the initial seed capital to start her own handloom business. She manufactures cotton *dhotis* and supplies them to markets in Bangalore. Her husband supports her in the business and they both aspire to make it grow.

Anitha's handloom business helps her earn between ₹15,000 to 20,000 per month. She is pleased to see her efforts manifest positively and benefit not only her but also her family.

TRANSFORMING LIVES: JAYAMMA'S PATH FROM STRUGGLE TO SUCCESS

M. Jayamma is a 54-year-old resident of R. Thummalapali village and a member of the Marimath Self-help Group (SHG).

Through this SHG, and with unwavering determination, Jayamma saw an opportunity to transform her life. Despite initial skepticism, she pursued her vision and received financial aid to launch a fruit stall. With steadfast support from the SHG, which offered financial backing and essential business skill training, Jayamma was able to put up her fruit stall.

Her success enabled her to provide education to her children and alleviate financial constraints. Jayamma's journey underscores the impact of collaboration and financial aid, inspiring others in the SHG to pursue their entrepreneurial dreams.

Project Kaushalya

Project Kaushalya, a cornerstone of our initiatives under the focus area of sustainable livelihood, strives to equip rural youth with employable skills and foster sustainable livelihood opportunities. We provide skill training on stitching and tailoring, sales, and data entry.

In FY 2023-24, 392 students enrolled as a part of the project out of which 375 received training and certification. In addition to the training, we upskill them on aspects such as communication skills, mock interviews, and financial literacy. Of the enrolled students, 281 secured jobs post-completion of the training programmes.

We regularly collect feedback from students to redefine our approach for future endeavours. Impressively, 60.48% of beneficiaries rated this initiative as 'Excellent', 27.85% as 'Very Good', and 11.67% as 'Good'.

CHANDRAMMA'S JOURNEY FROM HOMEMAKER TO ENTREPRENEUR

Chandramma, 34-year-old resident of Anekal, found out about Project Kaushalya's tailoring programme through a pamphlet and enrolled herself for the two-month training course. Despite her lack of experience, she remained committed and diligent. Today, she can skillfully stitch a wide range of garments, including shirts, blouses, skirts, pants, dresses, and carry bags.

Her passion and dedication have given her a new sense of purpose. She earns over ₹5,000 per month contributing to her family's financial stability. The programme has provided her with employment opportunities, which have paved the way for a brighter future for her and her family.

Digitalisation

The digital era brings with it opportunities and challenges. Specifically in rural areas, while technology offers a substantial scope for advancement, limited access can exacerbate existing disparities. To address this issue, we have set up Village Information Centres (VICs) in 10 villages across Odisha, Karnataka, and Tamil Nadu. These centres aim to enhance digital literacy for both youth and adults, bridging the digital divide and fostering inclusive progress.

These centres are equipped with computers, printers, WIFI, and other essential amenities, and are managed by skilled 'Digital Champions'. The VICs assist community members with accessing services such as e-schemes, e-banking, online courses, e-library resources, job portals, printing services, health insurance, online payments, and employment records. The Centre aims to achieve 100% digital literacy in these villages, ensuring at least one digitally literate person in every household.

During the reporting period, the VICs provided services to 31,220 community members in three states. Additionally, around 40 neighbouring villages avail services from these 10 VICs.

Water and Watershed

With a gradual rise in water scarcity, it is crucial to implement comprehensive strategies to curb water loss. Our integrated watershed programme endeavours to effectively manage and utilise runoff water, bolster groundwater reserves, increase agricultural productivity in watershed areas and uplift the socio-economic status of farmers. In FY 2023-24, the watershed programme facilitated the conservation of approximately 53,664 kl of water, benefitting 47,844 people.

16,500
benefitted through water ATM installation

4
solar water pumping systems installed, benefitting 4,793 people

RAINWATER HARVESTING
units set up in 8 government schools, benefitting 2,758 students

PROMOTING INCLUSIVITY THROUGH THE SOLAR WATER PROJECT

The Janla Panchayat's Leprosy Colony in Odisha is home to over 200 people, who faced significant challenges due to debilitating illness and limited access to clean drinking water. Fetching water from traditional hand pumps was particularly difficult for the colony residents. We engaged with the Sarpanch and key members of the Janla Panchayat to understand the needs of the colony.

To overcome the challenge, we installed a solar water pumping system in the colony. The system harnessed solar energy to pump water directly into the taps, making clean water accessible, regardless of the physical constraints. The project enhanced inclusivity amongst the community members and demonstrated our commitment to social responsibility.

Others Initiatives

Solar Street Lighting

We installed 56 solar streetlights in three villages of Karnataka, namely S. Kurubatti, Sollepura, and Basavanapura. These lights are expected to reduce 68,578 kg of CO_2 emission over their lifespan.

Tree Plantation

In collaboration with the forest department and community members in the states of Karnataka and Tamil Nadu, we organised tree plantation drives in our model villages. Around 140 saplings were planted during the drives.

Girl Child Education

Under Girl Child Education, we aim to empower girl students by providing them with access to quality education, creating a better learning environment, enabling them to pursue higher studies and fostering financial independence. Our interventions, including the School Transformation Project, Gyanarjan and Kasturba Gandhi Balika Vidyalaya (KGBV) exemplify our commitment to an intensive programme aimed at Girl Child Education. Over seven years, we have supported 126,897 girls across three states in realising these objectives.

School Transformation Project, Panvel, Maharashtra

In 2017, we partnered with Panvel Municipal Corporation (PMC) to transform the education landscape in 11 primary-education schools. Our shared goal is to create a nurturing atmosphere for young learners and hone their essential skills. To achieve this, we appointed qualified teachers and conducted classes for the English language, special academics, art and martial arts. We also organised children's fair, Math learning exhibitions, and yoga and nutrition sessions. During the FY 2023-24, the project positively impacted 1,941 students.

Gyanarjan

Project 'Gyanarjan' is a rural education initiative aimed at empowering underprivileged girls in Karnataka. The programme provides quality coaching for students from grades 10 to 12 in core subjects, preparing them for competitive exams like NEET and CET. Since its inception, Gyanarjan has supported 10,681 girls, including 1,382 students during the reporting period. Our students achieved impressive results in the 2022-23 Board Exams with pass rates of 89.11% for the 10th grade and 82.06% for the 12th grade.

The project extends beyond academics, ensuring that the beneficiaries are well-prepared for their careers. We offered professional coaching to 108 students preparing for various staff selection exams, including KAS, PSI, PDO, SDC, FDC, Banking, and Railways. Furthermore, 1,382 students participated in programmes such as personality development, exam preparation and career counselling by professionals and employee volunteers. To promote digital literacy, we established computer labs at Mysuru and Channapatna Centres that serve as digital libraries, benefitting 393 students

Kasturba Gandhi Balika Vidyalaya (KGBV)

Under the 'Sarva Shiksha Abhiyan' initiative, we encourage underprivileged girls in Karnataka and Tamil Nadu to pursue higher educational opportunities and resist societal pressures to drop out. During the reporting period, we supported seven Kasturba Gandhi Balika Vidyalaya (KGBV) schools. These include special coaching classes in core subjects, value addition programmes such as personality development and safety workshops, and enhancing

SINCE ITS INCEPTION IN 2010-11, THE INITIATIVE HAS AIDED 6,722 RURAL GIRLS FROM CLASS 6-10, WITH 294 STUDENTS COMPLETING 10TH GRADE.

industry exposure through the know-how of unit operations, stock management, logistics, etc. Notably, our students from Byrapatna School in Ramanagara District, Karnataka have consistently achieved over 95% results in their Class 10 exams.

We have introduced the visionary 'Model School' initiative in two phases at KGBV schools in Gollapalli and Bollupalli, Tamil Nadu. As a part of the programme, we offered finance to the schools for the installation of necessary resources like Audio-Visual (AV) equipment, rainwater harvesting systems, smart kitchen facilities, staff uniforms, and sports equipment. We collaborated with educational institutions and subject experts to introduce innovative learning methods and share insights and requirements during Training-of-Trainer sessions. As a result, our dedicated teachers have adopted these transformative approaches, driving a culture of excellence in their classrooms.

The 'Support to Continuing Education Programme' is another initiative aimed at assisting underprivileged students in pursuing their undergraduate degrees and securing job opportunities. In FY 2023-24, 59 students have either pursued or completed their undergraduate degrees, with 6 students successfully placed in reputable organisations.

Employee Volunteering

We acknowledge the impact our employees can have on the community and are dedicated to providing them with volunteering opportunities. Since FY 2016-17, 35,797 of our employees have actively participated amounting to a total of 172,214 volunteering hours.

Our employees engage in various initiatives such as teaching the English language, painting, delivering guest lectures on different subjects, conducting soft skill sessions, mentoring women entrepreneurs, providing career guidance to youth in rural areas, organising retail exposure and mock interviews for students, distributing notebooks, aiding in flood relief, supporting library programmes, and participating in drives such as blood donations, cleanliness, health and safety awareness and Pulse Polio, and more.

One such employee volunteering initiative was conducted at Palasuni High School in Odisha, named 'Kishori Samvad'. The programme educated 105 girls from grades 7 to 10 on menstrual health, dispelling myth, promoting hygiene, and fostering open communication. The girls also received sanitary napkins and medical counselling, enhancing their overall well-being.

In FY 2023-24, over 5,689 employees from more than 33 cities across the nation contributed a total of 40,348 hours through 319 events. Through these volunteering initiatives, we have saved an impressive sum of ₹9 lakhs.

Social Impact Assessments

Every three years, we carry out impact assessments of the CSR projects to identify gaps and implement corrective measures. During the reporting period, we conducted social impact assessments of our CSR projects wherein we used a mixed method approach, including both, quantitative (secondary and primary) and qualitative (primary) methods of data collection.

With a score of 8 out of 10 (80%), the project achieved a 'Very Good' rating (meeting the 75% threshold).

CUSTOMER RELATIONSHIP MANAGEMENT

At ABFRL, we share an unwavering commitment to proactively meet our customers' needs and preferences. We endeavour to consistently deliver high-quality products and services, and offer a positive customer experience, thereby maintaining our position as the preferred choice. To achieve this, we continuously innovate and incorporate customer feedback to better cater to the evolving needs of our customers through the following customer engagement and retention mechanism:

MISSION HAPPINESS	CUSTOMER VOICE RESPONSE SYSTEM
QUALITY CARE CELL	TAKE BACK PROGRAMMES

ADDITIONALLY, OUR ROBUST CUSTOMER RELATIONSHIP MANAGEMENT (CRM) STRATEGIES, INCLUDING LOYALTY CARDS AND A STREAMLINED COMPLAINT RESOLUTION MECHANISM, AID US IN SERVING OUR CUSTOMERS MORE EFFECTIVELY.

Mission Happiness Post Purchase

Mission Happiness Initiative was introduced at MFL in 2014 to standardise procedures for addressing customer complaints and ensuring a consistent, positive experience. This initiative has been instrumental in collecting, sharing, and implementing customer feedback. We gather customer feedback at the point of purchase through iPads (in stores), SMS (shared with the customer), and surveys on our web pages. Through the feedback and surveys, we uncover all aspects of the customer experience, including website order confirmation surveys, post-delivery experience surveys, refund experience surveys, and post-day product purchase surveys.

We meticulously monitor and analyse feedback received and train our employees to respond promptly. Additionally, our robust Customer Relationship Management (CRM) strategies, including loyalty cards and a streamlined complaint resolution mechanism, aid us in serving our customers more effectively. By integrating these customer-centric practices, we strive to set new standards in the industry, ensuring that our customers always feel valued and heard.

FY 2023-24	MFL	Innerwears	Pantaloons
Feedback collected	40 lakhs+	15,404	60 lakhs+

Customer Voice Response System

We prioritise transparency and efficiency in managing customer grievances through our Customer Voice Response System (CVRS). This online Complaint Management System allows quick and efficient redressal of customers' concerns and complaints. With CVRS, we ensure that all product and service-related complaints are swiftly resolved within 24 hours, maintaining a high level of customer trust.

Customer Complaints Redressal Mechanism

We have a dedicated toll-free number, email ID or chatbot system wherein customers can raise complaints. All the complaints received are then centrally managed and resolved through the 'D-365' platform.

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil		Nil		
Advertising	Nil	Nil		2	0	The complaints filed with ASC resolved.
Cyber-security	Nil	Nil		Nil		
Delivery of essential services	Nil	Nil		Nil		
Restrictive Trade Practices	Nil	Nil		Nil		
Unfair Trade Practices	8	27	27 carry forwarded cases are from the previous FY. 8 cases were resolved during the year FY 23-24. Cases are pending in consumer courts at various stages.	10	27	17 carry forwarded cases are from the previous FY. Cases are pending in consumer courts at various stages.
Other	Nil	Nil		Nil		

Revolutionising E-commerce with Hyperlocal Capability

In today's fast-paced world, we offer tech-savvy customers an enhanced shopping experience through our Super App. The App has redefined the traditional retail landscape by integrating a wide array of services into a single platform. A key feature of this app is its hyperlocal capability.

Our hyperlocal capability, known as the Express Delivery model, allows customers to browse and choose from nearby stores through our Super App. By leveraging this feature, customers can swiftly complete purchases, as orders are fulfilled by the nearest store, ensuring faster delivery times. The app offers customers the flexibility to use this feature across multiple brands and locations, providing a seamless shopping experience tailored to their specific location.

The traditional e-commerce model often involves lengthy supply chains, leading to increased transportation costs and carbon emissions. However, our hyperlocal approach addresses these challenges by sourcing products directly from the nearby store inventories. By minimising the travel distance, this feature significantly reduces transportation costs and carbon emissions, promoting a more sustainable e-commerce model.

Our hyperlocal capability is live on 'The Collective', and our Super App, and features renowned brands such as Louis Philippe, Van Heusen, Peter England, and Allen Solly. We have plans underway to expand its reach to our other brands.

OUR HYPERLOCAL CAPABILITY, KNOWN AS THE EXPRESS DELIVERY MODEL, ALLOWS CUSTOMERS TO BROWSE AND CHOOSE FROM NEARBY STORES THROUGH OUR SUPER APP.

Hyperlocal capability is not just a feature; it is a significant step towards a more efficient, customer-centric, and environmentally friendly e-commerce system. We intend to expand our geographic footprint by introducing it across more cities in India. By leveraging local store inventories, we ensure faster deliveries, lower costs, and reduced return rates, all while enhancing customer experience. This innovative approach positions us at the forefront of the retail industry, ready to meet the dynamic needs of modern customers.

Reducing Product Returns

Our express delivery mode on websites and apps provides customers with direct access to store staff. This interactive feature offers personalised assistance for size, fit, and other product-related queries, helping customers make well-informed purchase decisions. As a result, the return rate is significantly reduced, leading to cost savings in manpower, fuel, and vehicle trips.

Customer Satisfaction

Understanding customer views, feedback, and satisfaction levels helps us build lasting relationships, effectively navigate challenges, and sustain our competitive edge in the market. Satisfied customers are more likely to return, leading to increased loyalty and maintaining brand reputation.

We undertake customer satisfaction surveys annually to enhance our delivery quality and identify areas of improvement. During the reporting period, the NPS Score was 83% for MFL, 87% for Pantaloons and 83% for VH Innerwears.

Omnichannel Expansion

During the reporting period, we made significant strides in strengthening our digital platform, focusing on developing our omnichannel capabilities to better serve customers. As part of our future-proofing strategy, we have strengthened the e-commerce presence of Madura, Buy Online Ship from Store (BOSS) network, facilitating an uptick in sales through omnichannel modes. Our Pantaloons business has also scaled up its omnichannel plan, wherein we have launched a mobile application to improve reach. During the reporting period, 12% of our revenue was generated from online direct sales.

Customer Health and Safety

As per the Occupational Safety and Health Administration (OSHA) guidelines and standards, the products we offer our customers do not have any health and safety risks associated with them.

Despite this, at the product design and development stage, we maintain strict quality control to ensure product safety and consistency. In our Pantaloons business, we carry out random testing for pH and formaldehyde in kids' clothing to validate adherence to 33% of the product volume covered under this. The jewellery we sell under the brand is also tested for lead, corrosion, and nickel on a sample basis. Ceramic vessels are randomly tested to be microwave-safe and leachable lead and cadmium test.

On the product tag, we provide clear and comprehensive instructions on safe use and handling. We continually monitor for any potential safety issues, even after the products reach the market. This includes analysing customer feedback, incident reports, and regulatory updates.

No incidents occurred with respect to non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products. In furtherance to this, on account of safety or any other issues, there were no voluntary or forced product recalls.

Marketing and Labelling

At ABFRL, we provide accurate and balanced information about our products to our customers. Our Responsible Marketing and Advertising Commitment drives us to be honest and transparent, treat customers fairly, protect vulnerable market segments, and never compromise customers' privacy. Further, we refrain from misleading customers in any form and ensure that all our product claims, promotions, and marketing incentives are balanced, transparent, verifiable, and not deceptive. We abstain from disinforming customers on any competitors' products. We educate our customers on the safe and responsible usage of products, including guidelines for product handling (wash care, drying and ironing instructions for all our apparel products). On apparel tags, the below-mentioned information is available as per the 16 CFR 423 standard for labelling:

- Country of Origin
- Style Details
- Month and Year of Manufacture
- Manufacturer's code
- Fibre content in order of its predominance
- Care and Cautionary instructions
- Disposal of plastic packaging material if any.

During the reporting period, there were 31 incidents of non-compliance related to regulations or voluntary codes concerning the product labelling information resulting in a penalty of ₹5 lakhs. There were zero incidents of non-compliance pertaining to marketing communications in the reporting period.

SUPPLY CHAIN MANAGEMENT

In the fashion and retail apparel industry, our efficient and effective supply chain helps us to maintain superior brand value. By adopting sustainable practices in our supply chain, we eliminate risks, reduce costs, and safeguard our brand reputation. We ensure that our products are made with the highest standards of quality, safety, and ethics, while also minimising our environmental footprint and promoting fair labour practices throughout our supply chain.

Supplier Network at ABFRL

Our supplier base spans around 1,071 tier-1 suppliers spread across over 10 countries, with our total procurement spend amounting to ₹2,891 Crore in FY 2023-24. In the reporting period, we identified 200 tier-1 suppliers as significant and 25 non-tier 1 suppliers as significant. Significant suppliers are defined as those with substantial risks of negative ESG impacts, considerable business relevance to ABFRL, or both.

Promoting Sustainable Sourcing

At ABFRL, we aim to integrate sustainability into our procurement practices. We have a 'Sustainable Supply Chain and Procurement Policy' that guides the Company and its stakeholders towards responsibly procuring goods and services. We take a proactive approach towards reducing our environmental footprint by sourcing goods from local suppliers, thereby minimising the transportation distance and associated emissions.

Vendor Code of Conduct

We are committed to conducting business responsibly and sustainably while upholding the highest ethical and legal standards. Our objective is to promote equality, social dialogue, and dignity for all individuals across our supply chain while driving improvements and delivering fair incomes.

The Vendor Code of Conduct is aimed at mitigating risks associated with our supply chain, ensuring compliance with legal and statutory requirements as well as the health and safety of workers, minimum wages and other social responsibilities outlined by the Indian Factories Act 1948, International Labour Organization (ILO), SA 8000 and WRAP standards.

All our suppliers are required to acknowledge and adhere to the 'Vendor Code of Conduct Policy' and its manual through an acknowledgement letter signed and stamped with the company seal. Suppliers shall ensure adherence to the ABFRL policies across domestic and global sourcing supply chains.

During the reporting period, 97.2% of tier-1 suppliers complied with the Vendor Code Of Conduct and abide by all the requirements such as protection from sexual harassment, discrimination at the workplace, child labour, forced labour or involuntary labour, wages, health and safety, and workplace conditions amongst others. During the reporting period, no significant risks/concerns were observed.

Breakdown of procurement spend by region (FY 2023-24)

	Procurement spend (in ₹Cr)	% of spend
India	1,932	72%
International suppliers	959	28%

Note: At ABFRL, local is defined as within India operations.

Percentage of input material (inputs to total inputs by value) sourced from suppliers	FY 2022-23	FY 2023-24*
Directly sourced from MSMEs/small producers	40%	16.65%
Sourced directly from within the district and neighbouring districts	9%	0.10%

CORE FOCUS AREAS OF OUR VENDOR CODE OF CONDUCT

ENVIRONMENT

- Compliance with all the environmental standards and global compliance
- Greenhouse Gas Emissions and Energy Consumption
- Pollution and waste management
- Resources Efficiency
- Biodiversity and deforestation

HUMAN RIGHTS AND LABOUR

- No Child Labour
- No Forced or Bonded Labour
- No Discrimination
- No Harassment & Inhuman Treatment
- Legal Working Hours
- Freedom of Association and Collective Bargaining
- Occupational Health and Safety

BUSINESS ETHICS

- Conflict of interest
- Confidentiality
- Fair Dealing
- Anti-corruption and anti-bribery
- whistleblowing

SOCIAL RESPONSIBILITY

We encourage vendors to undertake social responsibility and create connections between them through effective community engagement an ddevelopment for positive means

All factories, suppliers and sub - contractors shall comply with the vendor Code of Conduct. ABFRL Code of Ethics and all applicable laws and regulations.

Supplier ESG programmes

At ABFRL, we have established a comprehensive supplier ESG programme designed to identify and mitigate potential ESG risks and ensure strong sustainability performance throughout the supply chain. The Executive Management oversees the implementation of our supplier ESG programme.

We proactively identify and mitigate risks in our supply chain through regular assessments, collaborate with suppliers to address social and environmental concerns, and provide training and capacity-building programmes to enhance their sustainability practices and compliance with industry standards. We regularly review the purchasing practices to ensure their alignment with the Vendor Code of Conduct. These programmes also consider whether statutory dues have been deducted and deposited by the value chain partners.

We have established a set of minimum ESG requirements in the Vendor Code of Conduct Manual that suppliers must adhere to participate in our tenders and be considered for contract awarding. Suppliers who meet all the requirements and compliances will be eligible for contract consideration, and those who demonstrate stronger ESG performance will be prioritised in our evaluation and selection process.

Supplier Onboarding and Screening

Our internal Social Compliance and Quality team conducts an initial audit at the first time of vendor onboarding, followed by annual surveillance audits of all active vendors to ensure proper compliance.

Our supplier screening process is designed to identify significant suppliers in our supply chain. The screening process evaluates environmental, social, quality and compliance aspects, alongside business relevance aspects such as price competitiveness, product quality, and delivery time. This process also considers risks specific to our country, sector, and commodities. The supplier screening process enables us to identify potential sustainability-related risks in our supply chain, followed by a comprehensive supplier assessment to enhance performance visibility and mitigate risks.

During the reporting year, we screened all our new suppliers (199 suppliers) using environmental and social criteria

Supplier Assessment

1,071 suppliers were assessed for social impacts in the supply chain. Of these, 250 suppliers were identified as having significant actual and potential negative social impacts. Some of the significant actual and potential negative social impacts identified in the supply chain were lack of required regulatory approvals and documents, non-payment of minimum wages and overtime wages, and lack of wage records. Improvements were agreed upon with 23.34% of suppliers, and relationships were terminated with 13 suppliers (5.2% of suppliers identified as having significant actual and potential negative social impacts) as a result of the assessment.

We have developed a comprehensive Supplier Sustainability Index (SSI) to assess the impact of our suppliers on people and the planet. This hybrid model incorporates global standards and self-assessment questionnaires to assess our significant and high-impact Tier-1 and Tier-2 suppliers across all businesses. The framework assigns scores out of 100 for each of the three categories: Quality, Social, and Environment. The SSI score allows us to gauge a supplier's sustainability performance, identify areas for improvement and highlight best practices within the supply chain. A higher SSI score reflects superior environmental and social performance, reducing the risk of work disruptions, and enhancing the overall supply chain responsiveness and efficiency.

During the reporting period, 55 significant suppliers were assessed on environmental impacts in the supply chain through SSI. For the suppliers who were assessed, we did not further identify if they have any actual or potential environmental impacts. Of the suppliers assessed, 19 were certified with Higg FEM.

Total number of awareness programmes held in FY 2023-24	Topics/principles covered under the training
5	Circular fashion
1	Chemical management training in collaboration with ZDHC
6	Vendor Code of Conduct training organised (cluster-wise)
55	Supplier Sustainability Assessment (SSI) Awareness

Supplier Development and Collaboration

We are committed to cultivating a culture of cooperation and consensus through regular engagement and development programmes. Suppliers are informed of our supplier assessment process and provided with examples of best practices in the supply chain. We support them in implementing corrective and improvement actions through remote guidance and on-site visits. During the reporting period, we assisted 24 suppliers in implementing corrective actions, of which 64.9% were significant suppliers. Our several suppliers have transitioned from the Non-Compliant (Red) category to the Compliant (Green) category through regular training and monitoring mechanisms.

We educate our suppliers on our supplier ESG programmes through workshops and training programmes on different topics as mentioned below:

The chemical management training in collaboration with ZDHC was offered to all our 15 Tier-1 laundry units. Furthermore, 244 active suppliers were covered as a part of the Vendor Code of Conduct training (cluster-wise) organised during the reporting period.

During the reporting period, we provided capacity-building programmes to 100% of suppliers (250 suppliers) identified as having significant actual and potential negative social impacts. As part of our sustainability strategy, we support our suppliers in implementing initiatives such as renewable energy, zero liquid discharge, rainwater harvesting, and chemical management.

We interact with our suppliers through emails and meetings, periodic vendor communications, supplier meets, supplier assessments, and corrective action plan implementation, including capacity building. We have a grievance mechanism for suppliers to raise their concerns and issues proactively. We regularly track and monitor if there are any complaints or concerns from them and take necessary actions for the same. In the past two financial years, there have been no complaints filed from value chain partners, including suppliers and logistics partners.

Ensuring Quality Management

The fashion and retail industry are highly competitive, and customers expect high-quality products at affordable prices. Suppliers play a critical role in delivering these products and thus, it is essential to ensure that they meet the required quality standards. We have implemented a Quality Management System to ensure high-quality products and services across our supply chain, including external distributors and franchisees.

We actively engage with our suppliers to establish a culture of exceeding customer expectations and communicate clear product specifications, including materials, colours, sizes, and finishes. We assess suppliers' quality management systems and perform regular quality audits to evaluate their production processes, facilities and personnel. We have implemented multiple quality controls at various stages, including raw material testing, product testing, process quality audits, and finished goods inspection.

We use various tools, such as the Vendor Quality Performance Index (VPQI) and Quality Index Number (QIN) to assess supplier product quality and share the results with them. These scores form the basis for informed discussions with suppliers to evaluate their facilities and identify opportunities for improvement.

We use various metrics, including process maturity score, defect rate, and failure rate to measure the product quality at the pre-sale stage. Similarly, at the post-sale stage, we track the Happiness Index of customers and customer complaints to understand how our customers experience product quality.

As a part of the Green Channel Partnership Programme for our MFL business, we collaborate with our suppliers to develop a shared understanding of the product and process quality. This has helped improve the quality of raw materials and delivery time. During the reporting period, 29.29% of Raw Material Green Channel Partners of shirting fabric were certified from Furthermore, 11 Green Channel Garment Partners delivered 14% of the total volume of finished goods. seven world-class fabric mills.

To ensure our partners are equipped to deliver high-quality products, we conduct regular training sessions with front-end channel and distribution network partners. The sessions also provide a platform for feedback collection and knowledge sharing to continuously improve product quality.

LOGISTICS

Logistics operations include inbound and outbound transportation of goods and finished products. We have a separate logistics functions each for MFL, Pantaloons and VH Innerwear. Our logistics network at ABFRL includes road logistics, air freight, shipping, and warehousing.

Network Optimisation

Network optimisation study was carried out at Pantaloons. The study covered our stores, distribution centres (DCs), and suppliers, across regions. We also studied the day-to-day data on inbound and outbound shipments, articles lists, and inventory holding capacities at DCs and stores. This analysis revealed that the current network is optimal at 99% of stores.

Moving towards Green Transportation

To optimise our outbound logistics, we are shifting from diesel to CNG vehicles. We are also undertaking pilot projects to explore the viability of using efficient transportation modes, such as electric vehicles. We have initiated a pilot project for EVs in the Delhi region for MFL.

Geopolitical Risks and Challenges

During the reporting period, no significant geopolitical risks or tensions were observed impacting our overall logistics management. However, we undertook significant efforts to improve the logistics transportation and last-mile delivery in the Northeast region of India. Currently, we have identified a local vendor to meet all our needs in the region.

Robotic Process Automation

At ABFRL, we are committed to optimising our logistics to enhance our operational efficiency and accuracy. One of our key focus areas is the implementation of Robotic Process Automation (RPA) at our warehouses, which automates repetitive and routine tasks.

RPA has helped us to reduce the time and effort required for manual processing, resulting in cost savings and improved productivity. It has provided greater visibility and control over business processes, enabling us to make data-driven decisions and optimise operations. It offers real-time monitoring, reporting, and analytics, allowing our teams to track bot performance, measure automation Return on Investment (ROI) and identify opportunities for further optimisation.

We conduct monthly and quarterly review meetings with logistics partners and senior management. Our logistics partners can raise concerns during these meetings.

Implementation Plan for Robotic Process Automation

RETURN TO VENDOR (RTV) AUTOMATION	STORE TRANSFER ORDER (STO) CREATION AUTOMATION	DELAYED GOODS RECEIVED NOTE (GRN) INTIMATION TO DISTRIBUTION CENTER (DC) AUTOMATION	AUTOMATIC TRIGGER TO LOGISTICS SERVICE PROVIDERS (LSP) FOR DELAYED PICKUP

POLICY ADVOCACY

At ABFRL, we recognise that collaborative efforts and co-creation are essential for driving innovation and achieving sustainability goals. By focusing on circularity, sustainability sourcing and low carbon economy, we stand committed to accelerate advocacy efforts and explore innovative solutions. Our strategic collaborations and participations have enabled us to benchmark our sustainability performance against domestic and global peers and align ourselves with the global as well as national sustainability agenda. We participate and collaborate with various global platforms and industry associations, such as:

GIZ – ABFRL DeveloPPP on public private partnership project	International
Zero Discharge of Hazardous Chemicals (ZDHC)	International
Retail Association of India (RAI)	National
Clothing Manufacturers Association of India (CMAI)	National
Cascale (formerly known as Sustainable Apparel Collation (SAC))	International
Ellen McArthur Foundation	International
Cotton 2040	International
Circular Apparel Innovation Factory (CAIF)	International
Textile Exchange Membership	International
International Council for Circular Economy	International
Confederation of Indian Industry (CII)	National
Federation of Indian Chambers of Commerce & Industry (FICCI)	National
Indian Chamber of Commerce (ICC)	National

Contributions and Spending

Our total monetary contribution in the reporting period of ₹ 0.65 Crore to trade associations and partners as a part of annual membership subscription fees. There were no political contributions made in the reporting period. We have a management system to oversee advocacy-related engagement through trade associations and other members on various relevant matters impacting the planet and the industry. Our efforts are limited to the Indian jurisdiction since it is the primary base of our operations.

The largest contribution comprised ₹15.84 lakhs to ZDHC, followed by ₹11.36 lakhs to Textile Exchange, and ₹10.62 lakhs to Sustainable Apparel Coalition.

Policy Advocacy Initiatives

We have a robust mechanism to review and monitor our policy advocacy efforts with a clear division of roles and accountabilities for the members operating from our Bangalore and Mumbai offices. The team responsible reports to the CSO, who then apprises the Management Committee (other C-suite members) on the progress on various topics pertinent to the industry, and also presents them to the Board at regular intervals. We report on our advocacy-related initiatives in our annual report and have taken a stance on critical issues such as our commitment to climate change as well as our alignment with the Paris Agreement through our website in the public domain.

We aspire to work towards our decarbonisation target in an accelerated way in alignment with the Paris Agreement.
As mentioned earlier in the report, we have established a calculation methodology and committed to SBTi-validated short-term targets. We expect our trade associations and other partners to also be aligned with the same vigour, and in cases of misalignment, we have a framework to manage and subsequently even terminate the relationship with those who do not align with the Paris Agreement.

In the reporting year, through our advocacy efforts, we have focused on the following topics:

Circular Fashion and Economy

develoPPP Where business meets development. GIZDEVELOPPP PROJECT	The develoPPP Project aims to strengthen circular business practices in the Indian market. We are working with GIZ to develop material innovation, reduce harmful substances, increase textile-to-textile recycling, develop alternatives to plastic packaging, and promote traceability.
CIRCULAR APPAREL INNOVATION FACTORY CIRCULAR APPAREL INNOVATION FACTORY (CAIF)	We have collaborated with Circular Apparel Innovation Factory (CAIF) to accelerate sustainable fashion concepts and build a circular textile ecosystem. This collaboration intends to bring forth ideas and innovations that will add more strength to our pioneering work around sustainability.
ELLEN MACARTHUR FOUNDATION	We have collaborated with the Ellen MacArthur Foundation to promote a circular economy through the 'Make Fashion Circular' movement. Through this collaboration, we aspire to redesign the future of fashion by collectively raising industry targets and priority actions and reinforcing complementary initiatives to progress/advance towards the collective vision.

Our advocacy efforts are spread far and wide through leading academic institutions in the country such as NIFT, IITs, and IIMs. We try and bring attention to critical matters such as climate change, hazardous chemicals management, circular economy, etc., to ideate ways and means to overcome the looming challenges posing a threat to the betterment of society. We have also collaborated with the Ministry of Textile and were an active anchor in the Bharat Tex 2024 event. We are present on the governing council for GIZ's steering committee and are founding members of resource efficiency and circular economy under FICCI in G20 by the Ministry of Environment, Forest, and Climate Change (MoEFCC).

WE HAVE A ROBUST MECHANISM TO REVIEW AND MONITOR OUR POLICY ADVOCACY EFFORTS WITH A CLEAR DIVISION OF ROLES AND ACCOUNTABILITIES FOR THE MEMBERS OPERATING FROM OUR BANGALORE AND MUMBAI OFFICES.

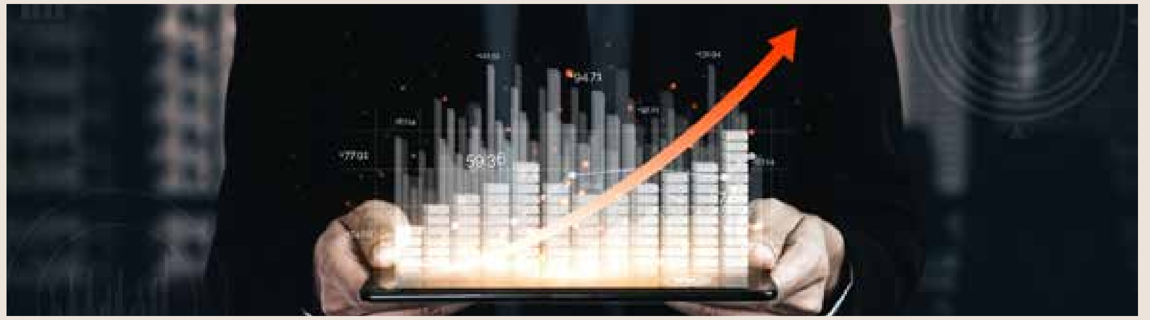
Materials and Hazardous Chemicals Management

THE PROJECT SU.RE	We are signatory to the Project SU.RE (Sustainability Rating), a game-changing project that promotes sustainable fashion for the ready-made garment sector. The project was launched in 2019 by the Union Minister for Textiles along with the Clothing Manufacturers Association of India (CMAI), the United Nations in India, and IMG Reliance.
ZDHC	We are committed to transforming our value chain to deliver sustainable fashion beyond traditional approaches reducing the chemical footprint.
TEXTILE EXCHANGE	We have partnered with Textile Exchange to accelerate the adoption of alternate materials in the value chain by focusing on various sustainability traits, including emission and water reduction as part of our holistic approach to drive positive impact for the entire industry.

Climate Change

COLLABORATION WITH CII, FICCI, AND ICC	Our Aditya Birla Group CSO is an active member of the CII and FICCI's Climate Change and Environment Committee. She serves as the Co-chair of FICCI's Circular Economy Committee and chairs the Sustainability and Climate Change Committee of the Indian Chamber of Commerce (ICC). Through this, we drive action and attention towards climate change-related aspects across multiple industries and the significance of taking action in alignment with the Paris Agreement.

Higg Index



We have been a part of the Cascale community (formerly known as the Sustainable Apparel Coalition) for over a decade. The Higg Index, a centrepiece of Cascale, is a suite of assessment tools that empowers brands, retailers, and manufacturers to measure their environmental, social, and labour impacts throughout the product lifecycle.

Through our partnership with Cascale, we have adopted the Higg Index as a key framework for assessing sustainability performance across our brands and supply chain. We conduct self-assessments of all our nine manufacturing facilities using the Higg Facility Environment Module (FEM) and Facility Social Labour Module (FSLM), which are verified by a SAC-appointed third-party auditor.

The Higg FEM assesses facilities across various dimensions, including energy and greenhouse gas (GHG) emissions, water use, effluent, waste, and chemical management. Meanwhile, the Higg FSLM focuses on key social and labour metrics, such as working hours, worker treatment, recruitment and hiring, wages and benefits, health and safety, and empowering communities.

We have integrated the Higg Brand and Retail Module (BRM) into our brand operations and strategy to advocate for 'clean by design' principles throughout the product development process. The Higg BRM has allowed us to identify areas of improvement, set goals, and track progress towards more sustainable practices ultimately driving positive environmental and social impact. We assess ourselves annually using the Higg BRM self-assessment tool to identify and manage our sustainability priorities and gauge our environmental and social performance at the brand level. During the reporting year, we utilised the Higg BRM self-assessment tool to evaluate six of our brands - Louis Philippe, Van Heusen, Allen Solly, Pantaloons, Peter England, and Van Heusen Innerwear. Furthermore, we have undergone third-party verification for the Pantaloons brand.

Our nine manufacturing facilities have achieved Higg FEM scores of over 90. These achievements demonstrate our commitment to transparency, accountability, and continuous improvement. By benchmarking our performance against industry peers and staying ahead of emerging trends, we are well-equipped to navigate the complex landscape of sustainability and drive meaningful progress in our industry.

TCFD ALIGNMENT

Climate Change is accelerating at an alarming rate with clear scientific evidence and it is very likely that the needs of a sustainable world shall have impact on business to act proactively self-regulating the business ecosystem. We at ABFRL adopted a 'product-led' sustainability strategy taking into account the climate change impact across our business operations in accordance with global and national commitments including the Paris Agreement on Climate Change, UN Sustainable Development Goals (SDGs).

In this journey, we at ABFRL are committed to implementing recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) around four thematic areas- governance, strategy, risk management, metrics and targets.

Governance

Governance is the foundation for ABFRL's framework for overseeing climate-related issues. The overall corporate governance of ABFRL is executed through multi-tier sustainability governance mechanism that ensure the effective monitoring of climate-related risks with a focus on enabling robust, effective, transparent and an ethical ecosystem.

The sustainability governance structure comprises the Board of Directors, Risk Management and Sustainability Committee, Chief Sustainability Officer, and Format level teams, with specific roles and responsibilities.

Operating within the structure of a well-defined responsibility matrix, the Board is the apex committee instrumental in the adoption and overseeing the sustainability strategy, policies, and advising senior management regarding ESG initiatives of the organisation. The Board convenes half-yearly to discuss and decide on climate-related risks, strategies, and policies and reviews the performance of the Company. The highest governance body and senior executives are involved in materiality assessment and ESG performance, BRSR, Integrated Report and reviewing the same.

The second layer constitutes the Risk Management and Sustainability Committee (RMSC) to monitor performance of ESG-related issues. The committee appraise the board of directors headed by the chairman on ESG-related issues during half-yearly meetings.

The Chief Sustainability Officer (CSO) leads the Sustainability Strategy, due diligence and reviews the progress of Sustainability and CSR initiatives implementation across the business length and breadth and reviews the performance through periodic quarterly meeting. CSO also presents the updates to the RMSC and CSRC during the respective board committee meetings. The board committees grant sustainability and CSR budgets based on the inputs from the CSO. Board of directors delegated the responsibility for managing impacts on CSO, CFO and CHRO and review the process half yearly.

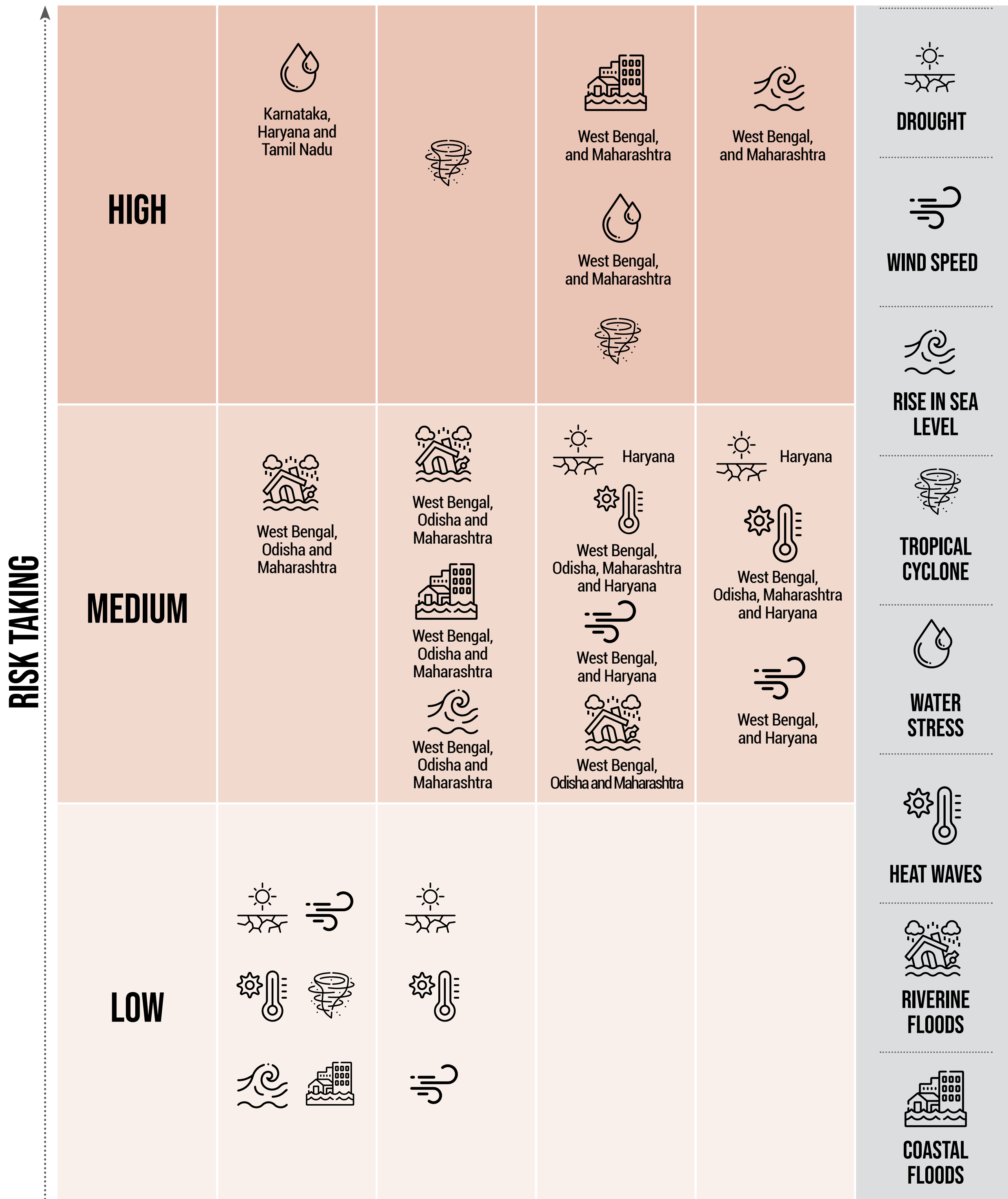
The last layer comprises Format level teams where bi-monthly meetings are held with business unit heads from factories, warehouses, brand level managers and retail to monitor sustainability and climate-related issues.

Strategy

ABFRL has adopted a sustainability strategy developed for 2025 under Re-Earth's Sustainability 2.0. programme with a vision 'to give back more than what we take from our ecosystem'. We have successfully transitioned to sustainability 2.0 – from 'Process-led to Product-led', with a focus on product design and development, customer centricity and supply chain. Climate risk assessment is accounted to further enhance sustainability actions and its future projections assisted in identifying the potential threats that may occur across operations.

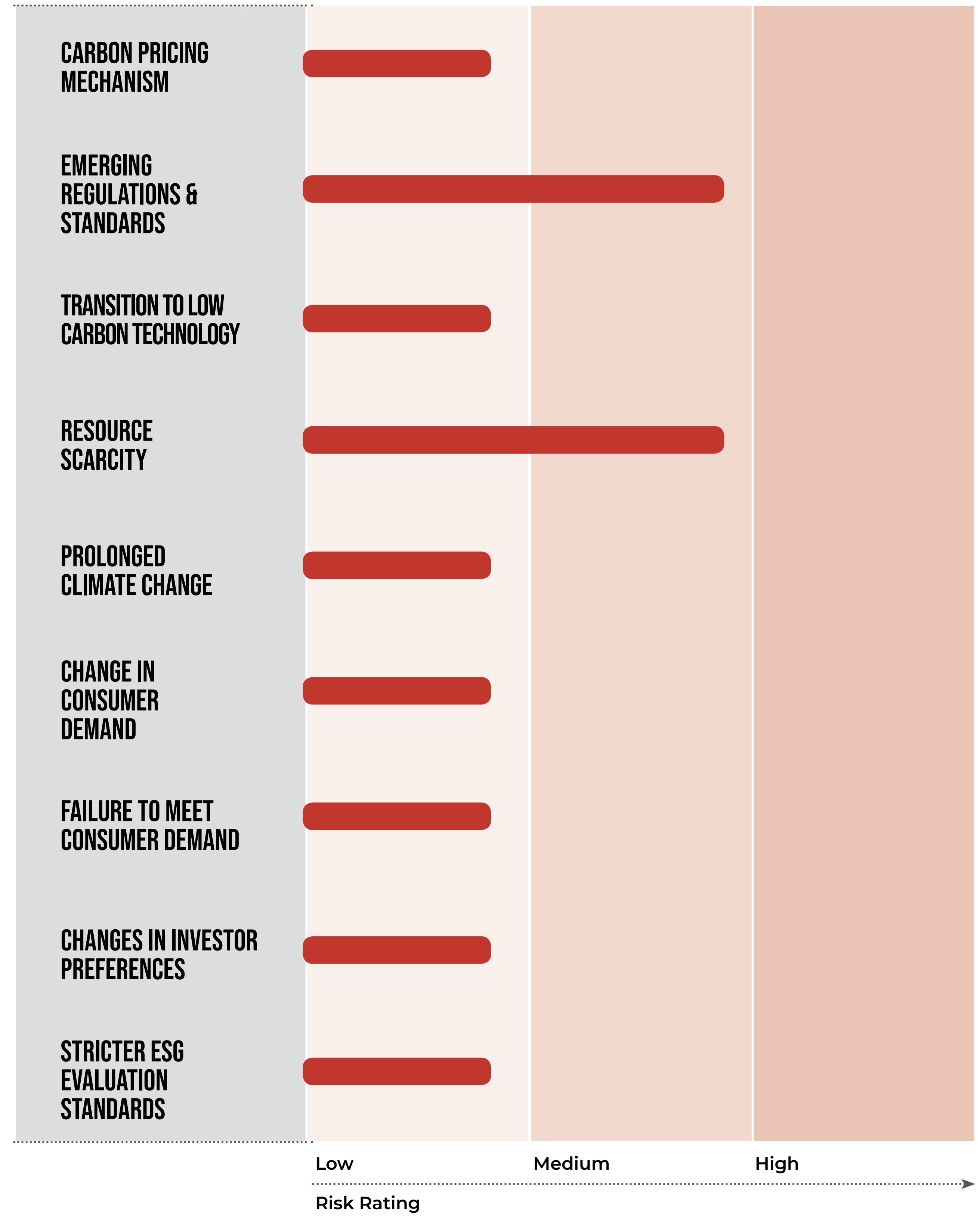
In accordance with TCFD guidelines, we at ABFRL have analysed the two integral risks i.e., Physical Risks and Transition Risks. The assessment of the associated physical and transition risks was carried out for all assets which included manufacturing units, warehouses, and retail stores. At ABFRL, we considered three-time horizons for assessing climate-related risks; risks arising up to 2030 were considered as short term, 2030-40 as medium-term, and above 2040 as long term. The associated physical risks were identified and scenario analyses were performed considering the Representative Concentration Pathway (RCP) and Shared Socioeconomic Pathways (SSP).

Physical Risk Mapping



*Note : Tropical Cyclone Risk Classification is from the perspective of whole of India

Transition Risk Mapping



Physical Risk & Opportunity

Risk		Risk description: Manufacturing	Risk description: Warehouse	Risk description: Stores	GRI Mapping	KPIs
Acute Risk	Drought	• Increased cost of resources • Increased water regulations • Migration of workers & civic unrest	• Increased cost of resources • Supply chain disruption due to civic unrest	• Store operation & maintenance problems due to shortage of water	Efficient use of water resources	• Further enhancing harnessing rainwater across operations & communities nearby • Strengthen recycle & reuse thereby enhance usage of treated water • Borewell recharge where applicable
	Riverine flood	• Asset damage • Disruption in production • Supply chain disruptions • Increased cost of resources post floods	• Inventory loss & asset damage • Increased clean-up costs post floods • Supply chain disruption	• Temporary shutdown of stores • Looting and theft due to civic unrest post floods		• Ensure appropriate drainage pipelines with non-return valves • Detailed business continuity plan • Use of early warning system • Insurance against flood risk
	Tropical cyclone	• Property damage due to high-speed winds • Supply chain disruptions	• Loss of inventory • Property damage • Supply chain disruption	• Temporary shutdown of stores • Power shut down for several days or months	Resilient buildings	• Retrofitting of non-engineered structures • Adopting guidelines to build an engineered structure, while developing or selecting new assets • Use of prediction and early warning system
	Wind hazard	• Increase in the cost of power backup • Temporary shutdown	• Warehouse & inventory damage • Temporary shutdown	• Building damage • Temporary shutdown of stores		
Chronic Risk	Sea level rise	• Permanent shutdown due to coastal flooding • Increased cost of raw materials due to supply chain disruption	• Permanent shutdown due to coastal flooding • Significant impact on supply chain disruption	• Higher operational cost due to supply chain disruptions • Permanent shutdown of stores due to flooding in low-lying areas	-	• Coastal hazard zoning and future prediction on sea-level rise • Elevated development of buildings
	Heat Wave	• Increase in cooling costs • Heat stress and worker's fatigue	• Increase in cooling costs • Heat stress and worker's fatigue	• Increase in cooling costs • Lower footfall to stores	Alternate product development like solar AC and boost for solar rooftop	• Adoption of renewable energy resources and energy efficiency measures • Prediction and preparedness for heatwaves
	Coastal Floods	• Asset damage • Supply chain disruptions • Increased procurement costs due to an increase in the cost of port infrastructure	• Inventory loss • Significant impact on supply chain disruption	• Property damage and inundation of low-lying areas	Increased resiliency and moving to safe locations	• Coastal hazard zoning and future prediction on sea-level rise • Insurance against coastal flood risk • Development of engineered structures such as flood barrier walls, levees, and sea walls
	Water Stress	• Increased water sourcing costs • Workforce migration • Competition & conflicts regarding sharing of available water resources	• Increased water sourcing costs • Operation & maintenance problems	• Store operation & maintenance problems due to shortage of water • Decreased sales & revenue	• Enhanced water efficiency	• Installation of rainwater harvesting structures in buildings • Identify the potential to use treated wastewater • Watershed development

Transition Risk & Opportunity

	Risk	Risk description	Opportunity	Opportunity Description
Policy & legal	Carbon pricing mechanism and carbon taxation	• Imposition of policy and regulatory controls on carbon emissions • Increased operational obligation • Increased fixed costs in operations	• Renewable energy resources • Boost towards low carbon technology • Capitalizing carbon market	Cost control rises in the supply chain due to a reduction in variable costs by promoting resource efficiency, introducing renewable energy, and reducing overall production costs
	New environmental	• Increased cost of operation due to the requirement of pollution control equipment • Increased regulatory costs leading to an increase in product cost	• Boost towards low carbon technology	Strict regulations to promote low carbon technology development
Technology	Transition to low carbon technology	Initial capital investment for installation or replacement costs for efficient low-carbon technologies	• Increase in sales volume • Better lead time	Using low carbon technology enhances the company's reputation and leads to an increase in sales volume due to green marketing
Market	Resource Scarcity & growing demand	Resource scarcity may necessitate transportation from alternate/ neighbouring geography resulting in increased production cost and scope 3 emissions	Alternate raw materials	Promotes research and development towards environment-friendly substitute raw materials which may be locally made or available
	Prolonged changing climate and extreme weather situations	• Asset damage • Disruption in supply chain	New product and service development	Appropriate product-market fit, resilient operations and supply chain will give the company an edge over its competitors and lead to an increase in market share
	Changes in consumer demand for low carbon products and services	• Decline in sales for not meeting low carbon product requirement • Reduction in demand for conventional products	• Increase in demand for sustainable products • New product and service development	Increased demand for products that address environmental change
Reputation	Failure to meet consumer demand	Reputation damage for not meeting the shift in consumer demand for sustainable products on time	Early adoption of the sustainable manufacturing process	Early adoption and development of sustainable products enhance the company's reputation
	A shift in consumer and investor behaviour and preferences	Increasing awareness of environmental impacts may lead to negative stakeholder responses to the firm's actions toward adverse climate incidents	• Better stakeholder engagement • New product and service development	• Opportunity to carry out stakeholder engagement and develop a holistic mitigation measure • Opportunity to enhance brand reputation by introducing products in line with the customer preference
	Stricter ESG evaluation standards or disclosure requirements	Decline in reputation due to non-reporting or inappropriate disclosure of sustainability data on public platforms	Consistent disclosure to the stakeholders on non-financial Key Performance Indicators (KPI)	Sustainability disclosures on a regular basis (annually) increase the trust among the stakeholders

Risk Management

Peer assessment and scenario analysis are conducted to identify climate-related risks using various tools. The physical and transition risks are analysed under multiple RCP scenarios (RCP 2.6, RCP 4.5, RCP 6, RCP 8.5), SSP scenarios (SSP1-1.9, SSP1-2.6, SSP2-4.5, SSP3-7.0, SSP5-8.5) and WEO scenarios (Net Zero Emissions by 2050 Scenario (NZE), the Announced Pledges Scenario (APS), the Stated Policies Scenario (STEPS), and the Sustainable Development Scenario (SDS)).

The identified risks are mapped as a low, medium, and high based on their potential impact and likelihood. This mapping also includes stakeholder consultation from different departments and internal experts' consideration of applicable existing and emerging regulatory requirements.

Apart from scenario analysis, at ABFRL we have a robust Enterprise Risk Management framework that helps identify, evaluate, mitigate, and report risks. Please refer Risk Management.

Metrics and Targets

Our sustainability strategy 2025 is well supported by yearly targets, efficient monitoring and evaluation framework and clear responsibilities that help align and steer day-to-day business operations across the organization.

At ABFRL, our climate strategy and respective targets are well-defined in alignment with Science Based Target Initiative (SBTi) approach and further cascaded to respective facilities and functions. Our climate targets which drive climate change agenda across the business operations, performance across Scope 1, 2 and 3 emissions and respective targets can be referred through 'ReEarth Mission - Status Dashboard FY24' and 'Climate Strategy, Environment Stewardship'.

STANDARD FRAMEWORKS

Statement of use	Aditya Birla Fashion and Retail Ltd. has reported in accordance with the GRI Standards for the period 1 April 2023 and 31 March 2024	GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Our Business at Glance	09-11	-	-	-
	2-2 Entities included in the organization's sustainability reporting	About the Report	03-05	-	-	-
	2-3 Reporting period, frequency and contact point	About the Report	04-05	-	-	-
	2-4 Restatements of information	Natural Capital	102-103	-	-	-
	2-5 External assurance	Annexure	588-593	-	-	-
	2-6 Activities, value chain and other business relationships	Our Business at Glance	09-11	-	-	-
	2-7 Employees	Human Capital	52-53	-	-	-
	2-8 Workers who are not employees	Human Capital	-	Yes	Not Applicable	-
	2-9 Governance structure and composition	Corporate Governance	243-244	-	-	-
	2-10 Nomination and selection of the highest governance body	Corporate Governance	249-251	-	-	-
	2-11 Chair of the highest governance body	Corporate Governance	246	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Natural Capital	97	-	-	-
	2-13 Delegation of responsibility for managing impacts	Natural Capital	97	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	Natural Capital	97	-	-	-
		TCFD Alignment	163			
	2-15 Conflicts of interest	Corporate Governance	247	-	-	-
	2-16 Communication of critical concerns	Corporate Governance	220	-	-	-
		TCFD Alignment	163			

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Corporate Governance	251	-	-	-
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	251	-	-	-
	2-19 Remuneration policies	Corporate Governance	250-251	-	-	-
	2-20 Process to determine remuneration	Corporate Governance	250-251	-	-	-
	2-21 Annual total compensation ratio	Board Report	227	-	-	-
	2-22 Statement on sustainable development strategy	Message from the MD		-	-	-
	2-23 Policy commitments	Corporate Governance	257-258	-	-	-
	2-24 Embedding policy commitments	Corporate Governance	257-258	-	-	-
	2-25 Processes to remediate negative impacts	Human Capital	72			
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance	216	-	-	-
	2-27 Compliance with laws and regulations	Natural Capital	96	-	-	-
	2-28 Membership associations	Social and Relationship Capital	158-160	-	-	-
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment	20-23	-	-	-
	2-30 Collective bargaining agreements	Human Capital	70	-	-	-
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Engagement and Materiality Assessment	24-28	-	-	-
	3-2 List of material topics	Stakeholder Engagement and Materiality Assessment	24-28	-	-	-

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Climate Change						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital	99-100	-	-	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital	101	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital	101	-	-	-
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital	102-103	-	-	-
	305-4 GHG emissions intensity	Natural Capital	101	-	-	-
	305-5 Reduction of GHG emissions	Natural Capital	100-102	-	-	-
	305-6 Emissions of ozone-depleting substances (ODS)	Natural Capital	103	-	-	-
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Natural Capital	103	-	-	-
Resource Management- Energy and Water						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital	104-106	-	-	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital	104	-	-	-
	302-2 Energy consumption outside of the organization	-	104	Yes	Information unavailable/ incomplete	Monitoring mechanism under progress
	302-3 Energy intensity	Natural Capital	104	-	-	-
	302-4 Reduction of energy consumption	Natural Capital	104-106	-	-	-
	302-5 Reductions in energy requirements of products and services	Natural Capital	-	Yes	Not Applicable	Our products do not consume direct energy

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital	106-112	-	-	-
	303-2 Management of water discharge-related impacts	Natural Capital	108-109	Yes	Not Applicable	ABFRL does not discharge to local water bodies
	303-3 Water withdrawal	Natural Capital	107-109	-	-	-
	303-4 Water discharge	Natural Capital	107-109	-	-	-
	303-5 Water consumption	Natural Capital	107-109	-	-	-
Waste Management and Circular Economy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital	115-117	-	-	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital	115-117	-	-	-
	306-2 Management of significant waste-related impacts	Natural Capital	115-117	-	-	-
	306-3 Waste generated	Natural Capital	115-117	-	-	-
	306-4 Waste diverted from disposal	Natural Capital	117	-	-	-
	306-5 Waste directed to disposal	Natural Capital	117	-	-	-
Sustainable Product						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital	154-155	-	-	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social and Relationship Capital	154	-	-	-
	308-2 Negative environmental impacts in the supply chain and actions taken	-	-	Yes	Information incomplete	Monitoring Mechanism under progress
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social and Relationship Capital	154	-	-	-
	414-2 Negative social impacts in the supply chain and actions taken	Social and Relationship Capital	154	-	-	-

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital	73-79	-	-	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital	73-76	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital	76	-	-	-
	403-3 Occupational health services	Human Capital	76-77	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital	77	-	-	-
	403-5 Worker training on occupational health and safety	Human Capital	78	-	-	-
	403-6 Promotion of worker health	Human Capital	73-79	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	73-79	-	-	-
	403-8 Workers covered by an occupational health and safety management system	Human Capital	76	-	-	-
	403-9 Work-related injuries	Human Capital	77	-	-	-
	403-10 Work-related ill health	Human Capital	-	Yes	Information incomplete	Our operation involved only cutting stitching related work and our employees are not exposed to hazardous conditions that could result in work-related health issues. As a result, we do not experience work-related ill health within our operations

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Product Quality and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital	151	-	-	-
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Social and Relationship Capital	151	-	-	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Social and Relationship Capital	151	-	-	-
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labelling	Social and Relationship Capital	151	-	-	-
	417-2 Incidents of non-compliance concerning product and service information and labelling	Social and Relationship Capital	151	-	-	-
	417-3 Incidents of non-compliance concerning marketing communications	Social and Relationship Capital	151	-	-	-
Economic Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Financial Capital	34-36	-	-	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital	35	-	-	-
	201-2 Financial implications and other risks and opportunities due to climate change	TCFD Alignment	163-168	-	-	-
	201-3 Defined benefit plan obligations and other retirement plans	Financial Capital	35			
	201-4 Financial assistance received from government	Financial Capital	35			
Market Presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital	57-58			

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 202 Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		58			
	202-2 Proportion of senior management hired from the local community	Human Capital	57	-	-	-
Indirect Economic Impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital	130-147	-	-	-
GRI 203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social and Relationship Capital	130-147	-	-	-
	203-2 Significant indirect economic impacts	Social and Relationship Capital	130-147	-	-	-
Procurement Practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital	152	-	-	-
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social and Relationship Capital	152	-	-	-
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital	117-119	-	-	-
GRI 301 Materials	301-1 Materials used by weight or volume	Natural Capital	117-119	-	-	-
	301-2 Recycled input materials used	Natural Capital	117-119	-	-	-
	301-3 Reclaimed products and their packaging materials	Natural Capital	119	-	-	-
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital	50-60 66-69	-	-	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital	55-56	-	-	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	68	-	-	-
	401-3 Parental leave	Human Capital	68	-	-	-

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Labor/Management Relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital	70-71	-	-	-
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Capital	71	-	-	-
Training and Education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital	59-65	-	-	-
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital	59	-	-	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital	59-61	-	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital	64			
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital	51-58	-	-	-
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital | Corporate Governance	51-58			
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital	58			
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital	70-71	-	-	-
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital	70-71	-	-	-
Freedom of Association and Collective Bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital	70-71	-	-	-
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital	70-71	-	-	-

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Child Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital	70-71			
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital	70-71			
Forced or Compulsory Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital	70-71			
GRI 409 Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital	70-71			
Local Communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital	130-147	-	-	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	130-147	-	-	-
	413-2 Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital	136	-	-	-
Public Policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital	158	-	-	-
GRI 415: Public Policy 2016	415-1 Political contributions	Social and Relationship Capital	158			
Customer Privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Intellectual Capital	92-93	-	-	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Intellectual Capital	93	-	-	-

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

Topic	Metric	Code	Location	Page Number
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	CG-AA-250a.1	Natural Capital | Hazardous Chemical Management	123-124
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2	Natural Capital | Hazardous Chemical Management	123-124
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	Social and Relationship Capital | Supply Chain Management	152-155
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM assessment or an equivalent environmental data assessment	CG-AA-430a.2	Social and Relationship Capital | Supply Chain Management	161
Labour Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, (3) percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	Social and Relationship Capital | Supply Chain Management	152-154
	Priority non-conformance rate and associated corrective action rate for suppliers' labour code of conduct audits	CG-AA-430b.2	Social and Relationship Capital | Supply Chain Management	155
	Description of the greatest (1) labour and (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	Social and Relationship Capital | Supply Chain Management	153-154
Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	CG-AA-440a.3	Natural Capital | Nurturing Responsible Raw Material Practices	122-123
Activity Metrics	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	CG-AA-000.A	Social and Relationship Capital | Supply Chain Management	152

Statutory Reports

REPORT OF THE BOARD OF DIRECTORS

(INCLUDING MANAGEMENT DISCUSSION AND ANALYSIS)

Dear Members,

Your Company's directors hereby present the Seventeenth Annual Report together with the audited financial statements of the Company for the financial year ended March 31, 2024 ("year under review/ FY 2023-24").

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

FY 2024 has been a year of resilience for the global economy. Despite challenges like the monetary policy tightening, banking sector stress, and regional conflicts, global GDP in 2023 exceeded initial expectations, growing 3.3% YoY.

In this global context, India has continued to outperform, driven by a strong recovery in the industrial sector, robust performance of India's banking and financial sectors, and significant government capital investments.

Global Economy Overview

Despite earlier pessimistic predictions, the world has avoided an immediate recession and is now transitioning to a new state of balance. While growth is slow, the economy remains resilient, fueling optimism for the future.

Per International Monetary Fund (IMF), global growth is expected to be 3.2% in 2024. For 2024, GDP growth for developing economies is expected to be 4.3% against 1.7% for advanced economies.

Indian Economy Overview

India has been one of the best-performing market, showcasing strong economic growth, robust manufacturing activity, moderate inflation rates and increased foreign portfolio investment (FPI) inflows. The RBI has estimated GDP growth rate of around 8.2% for the fiscal year 2023-24, supported by rising PMIs in both the manufacturing and service sectors, high GST collections, and increasing credit uptake, all of which indicate positive business sentiments.

These favourable factors, combined with young demographics, have led to increased consumer spending over the last few years, with the retail sector being the biggest beneficiary. Per one of the largest global research & consulting firms, India ranks highest in the Global Retail Development[1] Index, based on market attractiveness among the developing and emerging economies. The country is recognized as a "dynamically expanding modern market" with a growing demand for branded and premium products. Additionally, increased urbanization and rising prosperity in Tier 2, 3, and 4 cities are driving exponential growth in the retail sector, making India, particularly its retail industry, amongst others an increasingly attractive destination for investors.

[1]https://retailasia.com/in-focus/india-tops-2023-global-retail-development-index

Indian Economic Outlook: Sustained momentum and optimism

There is growing optimism that India is at the inflection point of a multi-year economic growth trajectory. Recent high-frequency indicators suggest an accelerating momentum in aggregate demand, driven by robust consumer spending, rising industrial output, and strong investment flows.

An anticipated rise in household consumption, coupled with strong private and government capital expenditure, is set to drive economic expansion. Continued urbanization and rising prosperity in lower tier cities are broadening the consumer base and fueling demand across sectors. Technological advancements and digital adoption are transforming industries, enhancing productivity, and creating new opportunities. Additionally, the government's focus on structural reforms, ease of doing business, and infrastructure development is fostering a favourable environment for sustained investment and economic resilience. Together, these factors position the economy for consistent progress and resilience.

Targeted economic policies will further shape India's trajectory, helping it achieve its aspiration of becoming the world's third-largest economy by 2027 and ensuring sustainable economic growth.

India's consumption has witnessed remarkable changes over the years. The proportion of non-food expenditure is increasing in both urban and rural areas, with rural areas witnessing an increase from 47% in 2011-12 to 54% in 2022-23, while for urban that share has increased to 61% from 57%.

The rapid growth of India's middle-income class has led to increased purchasing power and a shift in demand from unbranded products to branded products and experiences. India's discretionary spending has always been lower than that of other major economies, indicating headroom for further growth. Improved credit availability and financial inclusion have boosted demand, particularly in the organized sector. As incomes grow, consumer spending can support sustained growth in the consumption related sectors in the long run.

Industry Review

Global Apparel Industry

In FY24, the fashion industry continued to face uncertainty, with consumer spending remaining volatile driven by subdued economic growth outlook, persistent inflation, and weak consumer confidence. Mid-priced brands struggled as consumers shifted towards more affordable options, while the luxury segment initially maintained growth, but it too faced challenges later in the year due to broader economic downturns. In response to these challenges, businesses have been compelled to identify pockets of value and uncover new drivers of performance.

As consumer lifestyles and spending patterns evolve, fashion retailers are being prompted to adapt their offerings. Shoppers are increasingly spending across a variety of occasions, which is driving them to explore multiple channels and brands. This shift has accelerated the industry's transition from a multi-channel approach to a comprehensive omnichannel strategy.

With 32% of global apparel and footwear sales now occurring online, the digital pivot in retail channels is becoming a dominant trend. As a result, Gen Z and Gen Alpha have emerged as the most significant target segments for the fashion industry. To cater to these digitally savvy consumers, brands are investing in innovative formats and concept stores that integrate technology, resulting in more digitally enabled offline stores. This fusion of online and offline experiences is reshaping the industry, positioning it to meet the demands of a rapidly changing market landscape. Companies are also now exploring addition of new consumer segments or occasions to their existing offerings to expand their customer base and enhance customer lifetime value.

The Indian Apparel Industry

After a strong recovery in consumption during initial months of FY23, the Indian apparel market growth began to slow down post the festive season of 2022. While urban consumption initially remained robust, rural and semi-urban areas faced significant economic challenges, leading to a decline in entry-level spending. Inflation and slow income growth caused the households to delay purchases, focusing on key occasions, while few increasingly down-traded. COVID-related fatigue led consumers to become more selective in certain product categories, including apparel. Also, the expansion of consumer credit is reshaping spending patterns, altering traditional purchasing behaviours as the industry adapts to new realities.

Over the past two years, the Indian apparel industry has experienced several notable trends. Shoppers now desire experiences beyond just purchasing products. Retailers are responding by creating immersive, interactive store environments, incorporating in-store events personalized services, and technology to elevate the overall shopping experience. Digitalization has taken centre stage, with a significant increase in online shopping and brands enhancing their e-commerce platforms to provide seamless shopping experiences. Social media and influencer marketing have become critical for brand visibility and consumer engagement. Additionally, there has been a noticeable shift towards personalization and customization, as consumers seek unique and tailored apparel options.

Outlook: Indian Apparel market

India's retail sector is poised for significant growth, bolstered by its vast population, accelerating urbanization, increasingly connected rural consumers, and rising economic activity. As the world's fourth-largest retail market, India presents immense potential, particularly in the fashion industry. With over half of its population under 30, the country's young demographic profile is a powerful driver of the fashion sector's growth.

A substantial portion of the Indian fashion industry remains unorganized, which presents a vast opportunity for organized players to step in. As Indian consumers become more brand-conscious and premiumize the overall purchasing experience, organized retail is well-positioned to capture a larger share of the market. The shift from unorganized to organized retail is expected to be a significant trend in the coming years, driven by consumers' increasing demand for quality, consistency, and brand assurance.

In 2023, per Euromonitor the Indian apparel and footwear market was valued at approximately INR 6 trillion. This market is projected to grow at a compound annual growth rate (CAGR) of around 13%, reaching an estimated INR 13.5 trillion by 2030. Organized retail, currently accounting for around 35% of overall market, is expected to surge past 50% by 2030. Among the categories & segments, sportswear, women western wear, Innerwear are set to outpace the overall market. For ethnic wear & value fashion the growth will be primarily driven by shift from unbranded to branded fashion.

The growth trajectory is largely fueled by the younger population's strong preference for casual wear, alongside a rising interest in sportswear—a trend driven by an increasing focus on physical fitness and health. Moreover, the growing participation of women in the workforce has significantly boosted consumption in the women's segment, driving sales of business formals, ethnic wear, and accessories.

Digital transformation is another key driver reshaping the Indian fashion landscape. The proliferation of e-commerce platforms, coupled with the widespread adoption of smartphones and internet connectivity, is making fashion more accessible to consumers across the country. This digital shift is not only expanding the reach of fashion brands but also enhancing the shopping experience, making it more personalized and convenient.

Despite near-term challenges, the long-term outlook for the Indian fashion industry remains extremely positive, driven by several key factors that are expected to drive growth over the coming years.

Key Trends in the Indian Apparel Industry

1. Increased focus on customer experiences and omnichannel distribution

Customer convenience, both in-store and online, has become a key unique selling proposition. Brands now focus on providing a seamless experience from the initial purchase trigger to after-sales service. Striking the right balance between online ease and the tactile in-store experience is essential for a cohesive omnichannel strategy, ensuring a smooth and satisfying customer journey at every touchpoint.

2. Increase in Premiumization and growth of luxury segment

The trend of premiumization and the growth of the luxury segment in India is accelerating; fueled by rising disposable incomes, social media influence, and easy access to credit. Consumers are increasingly willing to invest in high-quality, long-lasting products, perceiving them as valuable investments. This is particularly evident in the fashion industry, where premium and luxury brands are seeing significant growth. More consumers aspire to upgrade, own exclusive items that reflect their status and personal style. This shift is driving the expansion of luxury retail and the proliferation of premium brands in the Indian market.

3. Value fashion

Value fast fashion caters to budget-conscious consumers who seek trendy, affordable clothing. This segment is experiencing rapid growth as it meets the demand for fashionable, pocket-friendly apparel, especially amongst the youth. By quickly adapting to the latest trends and offering competitive prices, value fast fashion brands attract a broader customer base. The increasing popularity of this segment highlights its potential for significant market expansion, driven by a consumer desire for stylish yet accessible clothing options. This trend underscores the importance of agility and affordability in the fast-paced fashion industry.

4. Importance of social marketing and community building

Customer data and feedback are crucial in the highly competitive and often undifferentiated apparel market. The communities built by brands have become significant differentiators, fostering loyalty and enhancing customer retention. These communities not only increase the return on customer acquisition costs but also create a dedicated customer base. Leveraging customer data allows brands to make informed decisions on new designs, product launches, and cross-selling strategies. By understanding customer preferences and behaviour, brands can tailor their offerings to meet market demands more effectively, ensuring continuous engagement and satisfaction.

5. Rising growth of Ecommerce, digital payments and credit availability

India's e-commerce sector is experiencing rapid growth, driven by the rising number of internet users, which now exceeds 75 crores[1]. Tier II and III cities are major contributors, accounting for 60% of online retail orders. Per International Trade Administration[2], the value of the Indian e-commerce industry is projected to reach approximately $135 billion by 2026.

This expansion is supported by a robust digital payment ecosystem that has simplified cashless transactions and increased credit availability. Instant EMIs, no-cost EMIs, and attractive cashback offers make large purchases more accessible and appealing to consumers. Government initiatives like the Open Network for Digital Commerce (ONDC) further enhance the online business landscape and support partnerships.

6. Shift towards sustainable products

The shift towards sustainability is highlighted in both raw materials and production processes. Circular fashion is gaining momentum, emphasizing the importance of garments that can be recycled, upcycled, or easily decomposed at the end of their life cycle. This approach aims to reduce waste and environmental impact. Brands are integrating sustainability at every step, from sourcing eco-friendly materials to implementing ethical manufacturing practices and promoting the longevity of their products. This holistic shift is essential for addressing the critical challenges posed by the climate crisis.

Business overview

Your Company is India's largest branded fashion and lifestyle entity with an elegant bouquet of leading fashion brands and retail formats.

Your Company's consolidated revenue stood at INR 13,996 Crores against INR 12,418 Crores last year, demonstrating a 13% growth. Company's EBITDA stood at INR 1,703 with margin of 12.2%. Your Company expanded its network to 4664 stores including 417 Pantaloons stores. Its total retail footprint increased to 11.9 million sq. ft vs 10.8 million sq.ft. last year.

In context of challenging demand environment, our established businesses comprising of Lifestyle Brands and Pantaloons, prioritized profitable growth. Focused interventions around costs, distribution network and markdown management structurally enabled the businesses to move towards a more profitable model in the long run.

Our new businesses — Ethnic, TMRW, and Reebok—significantly contributed to our growth this year, aligning with our long-term portfolio strategy and evolution in the market. The acquisition of TCNS has strategically filled the gap in our ethnic portfolio by expanding into premium women's ethnic wear. These opportunities in the market across various categories, price points, and occasions are now effectively addressed through the comprehensive and diverse portfolio we have developed over the past few years.

Today, your Company encompasses a collection of widely recognized brands and retail formats that cater to a broad range of consumer needs.

Luxury Retail Formats	Galeries Lafayette, THE COLLECTIVE, HACKETT, RALPH LAUREN, TED BAKER, FRED PERRY, POLO		
	Western Brands	**Ethnic Brands**	**Digital-First Brands**
Brands	LOUIS PHILIPPE, VAN HEUSEN, VAN HEUSEN INNERWEAR, Allen Solly, PETER ENGLAND, SIMON CARTER, Reebok, AMERICAN EAGLE, FOREVER 21	SABYASACHI, SHANTNU NIKHIL, TARUN TAHILIANI, masaba, JAYPORE, TASVA, W, FOLKSONG	TMRW Portfolio of 8+ brands
Masstige and Value Retail formats	pantaloons, STYLE UP		

[1] https://datareportal.com/reports/digital-2024-india#:~:text=Internet%20use%20in%20India%20in,at%20the%20start%20of%202024.

[2] https://www.trade.gov/country-commercial-guides/india-online-marketplace-and-e-commerce#:~:text=India's%20e%2Dcommerce%20market%20is,use%20of%20digital%20payment%20systems

Your Company's board on 19th April 2024 approved a vertical demerger of Madura Fashion and Lifestyle (MFL) business from Aditya Birla Fashion and Retail Limited (ABFRL) into a newly incorporated entity named as Aditya Birla Lifestyle Brands Limited (ABLBL).

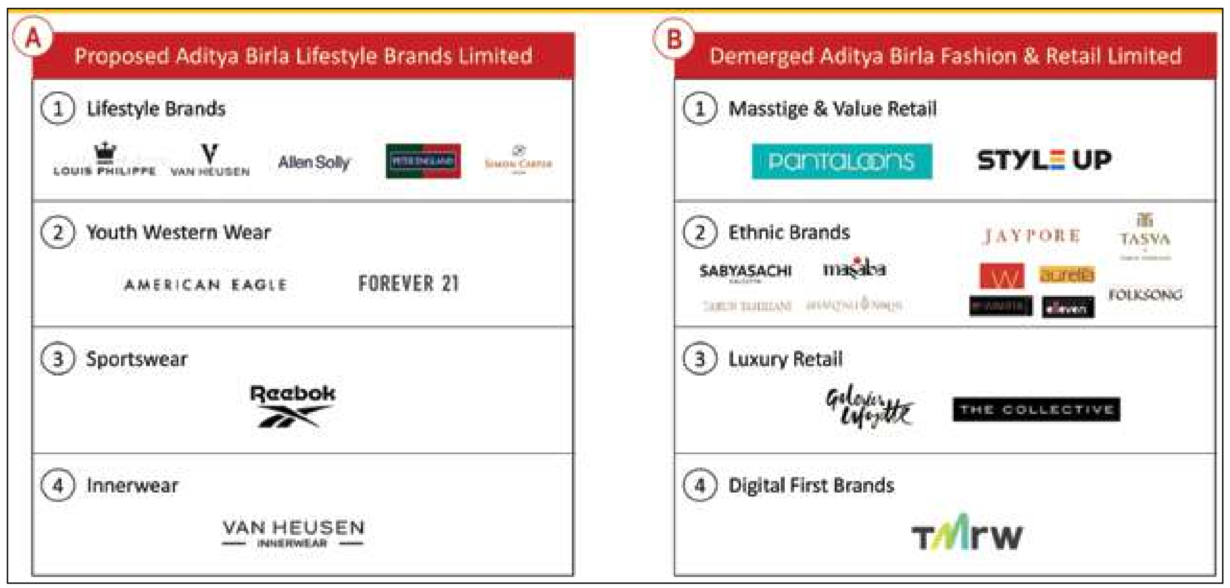
This de-merger will enable creation of two separately listed entities as independent growth engines, possessing distinct capital structures and parallel value creation opportunities, thus unlocking significant value for the shareholders through independent market led valuation.

On receipt of necessary approvals, the demerger will be implemented through an NCLT scheme of arrangement. Upon completion of this demerger, as per the share entitlement ratio recommended by the independent valuer and opined on by fairness opinion advisor, the shareholders of ABFRL will get one share of ABLBL for every one share in ABFRL.

Aditya Birla Lifestyle Brands Limited (ABLBL) will consist of four lifestyle brands viz Louis Phillippe, Van Heusen, Allen Solly & Peter England along with casual wear brands viz. American Eagle & Forever 21, sportwear brand Reebok and the innerwear business under Van Heusen.

Post demerger, the **remaining ABFRL** will be an attractive portfolio comprising of multiple distinct high growth platforms in large addressable markets with significant value creation opportunities. The portfolio will comprise of following four segments -

- Masstige & value fashion retail play under Pantaloons & Style Up
- Ethnic Portfolio - One of India's most comprehensive ethnic wear portfolio covering multiple occasions, price points and consumer segments, including designer wear partnerships and recently acquired portfolio of TCNS brands
- Luxury and Super Premium - A fast-growing bridge to luxury & luxury platform of The Collective, Galleries Lafayette and select luxury brands
- TMRW – a leading portfolio of digital first fashion & lifestyle brands



A) Proposed Aditya Birla Lifestyle Brands Limited

Robust business operating in a large total addressable market (TAM) and with an established operating model

- This business has established a leadership position over the years and has a proven track record of consistently delivering:
    - o Steady revenue growth
    - o Strong and stable profitability
    - o Positive cash flow
    - o High Return on Capital Employed (ROCE)
- Additionally, the portfolio has expanded into emerging high growth segments such as innerwear, sportswear, and youth western categories that will drive further growth.

1. Lifestyle brands

Your Company's Lifestyle brands houses four of India's largest apparel brands, addressing diverse customer needs uniquely:

- **Louis Philippe:** To inspire the quest for excellence
- **Van Heusen:** To make professionals fashionable and trendy
- **Allen Solly:** To encourage unconventional thinking in the workplace
- **Peter England:** To bring alive authenticity and trust in relationships

Lifestyle Brands reported a revenue of ₹ 6,560 Crores and EBITDA margin of 19.6% with overall EBITDA at ₹ 1,284 Crores growing 17% over last year.

Our brands have consistently experienced steady growth over the years, achieving double-digit CAGR for over a decade. This sustained success is driven by our relentless focus on strong consumer-centric product innovation, which keeps us ahead of market trends and customer needs. Additionally, we have strategically expanded into newer categories and geographies, continuously tapping into new growth opportunities.

Our operational excellence further supports this growth. We have built unparalleled back-end operations encompassing sourcing, manufacturing, design, branding, and retailing, ensuring a strong synergy across the value chain. This robust infrastructure allows us to maintain high standards of quality and deliver exceptional products to our customers consistently.

Moreover, our brands benefit from decades of successful collaborations through a strong franchise model. This model not only enhances our market presence but also ensures mutual growth and profitability. By focusing on strong store economics and providing robust support to our franchise partners, we have created a symbiotic relationship that drives value creation for all stakeholders.

In FY24, our brands enhanced their prominence by offering best-in-class products at every price point, focusing on premiumization, and introducing strong upgradations with modern blends, thereby enhancing brand identity and achieving strong customer recall. Additionally, the business continued to introduce newer products in casual wear, wedding, and non-apparel space. We also expanded our range with a wide assortment of utility-based and sustainable apparel as the brands stayed ahead at capturing trends.

The brands in this challenging environment, continued to prioritize growing profitably and hence through slew of measures such as product premiumization, markdown management and tapering down low profitability channels, lifestyle brands have been consistently working towards enhancing profitability. This year brands posted their highest ever EBITDA with a margin expansion of 300 bps vs last year.

Lifestyle business is now present across 2,679 stores with large part of the network being franchise led. Brands also have a strong digital presence via online marketplaces and brand.com. The Buy Online Ship from Store (BOSS) network is facilitating rapid scale up of omnichannel capabilities. Brands are consistently strengthening their leadership position through targeted marketing & brand building initiatives.

Led by strong brands and asset light scalable model, Lifestyle brands are expected to consistently strengthen their leadership position in its segment.

Overview of Key performance indicators *("KPIs")***:**

Lifestyle brands (Retail KPIs)	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Walk-ins (Crore)	0.82	0.79	0.72	0.39	0.43	0.95	0.96
Conversion	46%	50%	55%	83%	89%	90%	90%
Average selling price *("ASP")*	1,747	1,714	1,626	1,680	1,701	1,881	1,870
Average bill value *("ABV")*	4,211	4,256	4,072	3,693	3,844	4,576	3,905
Items per bill	2.4	2.5	2.5	2.2	2.3	2.4	2.1
like-to-like *("LTL")* volume growth	8%	4%	3%	-9%	25%	26%	-14%
LTL ASP growth	0%	1%	1%	-11%	16%	12%	6%
LTL value growth	9%	5%	5%	-20%	46%	40%	-8%
No. of Stores	1813	1980	2253	2379	2522	2650	2679
Total Retail Area (Mn. sq.ft.)	2.40	2.56	2.83	3.01	3.24	3.55	3.73

2. Youth Western Wear

American Eagle has gradually solidified its position as one of the top choices for "Premium Denim" in India. In FY24, the brand achieved its highest-ever sales and EBITDA, driven by a strong focus on offering trendy apparel that resonates with younger consumers. Sales experienced an impressive 36% YoY growth in FY24, underscoring the brand's consumer appeal. This growth extends beyond denim, as American Eagle continued to expand its product offerings with a variety of premium quality apparel. In FY24, the options available in stores increased by 35%.

American Eagle's expanding retail footprint today includes 65 stores across 30+ cities, complemented by a presence in over 120 departmental stores. This extensive network ensures widespread accessibility and convenience for shoppers. The launch of its mobile app has further strengthened its accessibility, providing consumers with a seamless shopping experience and enhancing the brand's digital engagement.

The brand's strong appeal with its customers and scalability, positions it as a significant growth engine within your company's portfolio. With its continued focus on product upgradation, quality, and customer connect, American Eagle is well-poised to drive sustained growth and contribute substantially to the overall size & scale of this portfolio.

Forever 21 is developing a robust retail and scalable e-commerce model. The brand consistently delivers the latest trends, adapting swiftly to changing consumer demands. It offers a wide array of apparel and accessories, presenting a stylish and trendy collection targeted at the young customers. The model has faced headwinds which has led to corrective actions such as optimization of store network, re-sizing of stores, change in merchandise sourcing and product assortment to refine long term viability of the business.

3. Sportswear

Reebok is an established global brand in the sports wear segment with a rich legacy. Reebok develops products with functionality that connects with the consumers' fitness priorities – whether it's functional training, running, sports, walking, dance, yoga or aerobics.

In FY24, Reebok India successfully completed its first year with your Company, ahead of pre-acquisition levels of scale. In this initial year, Reebok achieved strong revenue growth and a positive EBITDA. The brand expanded its availability to more than 160 stores and 900+ trade outlets, including prominent departmental stores. Reebok also further strengthened its digital presence with the launch of the Reebok India mobile app.

Innovation remains at the core of Reebok's strategy, with continuous new product launches in high-performance footwear, walking shoes, and apparel categories. The brand's "I am the New" campaign, featuring new brand ambassadors, garnered an overwhelming response, reflecting its strong market resonance. Reebok remains focused towards expanding its distribution along with enhancing its digital presence, offering functionally superior, innovative, and comfortable footwear and apparel to meet the aspirations of its customers.

4. Van Heusen Activewear, Athleisure, and Innerwear

In 2016, your Company forayed into the innerwear and athleisure market through its brand, Van Heusen. Since 2016, the brand has consistently expanded its distribution network to over 35,000 trade outlets today. It is also available across key departmental stores and major e-commerce platforms. Its own e-commerce platform, Van Heusen Intimates, caters exclusively to women's lingerie, loungewear, athleisure, and activewear.

Overall sales remained flat in FY24 led by continued slowdown in athleisure, a trend that has sustained post COVID. Innerwear category sales grew by 7% led by growth in both retail as well as E-com channel.

Van Heusen Innerwear offers a diverse range of choices, prioritizing exceptional comfort and fit. Adhering to its consumer-centric philosophy, the brand continually introduces innovative products and styles for men, women, and kids, catering to diverse customer segments. Premiumization has become a key lever for growth, as brand significantly increased the contribution from premium products this fiscal year. The brand recently invested in its first-ever celebrity association to highlight the comfort and innovation of its newly launched "AIR" Series, with campaigns aired across prominent media channels. Innovative products, coupled with influencer-led campaigns, have consistently been building the salience of the brand in this category.

The brand remains focused towards enhancing the customer proposition by curating a diverse and relevant product assortment across both offline and online channels. It focuses on driving product innovation and expanding its categories, positioning itself strategically to lead the brand's growth and market presence.

B) Demerged Aditya Birla Fashion and Retail Limited:

The demerged ABFRL has constituents that operate in several high-growth segments and the portfolio is at inflection point. The company has play in both traditional categories (Ethnic and Western) and new, previously unaddressed segments (GenZ and Luxury). As each component is still gradually developing towards its full potential, the business will require capital investment in the medium term to fuel growth. The vision is to leverage the strong brand portfolio to achieve a market leadership position in each of its constituents over next 5-10 years. To fund the growth needs of this portfolio, your Company will raise ~₹ 2,500 Crs capital.

1. Masstige & Value Retail

Pantaloons is amongst the prominent players in the masstige segment of the Indian fashion retail industry, delivering trendy fashion products at attractive prices. In FY24, the segment reported annual revenue of ₹ 4,328 Crore and EBITDA of ₹ 561 Crore.

The brand has made significant moves in premiumizing its retail experience with its new retail identity, now updated across 150+ stores. Pantaloons is now accessible through 417 stores nationwide. Also, Pantaloons launched its first experiential store in Bengaluru called Pantaloons OnLoop, offering a diverse array of over 50 fashion brands across apparel, footwear, cosmetics, and accessories. This store elevates the customer experience with smart trial rooms and several customization options.

Pantaloons expanded its product offerings with the launch of new private label brands such as Peregrine for men's formals and Honey Curvytude for plus-sized western wear. The brand also ventured into the fragrance category with 10 variants under its private label. Pantaloons is committed to continually strengthening its product portfolio by driving innovations and enhancing the utility quotient across a wide range of products through better fabrics and fits.

The brand is on track to build truly 'Phygital stores' through a revamped loyalty program and an improved digitized shopping experience at stores. Pantaloons aims to focus on convenience and personalization, ensuring a seamless shopping experience for its customers.

With robust store economics, extensive distribution across multiple tiers, and a strong private label portfolio, Pantaloons is poised to lead the differentiated masstige fashion segment. The brand's revamped, youthful, contemporary, and vibrant imagery further cements its position as a frontrunner in delivering accessible yet stylish fashion to a wide audience.

Overview of KPIs:

Pantaloons (Retail KPIs)	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Walk-ins (Crore)	4.6	5.4	5.7	2.3	3.6	6.2	6.0
Conversion	22.4%	24.3%	26.1%	31.5%	26.2%	21.6%	22.2%
ASP	665	643	665	649	727	813	801
ABV	1,842	1,880	2,001	2,075	2,325	2,468	2,500
Items per bill	2.8	2.9	3.0	3.2	3.2	3.0	3.1
LTL volume growth	-3%	3%	-2%	-51%	18%	32%	-3%
LTL ASP growth	1%	-2%	5%	-2%	13%	12%	-2%
LTL value growth	-3%	1%	3%	-51%	33%	48%	-5%
No. of Stores	275	308	342	346	377	431	417
Total Retail Area (Mn. sq.ft.)	3.76	4.02	4.36	4.46	4.92	5.72	5.72

Pantaloons Private labels meeting needs of consumers across occasions and age groups.

Style Up

The value segment presents a significant opportunity to cater to a large customer base with affordable clothing. India's vast market remains largely unorganized, providing ample room for organized players to expand. The country's large population and rapid economic growth create a conducive environment for the accelerated expansion of value and fast fashion, positioning it for substantial growth in the coming years.

Style Up's value proposition is uniquely crafted for value-conscious fashion shoppers, offering stylish and trendy everyday fashion at budget-friendly prices.

Style Up revitalized its identity with a new logo, refreshed product lines, and enhanced store layouts, significantly improving the in-store experience. This brand has received an overwhelmingly positive response from customers. The brand continues to introduce new and improved products across various categories, driving significant growth. Style Up achieved an impressive 170% YoY growth in FY24, with key top-performing stores completing a full year of profitable operations. As of March 2024, the brand is present in 27 stores.

Moving forward, the company will continue to evaluate existing and potential markets, with plans to add over 30 new stores in FY25, further expanding its reach and solidifying its position in the market.

2. Ethnic wear Brands

The ethnic wear market is India's largest apparel category, and the share of the organized segment within this market is growing rapidly. Previously dominated by unorganized players, this shift offers significant opportunities for branded players. Additionally, there is a notable transition from tailored wear to ready-to-wear garments, which is driving this segment.

To capitalize on these trends, your company had implemented a clear and distinct strategy for success in each segment. Consequently, your company built the most comprehensive ethnic wear portfolio through both organic and inorganic means, catering to various key occasions and price points. This comprehensive approach will help build a strong leadership position in future.

	Route	Brands
Luxury	Inorganic & Designer partnerships	SABYASACHI CALCUTTA, TARUN TAHILIANI
Affordable Luxury	Brand Extensions & Inorganic	SHANTNU NIKHIL, masaba
Premium	Organic & Inorganic	JAYPORE, TASVA, W, aurelia, WISHFUL, elleven, FOLKSONG
Masstige & Value	Leverage Pantaloons' portfolio of private brands	pantaloons, STYLE UP

Our ethnic portfolio operates within two distinct segments: designer led brands and premium brands.

Designer led brands	Premium wear brands
SABYASACHI CALCUTTA, masaba, TARUN TAHILIANI, SHANTNU NIKHIL	JAYPORE, TASVA, W, aurelia, WISHFUL, elleven, FOLKSONG

Designer led brands:

Sabyasachi curates bridal wear, men's wedding attire, occasion wear, jewelry, and accessories, blending traditional heritage crafts with stylish designs. Committed to establishing itself as a global Indian luxury brand, Sabyasachi achieved a remarkable 42% growth in FY24, with jewelry leading the growth trajectory. In a significant milestone, Sabyasachi launched its largest flagship store in a 100-year-old heritage building in Mumbai. Additionally, Sabyasachi collaborated with several global luxury brands like Estee Lauder & Morgenthal Frederics, showcasing the brand's art and craft. During the year, brand was selected as sole representative from India to mark 100th anniversary of Disney and was also invited to stage a jewelry exhibition in London for an event by Elephant Family, a charity supported by the British royal family. Sabyasachi's presence includes five exclusive domestic stores and two international stores in New York and Dubai, solidifying its status as a leading India inspired luxury global brand.

Shantnu and Nikhil offer contemporary designer occasion and ceremonial apparel for men and women, now boasting 21 stores, including 7 new additions in FY24. Their couture line is complemented by the affordable luxury pret line, S&N by Shantnu Nikhil, which has received accolades for its product quality and value. The Shantnu Nikhil Cricket Club (SNCC), a sport-inspired lifestyle category under the S&N prêt label, uniquely merges fashion and sports, appealing to a diverse set of audience. These three brands have cultivated a balanced aspirational ecosystem with distinct brand and product segmentation. The growth strategy leverages multiple channels, including e-commerce and wholesale, to reach a broader market. Strong brand communication is centred around showcasing product excellence and fashion-forward aesthetics, solidifying Shantnu and Nikhil's position as leaders in contemporary and luxury fashion.

House of Masaba is a young, aspirational, and digital-led brand making waves in the affordable luxury segment across both fashion and beauty categories. In FY24, the brand achieved 40% revenue growth, with its beauty business expanding to four times of last year. The brand's retail footprint also grew, with the addition of 7 new stores, bringing the total to 15. FY24 saw the launch of House of Masaba's first bridal collection, marking a significant milestone in its fashion journey. Meanwhile, its beauty and personal care line, Lovechild, continues to expand its product portfolio with innovative offerings. Lovechild has successfully spread its offline distribution and is now available in over 20 outlets. This dynamic growth underscores House of Masaba's commitment to excellence and innovation in both fashion and beauty.

Premium wear brands:

In partnership with Tarun Tahiliani, your company ventured into the affordable premium men's ethnic wear market with the launch of **TASVA** in FY22. TASVA seamlessly blends exquisite craftsmanship with contemporary designs, catering to the ceremonial wear needs of Indian men with high-quality products at competitive price points. The brand has quickly expanded to 57 stores across India and doubled its sales revenue in FY24 crossing 100 Cr milestone. TASVA also received an enthusiastic response during its first full wedding and festive season, with Diwali sales doubling in several stores compared to the previous year. Product quality has seen consistent improvements based on customer feedback and insights. To boost brand visibility, TASVA launched several multimedia campaigns, invested in targeted marketing, and partnered with the wedding ecosystem. These efforts have significantly increased brand salience, establishing TASVA as a go-to brand for premium men's ethnic wear in India.

TCNS houses a diverse portfolio of women's ethnic wear brands, including W, Aurelia, Wishful, Folksong, and Elleven. These brands offer a unique blend of casual and occasion fusion wear, catering to a wide range of fashion preferences. In the current fiscal year, your company successfully completed the acquisition of TCNS brands, beginning the consolidation of its financials from October 1, 2023. This strategic acquisition aims to harness the strengths of both entities, optimizing synergies and enhancing operational efficiencies. Efforts are focused on process improvements and creating winning designs that leverage the combined expertise and creativity of the brands. Business transformation is moving forward at a great momentum, with dedicated efforts towards revenue enhancement and cost optimisation at each step. This includes improvement in store productivity, strengthening end to end merchandising, better inventory control, refining product offerings, expanding market reach and enhancing customer experiences. Your company's strategy is dedicated towards maximizing the potential of the integrated portfolio, bringing out the best in each brand. With a commitment to innovation and excellence, the portfolio is poised to set new benchmarks in the women's ethnic wear segment, driving growth and delivering exceptional value to customers.

Jaypore is India's leading premium artisanal brand, offering apparel, jewelry, and accessories that embrace the rich and diverse Indian culture. With 25 exclusive offline stores across 11 cities and a robust e-commerce platform, Jaypore offers a seamless shopping experience, both online and offline. The brand also relaunched its US website, expanding its global footprint, and upgraded its domestic website to enhance the customer experience. In FY24, Jaypore launched several influencer-led campaigns that significantly boosted brand visibility and engagement. These initiatives have solidified Jaypore's position in the premium artisanal led market, combining traditional craftsmanship with modern retail strategies.

3. Super Premium and Luxury Retail

The super-premium and luxury market has been steadily expanding, driven by the trend of premiumization. Demand for these high-end products remains relatively inelastic, as consumers increasingly prioritize experience-driven purchases. Also, the consumer segment for this category has remained less affected by COVID related implications.

Our portfolio includes **'The Collective**,' one of India's largest multi-brand retailers of luxury and bridge to luxury brands, alongside select mono brands such as Ralph Lauren, Fred Perry, Ted Baker, and Hackett London. As more markets mature for luxury, our total addressable market is poised for significant expansion.

'The Collective' has demonstrated a sustainable and profitable growth trajectory, offering an unparalleled retail experience with an extensive collection of exclusive global brands under one roof. Our e-commerce platform, thecollective.in, is evolving into a premier destination for luxury fashion, making luxury more accessible and catering to a broader audience. The expansive collection of accessories, including watches, shoes, ties, belts, bags, wallets, jewelry, and sunglasses, creates a comprehensive premium portfolio.

In FY24, the super-premium segment continued its profitable growth, investing in novelty styles and high-potential categories like womenswear and accessories. The business grew by 18% over the previous year, driven by strong e-commerce growth, double-digit L2L growth, and expansion into new markets. Our total network now spans 39 stores, and we also launched our largest store in Mumbai this fiscal. E-commerce sales for this segment surpassed the milestone of ₹ 100 crore during this financial year.

Our focus remains on delivering a stellar customer experience—from the exploration journey and in-store experience to choosing from our unique collection and maintaining deep customer relationships.

The luxury portfolio has been further enhanced through our partnership with **Galeries Lafayette**. The flagship store in Mumbai will house over 200 luxury brands, creating a world-class destination for global luxury brands for Indian consumers. The first store in Mumbai is under development currently and is expected to be launched next year.

4. TMRW: A portfolio of digital-first brands

The Indian e-commerce market is projected to reach USD 135 billion by FY26, supported by robust fundamentals such as a large and increasingly affluent consumer base, growing internet and smartphone penetration facilitated by low data prices, and low shipment costs. Further boosting this growth are digital payments, ease of credit, and the convenience of online shopping. The evident opportunities in e-commerce and quick commerce have led to the emergence of numerous founders who have started many digital first brands.

To capitalize on this burgeoning market, your company established a new entity, **TMRW**, in April 2022 to build digital native brands targeting GenZ and millennials. These brands are prominently available on all major e-commerce platforms, and their own digital channels. TMRW adopts a 'Brand Builder' approach, leveraging in-house developed data science backed technology to provide comprehensive central support to all brands, including design, operations, branding, sourcing, community building and product innovation. With a core focus on product and design innovation, TMRW is building the next generation of dynamic brands for GenZ and millennials.

The TMRW portfolio not only addresses large market categories but also targets emerging high-growth segments like athleisure, activewear, expressive wear, and accessories. In FY24, TMRW launched and scaled differentiated product lines with a focus on premiumization, resulting in portfolio revenue growing to four times that of the previous year. Additionally, TMRW acquired The Indian Garage Co. (TIGC), further enhancing its portfolio. Continuous operational improvements are being driven by tech-led on-ground execution, leading to better performance metrics that will help drive scale in these brands.

A healthy mix of brands with D2C and marketplace footprint

Business strategy:

1. **Accelerate growth of core businesses to capture large market opportunity in existing segments**

   Lifestyle brands are actively diversifying into new categories and consumer segments. In addition to womens wear, they are expanding into non-apparel, kids wear and accessories, which are important for building robust product portfolio & driving growth through acquisition of new customers. These brands are also building enduring customer relationships through effective go-to-market strategies, distinctive brand identities, and compelling storytelling.

   Masstige fashion is driven by the appeal of affordable yet aspirational products, emphasizing perceived quality, unique design, and a brand image associated with status. With the enhanced store experience through the new Retail Identity rollout, product enhancements (launch of new Private Labels) & improved operations, **Pantaloons** is strategically positioned to acquire a substantial share of the opportunity, especially for the middle-class family looking for high quality and trendy fashion at affordable prices. Persistently focused on enhancing product aesthetics & providing elevated retail experience, Pantaloons aims to consistently upgrade its a superior value proposition.

2. **Building powerful brands & retail concepts in identified new high growth segments**

   Our strategy is a brand led strategy, where we want to have leadership play in large TAM, high growth segments through strong & distinct brands. We identified luxury, ethnic, value and D2C as key segments for growth and already built a meaningful play in these high growth segments.

   - Ethnic wear constitutes about 30% of the overall apparel market, with branded ethnic wear expected to grow significantly faster. We are well-positioned to capitalize on this trend with our diverse portfolio of brands and partnerships with leading Indian designers.
     - o Our designer brands are well positioned to capitalize on the large and growing luxury wedding market and occasion wear through its product offerings across clothing, accessories, jewelry and beauty product range.
     - o Tasva is establishing itself as a strong player in premium men's wedding wear segment and Jaypore is positioned as authentic craft-based artisinal product led brand. The portfolio of TCNS brands are market leaders in the premium women's ethnic wear category and occupy leadership position in the market.
   - The shift from unorganized to organized segments is driven by increasing urbanization, rising consumer incomes, increased demand for branded products and premiumization. Consumers seek a balance between elevated aesthetics and accessible pricing. We cater to these value-conscious consumers through Pantaloons and Style Up. Our extensive distribution network, high-quality products, and strong customer loyalty, support this aim of ours to make fashion accessible to everyone. We shall grow Style Up significantly faster to be a leading player in the segment.
   - TMRW has swiftly built a portfolio of strong brands addressing both large and emerging categories. Your Company is dedicated to building TMRW brands into respective segment & category leader, with a strong focus on youth-centric offerings. By capitalizing on the rapid growth of e-commerce and leveraging data science led technology, we will continue to expand our reach and influence in this dynamic market, positioning TMRW brands at the forefront of the digital first industry.
   - The Indian luxury market is evolving rapidly, driven by rising income levels and the growing aspirations of the middle and upper class. The Super Premium brand portfolio has become one of the fastest-growing segments with consistently improving profitability. This is due to the expanded reach of e-commerce, entry into newer markets, and enhanced consumer engagement. To further its luxury footprint, your Company has partnered with the renowned French department store chain, Galeries Lafayette. This collaboration will see the opening of two flagship stores in prime locations in Mumbai and Delhi, offering a multi-brand format that consists all luxury categories.

3. **Accelerating customer experience - offline and online**

   At the core of our strategy is enabling a seamless customer journey, both online and offline, with continuous upgrades to enhance this experience. Your company is already on course towards creating an integrated experience that ensures customer convenience at every stage, from pre-purchase to post-purchase.

   Your Company is committed to curating the perfect product assortment, expanding to key markets, optimizing store layouts and providing a wide range of choices with personalized options. By prioritizing tech-enabled solutions, we shall enhance customer convenience, efficiency, and overall effectiveness. Besides this, improved social media content helps build a strong community, emphasizing direct consumer connections, maintaining engagement, and driving omni-channel integration.

   Innovation is key to delivering a distinctive and consistent Phygital experience across our network. Pantaloons and Style Up remain focused on enhancing product aesthetics and providing an elevated retail experience through their new retail identity. Lifestyle brands through its small-town format is well-equipped to capture a significant portion of the opportunity presented by tier II, III and below cities, thus driving its overall growth and market leadership. The Super App, already featuring eight ABLBL brands, is developing a digital ecosystem to meet all customer needs under one roof. Newly opened Sabyasachi store and proposed Galeries Lafayette, with their latest stores set in heritage buildings, exemplify enhanced retail experience in line with the respective philosophy of the brand.

4. **Leverage synergies from the rich portfolio**

   Each segment of your company's portfolio boasts unique features and strengths that complement one another, positioning the company to leverage synergies and build a more agile structure. The extensive network, improved planning, sourcing synergies, cross-utilization of manufacturing facilities, better negotiation terms, and enriched customer engagement facilitated by comprehensive customer data are some of the many advantages that optimize expertise and resources.

   This integrated approach allows for the optimal use of the portfolio strengths and diversity, offering an exhaustive range of products that fulfill large consumer needs. This strategic alignment not only enhances individual brand strengths but also maximizes overall portfolio value.

   The synergies will be preserved and further strengthened with the proposed demerger. This demerger will allow each business to benefit from these synergies while also implementing strategies uniquely tailored to their specific needs, paving the way for distinct growth trajectories for each entity.

5. **Strategic capital allocation**

When it comes to capital allocation, a tailored approach is essential to balance the distinct needs of two entities within the portfolio. The first entity that is ABLBL comprises well-established brands that are already strong cash generators. These brands, having reached a stage of self-sufficiency, do not require further capital infusion.

The second entity that is de-merged ABFRL operates in multiple high-growth segments, featuring brands that are still in the early stages of development. These emerging brands will require significant capital investment to fuel their growth, scale operations, navigate the competitive landscape and achieve their full potential. The objective is to nurture these brands through, providing them with the resources needed to accelerate their growth journey.

By investing strategically in these high-growth opportunities, the goal is to transform these developing brands into robust, cash-generating assets in the future. This balanced capital allocation strategy not only will support the sustained growth of mature brands, but also ensures that emerging brands are positioned to contribute significantly to the portfolio's long-term financial health and expansion.

Restructuring to propel growth - Demerger of Madura business into separate listed entity

The Board of Directors has approved the proposal of vertical demerger of Madura Fashion and Lifestyle business (MFL Business) from ABFRL into a newly incorporated company named as Aditya Birla Lifestyle Brands Ltd. (ABLBL), which will be listed separately on completion of the demerger.

Post de-merger, ABLBL will consist of lifestyle brands (Louis Phillippe, Van Heusen, Allen Solly, Peter England, Simon Carter), casual wear brands (American Eagle & Forever 21), Reebok and innerwear business under Van Heusen brand. Remaining businesses in ABFRL will be a portfolio of multiple high growth platforms - Pantaloons and Style Up, ethnic portfolio, super premium/luxury and digital first brands.

This strategic demerger of ABFRL is paving the way for the creation of two separate growth engines, each with a clear capital allocation strategy and unique path for value creation. Both entities will focus on specific growth areas aligned with their individual business models with a clear focus on maximizing stakeholder returns. This shall allow the participation of the right set of investors and strategic partners, aligned with the appropriate risk profiles of the two companies and their differentiated business models.

Post demerger, ABFRL will raise fresh capital of ~ ₹ 2,500 Crores to strengthen its balance sheet and support the growth needs of its constituent businesses.

Digital Transformation Roadmap

Enhancement of digital and e-commerce capabilities across brands continued to remain the focus, leveraging the inhouse developed ecommerce platform, which enables having separate brand websites, mobile-sites, mobile apps and virtual stores along with seamless integration with over 10 different marketplaces, providing omni-channel fulfilment across warehouses and stores. Some of the key initiatives include:

- Launching a multi-brand website/app featuring eight ABLBL brands, allowing customers to shop across brands with a unified cart and checkout for enhanced cross-selling and upselling opportunities.
- Establishing a common customer identity across Lifestyle brands, enabling single-sign-on and providing a consolidated view of transactions and loyalty.
- Introducing a new website for 'The Collective' with personalized features such as hyperlocal recommendations and in-store returns.
- Relaunching the 'Jaypore' e-commerce brand website with advanced personalization based on consumer behavior and past engagements.
- Launching a mobile app for order booking in the trade and department store segments, significantly reducing time-to-market and supporting agile introduction of new styles.
- Strengthening digital marketing capabilities across brands with a focus on Search Engine Optimization (SEO)/ Search Engine Marketing (SEM), real-time web/app notifications, and WhatsApp nudges to drive higher conversions.
- Initiating early adoption of the Open Network for Digital Commerce (ONDC) platform with the launch of the Peter England brand, paving the way to access new markets.

Building extensive data analytics and AI capabilities remains a top priority, with initiatives including:

- Implementing demand forecasting models to enhance merchandise planning and sourcing efficiency.
- Enhancing the markdown management system across brands to optimize discounting strategies throughout the season and during end-of-season sales.
- Leveraging Generative AI models to assist designers in rapidly developing new product designs, fostering greater design diversity and reducing time-to-market.
- Automating attribute data generation and product descriptions for e-commerce catalogues using Visual AI and Generative AI Language models.
- Launching clienteling tools for store associates to engage effectively with customers, leveraging insights into their profiles, past purchases, and personalized product recommendations.

Significant progress has been made in modernizing core IT systems, including:

- Implementing the latest SAP ERP solution ('S4 Hana FVB') in Q2 FY24 on a public cloud platform, consolidating three legacy SAP instances previously used by the MFL division.
- Deploying Dynamics 365 Software-as-a-Service ERP and Point-of-Sale platforms for designer wear businesses, laying the groundwork for future scalability and growth.
- Migrating the data and analytics platform from on-premise legacy hardware (Teradata) to a public cloud environment, enabling agility and leveraging cutting-edge data technologies including AI and Generative AI.

Human Resources

At your company, 'People Vision' is to **'Drive a High Performing and Customer Centric Culture with Happy and Value Oriented Employees'.** It is especially proud of its performance as it is expertly anchored by advanced capabilities and enhanced productivity. Through a strong service orientation, it fosters a culture that puts customers first. It focuses on creating happiness through purpose-driven behaviour and delivering high quality. All of these objectives are accomplished through its dedicated talent that is value-oriented with a deep commitment to the ethics of the Aditya Birla Group.

The 'Best Brands and Best People' fuels your company to give its best. It acknowledges the fact that while it has several well-known brands under our umbrella, it is the people behind the brands who have made it. Your company's unique Employee Value Proposition (EVP) – **'A World of Opportunities'** makes it a preferred employer for professionals in the industry.

FY24 Human Resource Achievements

In FY24, our Human Resources initiatives at ABFRL have focused on enhancing employee experience, fostering talent growth, and driving a culture of continuous learning and development. Here are some key achievements:

1. **Talent Management and Career Growth**
   - **Internal Talent Mobility:** 14.78% of our employees transitioned to new roles, reflecting our commitment to nurturing internal talent.
   - **Young Talent Development:** We engaged 3,500+ students across 13 campuses through our "Ticket to Meet ABFRL Leaders" program, resulting in 3,357 applications for our Young Talent Program – STRIDE.
   - **Talent Councils:** These forums actively review our talent pipeline, succession plans, and development interventions to ensure robust leadership development.
2. **Learning and Development**
   - **Capability Building Academy:** Our internal academy supports learning through programs like ACE (Aligning Career Aspirations with Functional Development) and Digital Academy (focusing on digital marketing, SEO, and AI).
   - **70:20:10 Learning Model:** Emphasizing hands-on experience (70%), mentorship (20%), and classroom training (10%) to develop future-ready leaders.
3. **Rewards and Recognition**
   - **Total Rewards Approach:** We maintain a balanced approach to compensation and benefits, incorporating fixed pay, variable incentives, long-term benefits, and recognition programs.
   - **Non-Discrimination:** Ensuring fairness in pay decisions based on performance, potential, and market standards, with specific measures for scenarios like maternity leave and talent mobility.
   - **Employee Recognition:** Celebrating success through platforms like the Aditya Birla Awards, recognizing outstanding contributions across the organization.
4. **Enrich Your Life**
   - **Work-Life Balance:** Policies such as flexible work arrangements, work-from-home options, and supportive leave policies contribute to a healthy work-life balance.
   - **Employee Wellness:** Initiatives under the ABFRL Wellness Studio promote physical, mental, and financial well-being, including programs like Finspiration and Finance Fiesta.
5. **Communication and Engagement**
   - **Social Media Engagement:** Achieved a 25% growth in new Instagram followers (@ LifeAtABFRL) and 34% on LinkedIn, enhancing our digital presence and employee engagement.
   - **Internal Communication:** Utilizing platforms like town halls, internal journals, and surveys to foster open communication and gather employee feedback.

These achievements underscore our commitment to creating a supportive and enriching workplace environment at ABFRL, where every employee can thrive and contribute to our shared success. Through continuous improvement and strategic HR initiatives, we aim to sustain our growth momentum and reinforce our position as an employer of choice in the industry.

Sustainability

Sustainability is a cornerstone of our business strategy, deeply ingrained in our operations and guided by the principles of the Aditya Birla Group. As a market leader, we prioritize meeting consumer demands while striving to deliver products with enhanced environmental and social footprints.

In 2013, we launched our structured sustainability program, 'ReEarth for our Tomorrow', comprising 10 missions focused on energy, carbon footprint, green building, water, waste, WASH pledge, safety, CSR, packaging, and sustainable products. This initiative embodies our commitment to giving back more to the ecosystem than we take.

Building on the significant milestones achieved under 'ReEarth for our Tomorrow' in 2021, we have embarked on 'ReEarth 2.0'. This evolution shifts our focus from process-led to product-led sustainability strategies with a 2025 agenda emphasizing product design, customer-centricity, and supply chain sustainability. Our 2025 roadmap sets ambitious targets aligned with business goals, balancing risks and opportunities across all relevant Environmental, Social, and Governance (ESG) initiatives.

We have established robust governance mechanisms to oversee our sustainability agenda, including periodic reviews by the Management Committee and oversight by the Risk Management and Sustainability Committee (RMSC). Our practices are aligned with global standards such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Committee of Sponsoring Organizations (COSO) framework for Enterprise Risk Management.

Transitioning to sustainable fashion is a key priority. We are committed to adopting adaptable, high-performance business models that promote life cycle thinking, responsible sourcing, and circular economy principles. Waste management remains critical, and we have achieved 'Zero Waste to Landfill' across our operations, with all non-hazardous waste recycled, reused, or composted. Our collaborations with organizations like ICCE, CAIF, and GIZ underscore our commitment to advancing circularity in the fashion industry.

We actively participate in global platforms and collaborate with ESG indices to benchmark our sustainability performance against peers. This engagement ensures alignment with global and national sustainability agendas, positioning us as a leader in sustainable practices.

Throughout our sustainability journey, ABFRL has received global recognition and accolades, underscoring our commitment to excellence. Recent awards include recognition from Sustainalytics, the Financial Times FT Climate Leadership Award 2023, and the Arogya World Healthy Workplace 2023 Award, among others.

Looking ahead, achieving net-zero emissions is integral to our sustainability agenda. We have validated our climate and emission-related targets through the Science Based Targets initiative (SBTi), aligning with international efforts to limit global temperature rise.

Sustainability is not just a commitment but an integral part of our brand and business strategy. We remain dedicated to advancing sustainable fashion through innovation and technology, ensuring a positive impact on both the environment and society as we continue to grow responsibly.

Notable Achievements:

- Achieved a score of 13.1 (Low Risk Category) under Textiles & Apparel sector from Sustainalytics
- Received Financial Times FT – Climate Leadership Award 2023
- Received Arogya World Healthy Workplace 2023 Award
- Received International Safety Award from British Safety Council for Pantaloons South DC and Little England Apparels Factory
- Received CSR - ESG leadership award in the 15th Annual Global CSR & ESG Summit 2023
- Received Grow Getters Awards at the 7th ABG Sustain-Ability Conference 2024 for the CSR Publication 'Dhaage'

Risk management

Your Company recognizes the importance of a robust governance structure and effective risk management in ensuring sustained performance and growth. An integrated approach has been adopted, combining the COSO framework with the Task Force on Climate-related Financial Disclosures (TCFD), to strike a balance between financial, social, and environmental priorities. This approach aligns risk management with performance and strategy, delivering long-term value to stakeholders.

To oversee the identified risks and mitigation plans, a dedicated Risk Management and Sustainability Committee (RMSC) has been established. The committee, supported by the Chief Risk Officer, Head of Sustainability, and Risk Management Committees, continuously monitors and evaluates risks from strategic, operational, financial, environmental, and compliance perspectives. Internal and external business environments are carefully monitored to identify potential risks and opportunities.

Periodic assessments by the established committees and internal functions ensure ongoing evaluation of risks. Mitigation plans are implemented to manage key risks and minimize residual risks, safeguarding the company's interests. This proactive risk management approach provides the foundation for effective decision-making and resilience in the face of evolving challenges.

Key Risks

1. **Evolving consumer**

   A dramatic shift in consumer preferences and behaviours, fueled by evolving habits and new technologies, is transforming how Indians buy and consume goods. Growing fashion consciousness across socio-economic strata is set to significantly influence future consumption patterns.

   Your company has undertaken several initiatives to diversify its offerings. This includes creating new innovative product lines, category extensions and corporate actions (JVs, acquisitions & licensing agreements) to cater to different occasions, segments and price points.

2. **Navigating through a low demand phase**

   Post-COVID normalization has led to volatile domestic markets and potentially dampened consumer spending. Additionally, inflationary pressures and rising household debt have particularly affected consumer sentiments.

   With a diverse portfolio spanning various occasions, categories, and price points, we reach a broad consumer base. Our innovative, appealing designs keep offerings fresh, helping maintain or grow market share, even in a slowing economy.

3. **Data Security**

   Reliance on digital technologies introduces risks such as cyberattacks, security breaches, data leaks, and system downtime, threatening financial stability and brand reputation pose a significant threat to a company. These incidences not only lead to substantial financial losses but can also severely damage its brand reputation.

   Your Company has implemented Disaster Recovery (DR), Business Continuity Planning (BCP), Data Loss Prevention (DLP), and Security Information and Event Management (SIEM) technologies. Regular monitoring, training to employees and incident reporting help address these vulnerabilities effectively.

4. **Thriving Work Force**

   The company's rapid multi-pronged expansion drives a high demand for talent in design, retail, marketing, e-commerce, and more. The competitive fashion retail landscape makes finding skilled professionals challenging. These individuals are essential for understanding consumer needs and staying ahead of trends.

   To address this, your Company has prioritized leading industry employment practices, ensuring a well-structured approach to develop, encourage, and retain top talent. Your Company's comprehensive retention strategy includes targeted interventions to foster leadership growth within the organization.

5. **Quality and Cost of retail space**

   Securing quality retail spaces has become increasingly challenging due to heightened demand from various other retail entities and limited availability of good spaces, causing rental costs to increase.

   Your company builds strong relationships with mall owners and developers to secure long-term leases. We also enhance store appeal through retail identity refreshes, renovations, rebranding, and improved customer navigation for a better shopping experience.

6. **Highly Competitive Market**

Intense competition from domestic and international players in India's fashion market leads to loss of market share, volatile pricing and heavy markdowns.

Your company is deeply committed to product innovation, delivering exceptional customer experiences, and building a strong brand identity. By tailoring strategies to meet consumer needs, we not only drive demand but also cultivate lasting customer relationships, positioning ourselves for sustained success in the market.

Road Ahead

We continue to look at a very strong future for fashion apparel sector in this country. Robust economic outlook, rise in per capital GDP, increasing discretionary spending, and shift from un-organized to organized, will continue to be the strong tailwinds that will drive this sector. ABFRL is well poised to to build substantial expansion in scale and market leadership over the coming years.

Over the past few years, your Company has undergone significant transformation by establishing multiple high-growth platforms across various categories and segments. Broadly, these platforms have been created to address large addressable markets with higher growths through a brand led strategy as we plan to build large iconic brands & winning retail formats within these spaces. These five key areas are:

- Western Brands
- Masstige & Value Retail
- Ethnic Brands
- Luxury Retail
- Digital-First Brands

Our diverse and comprehensive portfolio of brands built over wide distribution & deep backend capabilities equips us to build businesses for scale. A relentless focus on innovation, customer orientation, driving distribution expansion and rigor on operational excellence, enables us to cement our leadership position in fashion apparel space.

This strategic step of restructuring ABFRL through the recently announced de-merger, has been thoughfully planned to strengthen the growth aspirations of the business, delivering strong stakeholder value in the long term. De-merger will create two focused growth engines, each with distinct capital allocation strategies and unique value creation opportunities.

Leveraging our strong repertoire of well-known brands, retail formats and our comprehensive play across meaningful opportunities, we are well-prepared to capitalize the growth potential within the fashion apparel sector, driving exceptional consumer value and creating enduring long-term shareholder value.

Financial Performance and Analysis

(₹ in Crore)

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue from Operations	**12,351**	11,737	**13,996**	12,418
EBITDA [1]	**1,870**	1,705	**1,703**	1,617
Finance Costs	**741**	424	**877**	472
Depreciation	**1,364**	1,114	**1,655**	1,227
Profit / (Loss) Before Tax [1]	**(235)**	166	**(829)**	(82)
Current Tax	**-**	(2)	**35**	14
Deferred Tax Charge / (Credit)	**(57)**	36	**(128)**	(37)
Net Profit / (Loss) After Tax [1]	**(178)**	133	**(736)**	(59)

Standalone Performance

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Net Working Capital [2] (A)	**2,223**	1,357
Net Fixed Assets (including CWIP and Other Intangible Assets) (B)	**1,661**	1,488
Deferred Tax Asset (C)	**374**	317
Capital Employed (D = A + B + C)	**4,258**	3,162
Investments [3] (E)	**3,437**	1,401
Right-of-use assets (F)	**3,279**	3,043
Goodwill [4] (G)	**1,860**	1,860
Total Capital Employed (H = D + E + F + G)	**12,834**	9,466
Net Worth	**5,049**	3,787
Debt	**3,708**	2,030
Lease Liabilities	**4,077**	3,649

Notes:

(1) Includes other income of ₹ 214 Crore (Previous year: ₹ 110 Crore).

(2) *Net working Capital*

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Inventory	**3,626**	3,764
Trade Receivables	**880**	835
Cash and Bank Balances	**304**	643
Other Assets	**3,431**	2,123
Less: Trade Payables	**3,563**	3,663
Less: Other Liabilities	**2,456**	2,345
Net Working Capital	**2,223**	1,357

(3) *Investments includes ₹ 3,416 Crore towards investments in Subsidiaries and Joint Venture (Previous year: ₹ 1,391 Crore).*

(4) *As on March 31, 2024, goodwill (after testing for impairment in accordance with the Indian Accounting Standard (Ind AS) 36 issued by the Institute of Chartered Accountants of India) stands at ₹ 1,860 Crore.*

Revenue

Your Company reported revenue of ₹ 12,351 Crore during the financial year, recording a growth of 5% over the previous year.

Earnings before interest, tax, depreciation and amortization (“EBITDA”)

The EBITDA of the Company is ₹ 1,870 Crore (previous year ₹ 1,705 Crore). The EBITDA margin for the Company improved from 14.53% to 15.14% during the year.

Finance cost

The average borrowing cost for the Company reduced to 7.42% as compared to 7.66% in the previous year. The finance cost of the Company is ₹ 741 Crore (previous year ₹ 424 Crore) as a result of higher average borrowings primarily on account of in term loans, working capital loans, non-convertible debentures and commercial paper during the year.

Dividend

In view of accumulated losses, your directors have not recommended payment of any dividend for the year under review.

Borrowings

Borrowings have increased from ₹ 2,030 Crore in the previous year to ₹ 3,708 Crore. The Company has raised ₹ 2,281 Crore through fresh borrowings and have repaid borrowings of ₹ 604 Crore during the year with average borrowing cost at 7.42%.

Credit Ratings

India Ratings and Research has improved their credit rating to IND AA+/Stable for long term borrowing, CRISIL Limited and ICRA Limited has reaffirmed their credit rating for short term and long term borrowing and ICRA Limited has assigned a new credit rating for Non-Convertible Debenture.

The details of Credit rating as on March 31, 2024 are disclosed in the ‘General Shareholder Information’ forming part of this Annual Report.

Non-Convertible Debentures (“NCDs”)

During the year under review, the Company has issued and allotted 75,000 Listed, Unsecured, Rated, Redeemable NCDs at face value of ₹ 1,00,000 (Rupees One Lakh only) aggregating to ₹ 750 Crore (Rupees Seven Hundred Fifty Crore only) on Private Placement Basis, under Series 10.

During the year, the Company has repaid Series 7 NCDs of ₹ 325 Crore (Rupees Three Hundred and Twenty Five Crore only).

The details of outstanding NCDs as on March 31, 2024 are disclosed in the ‘General Shareholder Information’ forming part of this Annual Report.

Standalone Key financial ratios

Particulars	As at March 31, 2024	As at March 31, 2023
Debtors Turnover Ratio (times)	**14.40**	14.77
Inventory Turnover Ratio (times)	**3.34**	3.62
Interest Coverage Ratio (times)	**0.31**	2.25
Current Ratio (times)	**1.13**	1.13
Debt Equity Ratio (times)	**0.44**	0.28
EBITDA Margin (%)	**15.14**	14.53
Operating Profit Margin (%)	**4.10**	5.03
Net Profit Margin (%)	**(1.44)**	1.13
Return on Net Worth (%)	**(4.02)**	3.97
Return on Average Capital Employed (%)	**4.54**	7.30

The formulae used in the computation of the above ratios are as follows:

Ratio	Formula
Debtors Turnover Ratio	Revenue from Operations/Average of opening and closing Trade Receivables
Inventory Turnover Ratio	Revenue from Operations/Average of opening and closing Inventories
Interest Coverage Ratio	Earnings Before Interest* and Tax/Finance Costs*
Current Ratio	Current Assets/Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)
Debt Equity Ratio	Debt#/(Net Worth+ Lease Liabilities – Right of use assets)
EBITDA Margin	EBITDA/Revenue from Operations
Operating Profit Margin	Earnings Before Interest and Tax/Revenue from Operations
Net Profit Margin	Profit After Tax/Revenue from Operations
Return on Net Worth	Profit After Tax/Average net worth
Return on Average Capital Employed	Earnings Before Interest and Tax/Average Capital Employed

**Finance cost/interest comprise of interest expense on borrowing and excludes interest on lease liabilities and interest charge on fair value of financial institution.*

#Debt = Borrowings (excluding Lease Liabilities accounted as per Ind AS 116) - Cash and Bank Balance (includes Fixed Deposit) - Liquid Investments.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios:

1. Interest coverage ratio, Debt Equity ratio, Net profit margin, Return on net worth, Return on average capital employed has significantly changed due to variation in debt and profitability.

Consolidated performance

At consolidated level, your Company reported a revenue of ₹ 13,996 Crore (previous year" ₹ 12,418 Crore) and EBITDA of ₹ 1,703 Crore with EBITDA margin at 12.17% (previous year ₹ 1,617 Crore with EBITDA margin at 13.02%).

DIRECTORS' RESPONSIBILITY STATEMENT

The audited financial statements of your Company for the year under review ("financial statements") are in conformity with the requirements of the Companies Act, 2013 read with the rules made thereunder ("Act") and the Accounting Standards. The financial statements reflect the form and substance of transactions carried out during the year under review and present your Company's financial condition and results of operations, fairly and reasonably.

Your Directors confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) accounting policies selected have been applied consistently and reasonable & prudent judgements and estimates were made, so as to give a true and fair view of the state of affairs of your Company as at the end of the year under review and the loss of your Company for the year under review;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts of your Company have been prepared on a 'going concern' basis;

e) adequate internal financial controls were laid down and followed by your Company and such internal financial controls were operating effectively;

f) proper systems have been devised by your Company to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively and

g) the Company has been in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

SHARE CAPITAL

a) Equity share capital

Details of changes in paid-up share capital during the year under review, are as below:

Paid-up Equity Share Capital	₹ in Crore
At the beginning of the year, i.e., as on April 1, 2023	**948.79**
Changes made during the year: Allotments made pursuant to:	
1.1. Employee Stock Option Scheme, 2013 & 2017	0.42
1.2. Preferential Issue*	65.80
At the end of the year, i.e., as on March 31, 2024	**1,015.01**

**During the year under review, the Company has received the balance 75% of the Warrant Issue Price aggregating to ₹ 1,425 crore.*

b) Preference Share Capital

Details of changes in paid-up share capital during the year under review, are as below:

Paid-up Preference Share Capital	₹ in Lakhs
At the beginning of the year, i.e., as on April 1, 2023	**50.50**
Changes made during the year:	
1. Redemption of Preference Shares	
A. 5,00,000 8% Redeemable Cumulative Preference Shares of ₹ 10 each	(50.00)
B. 500 6% Redeemable Cumulative Preference Shares of ₹ 100 each	(0.50)
2. Allotment of Preference Shares	
A. 11,10,000, 8% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10/- each	111.00
At the end of the year, i.e., as on March 31, 2024	**111.00**

DISCLOSURES IN TERMS OF THE PROVISIONS OF THE ACT & SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI Listing Regulations")

A. Board of Directors ("Board")

(i) Number of meetings

The Board met 5 (five) times during the year under review. The details of such meetings are disclosed in the Section 'The Board of Directors' of the 'Corporate Governance Report' forming part of this Annual Report.

(ii) Appointments/Re-appointments and resignations

a) Appointments/Re - appointments

During the year under review, no Director has been appointed/re-appointed.

b) Resignations/Retirement by Rotation

(i) During the year under review, no Director has resigned.

(ii) In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Kumar Mangalam Birla, Non-Executive Director (DIN: 00012813), is due to retire by rotation at the ensuing Seventeenth Annual General Meeting and being eligible, has offered himself for re-appointment.

Resolution seeking his re-appointment alongwith his profile as required under Regulation 36(3) of SEBI Listing Regulations form part of the Notice of Seventeenth Annual General Meeting.

(iii) Board evaluation

Your Company has revised the framework for performance evaluation of Board, its committees and individual directors in terms of the provisions of the Act, SEBI Listing Regulations and the Nomination Policy of the Company.

During the year under review, the Board carried out the evaluation of its own performance and that of its committees and the individual directors. The performance evaluation of Non-Independent Directors and the Board as a whole was carried out by the Independent Directors.

The evaluation process consisted of structured questionnaires covering various aspects of the functioning of the Board and its committees, such as composition, experience and competencies, performance of specific duties and obligations, governance issues etc. The Board also carried out the evaluation of the performance of individual directors based on criteria such as contribution of the Director at the meetings, strategic perspective or inputs regarding the growth and performance of the Company etc.

Further, pursuant to the applicable provisions of the Act, the performance evaluation criteria for the Independent Directors is disclosed in the Section 'Directors Details as on March 31, 2024' of the Corporate Governance Report forming part of this Annual Report.

(iv) Declaration of independence

The Company has received necessary declaration from each Independent Director of the Company stating that:

(i) they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations ("said declarations") and

(ii) they have registered their names in the Independent Directors' Databank.

Based on the said declarations received from the Directors, the Board confirms, that the Independent Directors fulfill the conditions as specified under Schedule V of the SEBI Listing Regulations and are independent of the management.

B. Committees of the Board

The Board has constituted five Committees, viz. Audit Committee, Corporate Social Responsibility Committee, Risk Management and Sustainability Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and is authorised to constitute other functional Committees, from time to time, depending on business needs.

Details of all the Committees, along with their charters, composition and meetings held during the year, are provided in the Section 'The Board Committees' of the Corporate Governance Report forming part of this Annual Report.

C. Corporate Social Responsibility ("CSR")

The Board has, pursuant to the recommendation of the CSR Committee, with a vision "to actively contribute to the social and economic development of the communities in which your Company operates and in doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index", adopted a CSR Policy and the same is available on the website of the Company i.e. www.abfrl.com

The scope of the CSR Policy is as under:

i. Planning Project or programmes which the Company plans to undertake falling within the purview of Schedule VII of the Act and

ii. Monitoring process of such project or programmes.

The CSR Policy of the Company *inter alia* includes the process to be implemented with respect to the identification of projects and philosophy of the Company, along with key endeavours and goals i.e.

- **Education** - to spark the desire for learning and knowledge;
- **Health care** - to render quality health care facilities to people living in the villages and elsewhere through our hospitals;
- **Sustainable livelihood** - to provide livelihood in a locally appropriate and environmentally sustainable manner;
- **Infrastructure development** - to set up essential services that form the foundation of sustainable development and
- **Social cause** - to bring about the social change we advocate and support.

CSR initiatives taken during the year

Your Company's CSR activities are mainly focused towards Education, Health and Sanitation, Water, Digitisation, Sustainable livelihood, Institutional Building and Social Causes.

An annual report on CSR activities of the Company for the financial year 2023-24 is annexed as **Annexure I** to this Report.

D. Key Managerial Personnel ("KMP")

Pursuant to Section 203 of the Act, the KMPs of the Company as on March 31, 2024 are as below:

i. Mr. Ashish Dikshit, Managing Director;

ii. Ms. Sangeeta Tanwani, Whole-time Director;

iii. Mr. Vishak Kumar, Whole-time Director;

iv. Mr. Jagdish Bajaj, Chief Financial Officer and

v. Mr. Anil Malik, Company Secretary and Compliance Officer.

E. Remuneration of Directors and Employees

Disclosure comprising particulars with respect to the remuneration of Directors and employees, as required to be disclosed in terms of the provisions of Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure II** to this Report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

F. Employee Stock Option Scheme and Share Based Employee Benefits

Grant of share-based benefits to employees is a mechanism to align the interest of the employees with those of the Company, to provide them with an opportunity to share the growth of the Company and also to foster long-term commitment.

Employee Stock Option Scheme and Restricted Stock Units

Your Company regards employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come. Accordingly, in terms of the provisions of applicable laws and pursuant to the approval of the Board and the members of the Company, the Nomination and Remuneration Committee ("NRC") has duly implemented the following Schemes to grant the Employee Stock Options ("Options") and Restricted Stock Units ("RSUs"), to the employees of the Company:

(a) 'Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017' ("Scheme 2017") and

(b) 'Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019' ("Scheme 2019").

All the Schemes of the Company i.e. Scheme 2017 and Scheme 2019 are governed by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations") and in terms of the approvals granted by the shareholders of the Company. The NRC *inter alia* administers, implements and monitors the aforesaid Schemes, thereby governing the grant of share based benefits to its employees, in the form of Options and RSUs.

A certificate from the Secretarial Auditor of the Company, confirming that the aforesaid Schemes have been implemented in accordance with the SEBI SBEB & SE Regulations and will be open for inspection at the ensuing Annual General Meeting.

Stock Appreciation Rights

Your Company has also instituted Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019' ("SAR Scheme 2019") in the year 2019.

The SAR Scheme 2019, do not give rise to any right towards any equity share of the Company and hence, they are not covered under the provisions of SEBI SBEB & SE Regulations. On exercise of the SARs granted under the said plan/scheme, the employee exercising the SARs becomes entitled to receive cash, in terms of the SAR Scheme 2019.

In terms of the provisions of Regulation 14 and Part F of Schedule I of the SEBI SBEB & SE Regulations, details of Scheme 2017 and Scheme 2019 are available on the website of the Company i.e. www.abfrl.com.

G. Related Party Transactions ("RPTs")

All RPTs entered into during the year under review were approved by the Audit Committee, from time to time and the same are disclosed in the financial statements forming part of this Annual Report. Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has, on recommendation of its Audit Committee, adopted a Policy on RPT and the said policy is available on the website of the Company i.e. www.abfrl.com.

Further, in terms of the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, all contracts/arrangements/transactions entered into by the Company with its related parties, during the year under review, were:

- in "ordinary course of business" of the Company,
- on "an arm's length basis" and
- not "material".

All transactions with related parties are in accordance with the RPT Policy formulated by the Company.

Accordingly, Form No. AOC-2, prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of RPTs, which are "not at arm's length basis" and also which are "material and at arm's length basis", is not applicable and hence does not form part of this Report.

H. Dividend Distribution Policy

In terms of Regulation 43A of the SEBI Listing Regulations, your Company has formulated a Dividend Distribution Policy, with an objective to provide the dividend distribution framework to the Stakeholders of the Company. The policy sets out various internal and external factors, which shall be considered by the Board in determining the dividend pay-out. The policy is annexed as **Annexure III** to this Report and is also available on the website of the Company i.e. www.abfrl.com

I. Strategic Initiatives during the year

a) Acquisition of TCNS Clothing Co. Ltd ("TCNS"):

Event Date	Details
May 5, 2023	the Board had approved the: • acquisition of TCNS through a combination of transactions, involving secondary acquisition from the former promoters/ members of the promoter group of TCNS by way of entering into a Share Purchase Agreement with them and Conditional Open Offer ("Open Offer"). • draft Scheme of Amalgamation by way merger (by absorption) of TCNS with the Company ("Schem"), subject to the completion of above transactions and necessary approvals.
June 27, 2023	Competition Commission of India has accorded its approval for the above acquisition.
September 26, 2023	Completed the acquisition of 29% of the Expanded Share Capital under Open Offer and 22% under Share Purchase Agreement, thereby TCNS became the subsidiary of the Company.
March 14, 2024 & March 15, 2024	Received "No Observation letters" from BSE Limited and National Stock Exchange of India Limited on March 14, 2024 and March 15, 2024 respectively on draft Scheme.
April 26, 2024	National Company Law Tribunal, Mumbai ("NCLT") has directed both the companies to convene the meeting of equity shareholders for seeking approval on the Scheme.
May 3, 2024	Notice was dispatched to the shareholders for convening the meeting of equity shareholders on June 5, 2024 at 11:30 a.m.

b) Conversion of Warrants in Equity Shares:

On March 11, 2024, the Board had approved the allotment of 6,58,00,866 equity shares of face value of ₹ 10/- each at issue price of ₹ 288.75/- per equity share (including a premium of ₹ 278.75 per equity share), aggregating to ~₹ 1,425 Crore (being 75% of the warrant issue price), to Caladium Investment Pte. Ltd on preferential basis, pursuant to the conversion of warrants in the ratio of 1 equity shares in lieu of 1 warrant.

c) Strategic partnership with Christian Louboutin SAS

On September 12, 2023, the Company had incorporated a new entity, CLI Footwear and Accessories Private Limited ("CLI Footwear"), in partnership with Christian Louboutin SAS to build formidable luxury brand portfolio and footwear, supplementing fashion apparel in its portfolio. The Company invested ₹ 6.83 Crore during the year under review in CLI Footwear.

J. Proceeds from Rights Issue, Preferential Issue and NCDs:

The utilization of funds raised have been mentioned hereunder:

(₹ in Crore)

Mode	Object	Amount allocated	Amount utilized
Rights Issue	Repayment of certain borrowings of the Company	745.00	745.00
	General corporate purpose	244.26	242.51
Preferential Issue	Strengthening the balance sheet, pursue growth in existing business, expand new lines of business, strengthen digital and omni-channel	2,195.00	770.00 1,425.00*
NCDs	Refinancing of existing debt and General corporate purpose	750.00	750.00

**Amount received pursuant to conversion of warrants into equity shares on March 11, 2024.*

There has been no deviation in the use of proceeds of the Rights Issue, Preferential Issue and NCDs ("aforesaid Issues") from the objects stated in the respective Offer documents as per Regulation 32 of SEBI Listing Regulations. The Company has been disclosing on a quarterly basis to the Audit Committee, the uses/application of proceeds/funds raised from the aforesaid Issues and also filed with the Stock Exchanges on a quarterly basis, as applicable.

K. Subsidiaries, Joint Ventures, Associate Companies

During the year under review:

- TCNS Clothing Co. Limited became subsidiary of the Company w.e.f. September 26, 2023 and
- Styleverse Lifestyle Private Limited became step down subsidiary of the Company w.e.f. October 30, 2023.

After end of the financial year, on April 9, 2024, Aditya Birla Lifestyle Brands Limited has been incorporated as wholly owned subsidiary of the Company.

Pursuant to the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014 and in accordance with applicable accounting standards, a statement containing the salient features of financial statements of your Company's subsidiaries and associate in Form No. AOC-1 is annexed as **Annexure IV** to this Report.

In accordance with the provisions of Section 136 of the Act and the amendments thereto and the SEBI Listing Regulations, the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of your Company's subsidiaries, joint ventures/associate companies have been placed on the website of your Company viz. www.abfrl.com.

Your Company has formulated a Policy for determining Material Subsidiaries. The said policy is available on the website of the Company i.e. www.abfrl.com. Your Company has One material subsidiary i.e TCNS Clothing Co. Limited. The details of material subsidiary are disclosed in the 'General Shareholders Information' forming part of this Annual Report.

L. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Your Company consciously makes all efforts to conserve energy across all its operations. A report containing details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is annexed as **Annexure V** to this Report.

M. Vigil Mechanism

The Board, on recommendation of its Audit Committee, has adopted a Vigil Mechanism/ Whistle Blower Policy and the details of which are provided in the Corporate Governance Report forming part of this Annual Report.

Adequate safeguards are provided against victimization to those who avail the mechanism and direct access to the Chairperson of the Audit Committee is provided to them. The details of establishment of Vigil Mechanism is also available on the website of the Company i.e. www.abfrl.com

N. Risk Management

Your Company has framed and implemented a Risk Management Policy in terms of the provisions of Regulation 21 of the SEBI Listing Regulations, for the assessment and minimization of risk, including identification therein of elements of risk, if any, which may threaten the existence of the Company.

The policy is reviewed periodically by the Risk Management and Sustainability Committee along with the key risks and related mitigation plans. More details on risks and threats have been disclosed hereinabove, as part of the Management Discussion and Analysis.

Further, in view of the ever-increasing size and complexity of the business operations, your Company is exposed to various risks emanating from frauds. Accordingly, the Board, on recommendation of the Audit Committee, has adopted an Anti-Fraud Policy and a Whistle Blower Policy, to put in place, a system for detecting and/or preventing and/or deterring and/or controlling the occurrence of frauds.

O. Nomination Policy and Executive Remuneration Policy/Philosophy

In terms of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Board of your Company, on recommendation of the NRC, had adopted a Nomination Policy, which *inter alia* enumerates the Company's policy on appointment of directors, KMPs and senior management. Further, the Board, on recommendation of NRC, had also adopted a policy entailing Executive Remuneration Philosophy, which covers Remuneration Philosophy covering the directors, KMPs, senior management and other employees of the Company.

Both the aforesaid policies, as amended from time to time pursuant to the amendments in the applicable regulatory provisions, are available on the website of the Company i.e. www.abfrl.com

Salient features of the aforesaid policies are as under:

(a) Nomination Policy

The Nomination Policy is enacted mainly to deal with the following matters, falling within the scope of the NRC to:

- institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed as KMPs and/or in senior management and recommend to the Board of Directors their appointment and removal from time to time;
- devise a policy on board diversity;
- review and implement the succession and development plans for managing director, executive directors and officers forming part of senior management;
- formulate the criteria for determining qualifications, positive attributes and independence of directors;
- establish evaluation criteria of Board, its committees and each director and
- recommend the Board, all remuneration, in whatever form, payable to senior management.

(b) Executive Remuneration Policy/Philosophy

This Policy supports the design of programmes that align executive rewards - including incentive programmes, retirement benefit programmes, promotion and advancement opportunities - with the long-term success of the Stakeholders of the Company.

The executive remuneration program of the Company is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders and intends to:

- provide for monetary and non-monetary remuneration elements to our executives on a holistic basis and
- emphasize "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

P. Business Responsibility and Sustainability Report

Your Company's sustainability initiatives are aligned with the Aditya Birla Group's sustainability vision, which mainly comprises of responsible stewardship, stakeholder engagement and future-proofing. Accordingly, under the aegis of the Aditya Birla Group's sustainability vision, your Company is strengthening its 'ReEarth' programme, to design a roadmap, which will align with the group level sustainability policies and international frameworks.

Through this mission, we hope to create a future ready organisation, which can pre-empt imminent challenges and address the needs of all stakeholders.

In accordance with our sustainability vision and in terms of Regulation 34(2)(f) of the SEBI Listing Regulations, a 'Business Responsibility and Sustainability Report' forms part of this Report.

Q. Auditors and Auditors Report

(i) Statutory Auditor

Price Waterhouse & Co Chartered Accountants LLP (FRN: 304026E/E-300009), were appointed as the Statutory Auditors of the Company at the 14th Annual General Meeting ("AGM"), for a term of five consecutive years, till the conclusion of the 19th AGM to be held in the year 2026.

Further, the Auditors' Report "with an unmodified opinion", given by the Statutory Auditors on the financial statements of the Company for financial year 2023-24, forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report for the year under review.

The notes to the financial statements are self-explanatory and do not call for any further comments.

(ii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, M/s. Dilip Bharadiya & Associates, Company Secretaries (FRN: P2005MH091600), were appointed as the Secretarial Auditor of the Company, to conduct secretarial audit for the year under review.

The Secretarial Audit Report given by the Secretarial Auditor of the Company is annexed as **Annexure VI** to this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in his Report for the year under review.

(iii) Cost Auditor

During the year under review, your Company was not required to maintain cost records under Section 148(1) of the Act. Hence, the provisions related to appointment of Cost Auditor is not applicable.

Further, no fraud in terms of the provisions of Section 143(12) of the Act, has been reported by the Auditors in their reports for the year under review.

R. Material changes and commitment affecting financial position of the Company which have occurred between the end of the Financial year, to which the financial statement relates, and the date of the Report

Demerger of Madura Fashion & Lifestyle business of the Company:

a. On April 19, 2024, the Board have considered and approved the Scheme of Arrangement amongst the Company ("Demerged Company") and Aditya Birla Lifestyle Brands Limited ("Resulting Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"), subject to necessary statutory and regulatory approvals.

b. The Scheme, *inter alia*, provides for demerger, transfer and vesting of the Madura Fashion and Lifestyle Business from the Demerged Company into the Resulting Company on a going concern basis and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof.

c. The Company has made application to the Stock Exchanges for its "No Observation" letter.

S. Other Disclosures

In terms of the applicable provisions of the Act and SEBI Listing Regulations, your Company additionally discloses that, during the year under review:

- there was no change in the nature of business of your Company;
- it has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2024, there were no deposits which were unpaid or unclaimed and due for repayment, hence, there has been no default in repayment of deposits or payment of interest thereon;
- it has not issued any shares with differential voting rights;
- it has not issued any sweat equity shares;
- no significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status operations of your Company in future;
- it has not transferred any amount to the Reserves;
- it has not raised any funds through qualified institutions placement as per Regulation 32(7A) of SEBI Listing Regulations;
- it does not engage in commodity hedging activities;
- it has not made application or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 and
- it has not made any one-time settlement for the loans taken from the Banks or Financial Institutions.

It is further disclosed that:

- there is no plan to revise the financial statements or directors' report in respect of any previous financial year.
- particulars of the loans, guarantees and investments as required under Section 186 of the Act are disclosed in the financial statements of your Company for the year under review and
- details pertaining to unclaimed shares demat suspense account of your Company are disclosed in the 'General Shareholders' Information' forming part of this Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the SEBI. The report on Corporate Governance as stipulated under the SEBI Listing Regulations forms part of this Annual Report.

Your Company has duly complied with the Corporate Governance requirements as set out under Chapter IV of the SEBI Listing Regulations and M/s. Dilip Bharadiya & Associates, Company Secretaries, *vide* their certificate dated May 28, 2024, have confirmed that the Company is and has been compliant with the conditions stipulated in the Chapter IV of the SEBI Listing Regulations. The said certificate is annexed as **Annexure VII** to this Report.

ANNUAL RETURN

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return in Form no. MGT-7 is available on the website of the Company i.e. www.abfrl.com

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has put in place adequate internal control systems that are commensurate with the size of its operations. Internal Control system comprise of policies and procedures, which are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information, and compliance.

DISCLOSURES PURSUANT TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place a policy on Prevention of Sexual Harassment at Workplace, which is in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). The objective of this policy is to provide an effective complaint redressal mechanism if there is an occurrence of sexual harassment.

This policy is applicable to all employees, irrespective of their level and it also includes 'Third Party Harassment' cases i.e. where sexual harassment is committed by any person who is not an employee of the Company.

Your Company has also set up Internal Complaint Committee(s) at each of its administrative office(s) which are duly constituted in compliance with the provisions of the POSH Act. Further, the Company also conducts interactive sessions for all the employees, to build awareness amongst employees about the policy and the provisions of POSH Act.

During the year under review, the Committee has received 24 complaints, all of which were resolved with appropriate action.

AWARDS AND RECOGNITIONS

Your Company has been a proud recipient of many awards and recognitions during the year under review and significant ones amongst them are as under:

Retail & Apparel Recognition:

- National Retailer and Apparel Retailer of the Year (IRec Awards 2023), organized by IndianRetailer.com.

Brand & Marketing Accolades:

- Pantaloons:
  a. Won Best Loyalty Program, Best Brand to Brand Partnerships in Loyalty and Best Offer and Incentive Design in Loyalty at the Customer Fest Awards 2024.
  b. Won Gold for Retail Advertising & Bronze for Best OOH Activation at the E4M NEON Awards.
  c. Won Excellence Award - Adult Fashion at the Disney India Showcase 2024.
  d. Won The Images Most Admired Experiential Retail Concept at the India Fashion Forum 2024.
- Van Heusen Innerwear won Best Innerwear Brand at Tech Threads 2023.
- Allen Solly was featured as the Most Trusted Formalwear Brand in the TRA's Brand Trust Report 2024.
- Mr. Sabyasachi Mukherjee was honored as "Designer of the Decade" at the India Fashion Award organized by FDCI.
- Mrs. Masaba Gupta was the Winner at the Vogue Forces of Fashion 2023 and won a Fortune 40 Under 40 Award 2023.

Sustainability Leadership:

- Achieved the rank of Asia's Most Sustainable Company and 8th Rank on a Global Level in the Textiles, Apparel and Luxury Goods category at the S&P DJSI-Corporate Sustainability Assessment (CSA).
- Won a special mention at the Grow Getters Award 2024 as part of the ABG Sustain-Ability Conference 2024 for the Coffee Table Book "Dhaage" detailing our CSR journey.
- Runner-Up for the "Waste To Wealth" Campaign at the Grow Getters Awards 2024 as part of the ABG Sustain-Ability Conference 2024.
- Won the CSR - ESG Leadership Award at the 15th Global CSR & ESG Summit 2023.
- Little England Apparels and the Pantaloons South Warehouse achieved an International Safety Award each from the British Safety Council for 'demonstrating a strong commitment to good health and safety management.'
- Haritha Apparels Ltd. won the Gold Award issued by the International Research Institute for Manufacturing India in May 2023 as part of the India Green Manufacturing Challenge.
- Crafted Clothing Ltd. (CCL) and Haritha Apparels Ltd. (HAL) achieved the LEED Platinum certification with a score of 81, winning a 'Zero Water Award'along with becoming certified green businesses under the LEED Green Building standards in October 2023.
- Crafted Clothing Ltd. (CCL) won awards for "Most Innovative Project" and "Most Useful Project." at the CII National Award for Environmental Best Practices.
- Europa Garments Ltd. (EGL) received the "Sustainable Winner Award" from SuperDry on May 11, 2023, recognizing EGL as the "Most Sustainable Company" for its outstanding performance and initiatives.
- Madura Clothing won 40 Chapter Conventional on Quality Concept (CCQC) Awards for its "Kaizen & Poka Yoke Concepts" at Quality Circle Forum of India (QCFI) in 2023 –24

Employee Well-being & Safety:

- Madura Manufacturing won the EFI-CII National Award on Excellence in Employee Relations 2023 in December 2023 from the Employer Federation of India and Confederation of Indian Industries (EFI-CII) for prioritizing people in its policies, systems, and processes.
- Fashion Crafted Ltd. (FCL) and Haritha Apparels Ltd. (HAL) Units were certified as one of the "Top 25 Safest Places to Work in India" by KelpHR POSH Awards 2023 for ensuring a safe workplace for all.
- Alpha Garments Ltd. (AGL) was awarded second place in the Best Garment Industry Award from the Department of Factories and Boilers during the 53rd National Safety Day Celebration on March 4, 2024.
- Classical Menswear Ltd. (CML) & Little England Apparels Ltd. (EGL) won the Uttama Surasksha Puraskara Safety Award from the National Safety Council Karnataka & Tamil Nadu Chapter Safety Award 2023 for their excellent management systems and safety performance.

- Best Welfare Officer Award given to Ms. Ankitha JK, Employee Welfare Officer at Europa Garments Ltd (EGL), from the Government of Karnataka on March 4, 2024, for her exceptional empathy and dedication to creating a supportive workplace.

PR & Communication Excellence:

- Silver in Best Public Relations - ASSOCHAM Awards 2024, for Jaypore's "Reclaim Your Roots" campaign.
- Platinum In-House Journal (Print) - PRCI Excellence Awards 2023, for ABFRL's "In Touch" Newsletter.
- Platinum in Purpose Driven Communication Campaign, won at the 13th Public Relations Council of India (PRCI) Excellence Awards 2023, for ABFRL's CSR Coffee Table Book, "Dhaage".
- First Prize at the PRSI National Awards 2023 at the International Public Relations Festival 2023, for ABFRL's CSR Coffee Table Book, "Dhaage".
- Silver in Best Storytelling at the 3rd STAKES Awards for PR & Communication 2023, for ABFRL's CSR Coffee Table Book, "Dhaage".

ACKNOWLEDGEMENT

We take this opportunity to thank all the customers, members, investors, vendors, suppliers, business associates, bankers and financial institutions for their continuous support. We also thank the Central and State Governments and other regulatory authorities for their co-operation.

We acknowledge the patronage of the Aditya Birla Group and above all, we place on record our sincere appreciation for the hard-work, solidarity and contribution of each and every employee of the Company in driving the growth of the Company.

For and on behalf of the Board of Directors

	Ashish Dikshit	**Sangeeta Tanwani**
Place : Mumbai	Managing Director	Whole-time Director
Date : May 28, 2024	DIN: 01842066	DIN: 03321646

Disclaimer:

Certain statements in the "Management's Discussion and Analysis" may not be based on historical information or facts and may be "forward looking statements" within the meaning of applicable securities laws and Regulations, including but not limited to those relating to general business plans and strategy of the Company, its future outlook and growth prospects, future developments in its businesses, its competitive and regulatory environment and management's current views and assumptions, which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government Regulations, tax regimes, competitor's actions, economic developments, within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise. The "Management's Discussion and Analysis" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's securities. The financial figures have been rounded off to the nearest Rupee One Crore.

ANNEXURE I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

1. Brief outline on CSR Policy of the Company:
   - To actively contribute to the social and economic development of the communities in which the Company operates. In doing so, build a better, sustainable way of life for the weaker sections of society, to contribute effectively towards inclusive growth and raise the country's human development index.
   - Projects of the Company focus on education, healthcare & sanitation, sustainable livelihood, water and digitization epitomising a holistic approach to inclusive growth.
2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation*/ Nature of Directorship	Meetings held during the year	Meetings attended during the year
1.	Mr. Ashish Dikshit	Chairperson (MD)	1	-
2.	Mr. Nish Bhutani	Member (ID)	1	1
3.	Ms. Preeti Vyas	Member (ID)	1	1
4.	Mr. Yogesh Chaudhary	Member (ID)	1	1

Note:

** MD: Managing Director; ID: Independent Director*

3. Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company as mentioned below:

(i) Composition of CSR Committee	:	www.abfrl.com/corporate-governance/
(ii) CSR Policy	:	www.abfrl.com/docs/corporate_governance/policies/Corporate_Social_Responsibility_Policy_new.pdf
(iii) CSR Projects		https://www.abfrl.com/csr/

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - **Not Applicable for the financial year under review**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NIL** (*The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off)*
6. Average net profit/(loss) of the company as per section 135(5): ₹ **(325.90) Cr**
7. (a) Two percent of average net profit of the company as per section 135(5): **Nil**

   (b) Surplus arising out of the CSR projects or Programmes or activities of the previous financial years: **Nil**

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

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

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

Total Amount spent for the Financial Year (₹ in Cr)	Amount Unspent (₹ in Cr)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4.10	Not Applicable				

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) ((in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR registration number
Not Applicable												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Crore)	Mode of implementation Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	School Transformation Project			Maharashtra	Raigad	0.31			
2.	Gyanarjan	(ii) & (iii)	Yes	Karnataka	Ramanagara, Mysuru and Bengaluru	0.40	No	Aditya Birla Fashion and Retail Jan Kalyan Trust	CSR00005147
3.	Kasturba Gandhi Balika Vidyalaya			Karnataka and Tamil Nadu	Ramanagara and Krishnagiri	0.21			
4.	Village Development Project, Karnataka and Tamil Nadu ("Project")								
4.1	Education	(ii) & (vii)				0.84			
4.2	Health & Sanitation	(i)				0.23			
4.3	Sustainable Livelihood	(ii) & (iii)				0.07			
4.4	Water & Watershed	(iv)	Yes	Karnataka and Tamil Nadu	Bengaluru, Ramanagara and Krishnagiri	0.31	No	Aditya Birla Fashion and Retail Jan Kalyan Trust	CSR00005147
4.5	Digitalization	(X)				0.02			
4.6	Others	(X)				0.40			
5.	Village Development Project, Odisha ("Project")								
5.1	Education	(ii)				0.13			
5.2	Health and Sanitation	(i)				0.13			
5.3	Sustainable Livelihood	(ii) & (iii)	Yes	Odisha	Khordha	0.14			
5.4	Water & Watershed	(iv)				0.23			
5.5	Digitalization	(X)				0.02			
6.	Village Development Project, Andhra Pradesh ("Project")						No	Aditya Birla Fashion and Retail Jan Kalyan Trust	CSR00005147
6.1	Education	(ii)				0.11			
6.2	Health and Sanitation	(i)				0.01			
6.3	Sustainable Livelihood	(ii) & (iii)	Yes	Andhra Pradesh	YSR Kadapa	0.02			
6.4	Water & Watershed	(iv)				0.09			
7	Kaushalya Project	(ii)	Yes	Karnataka	Bengaluru	0.25			
TOTAL						3.92			

(d) Amount spent in Administrative Overheads- ₹ **0.04 Cr**

(e) Amount spent on Impact Assessment, if applicable – **0.14 Cr**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ **4.10 Cr**

(g) Excess amount for set off, if any- **Nil**

Sr. No.	Particulars	Amount (*₹ in Crore*)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	4.10
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4.10
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4.10*

**The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off.*

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (In ₹)	Balance Amount in Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year (In ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding financial years (In ₹)	Deficiency, if any (In ₹)
					Amount (In ₹)	Date of transfer		
Nil								

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

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (In ₹)	Amount spent on the project in the reporting Financial Year (In ₹)	Cumulative amount spent at the end of reporting Financial Year (In ₹)	Status of the project- Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year-
    (a) Number of Capital assets created/ acquired: **Not Applicable**
    (b) Date of creation or acquisition of the capital asset(s): **Not Applicable**
    (c) Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**
    (d) Details of the entity or public authority or beneficiary under whose name such capital asset is registered(CSR Registration Number, Name Registered address if applicable, their address etc.: **Not Applicable**
    (e) Provide details of the capital asset(s) created or acquired (including short particulars, complete address and location of the capital asset): **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): **Not Applicable**

Place : Mumbai
Date : May 28, 2024

Ashish Dikshit
Managing Director and
Chairperson of the CSR Committee

Preeti Vyas
Independent Director and
Member of the CSR Committee

ANNEXURE II

INFORMATION: REMUNERATION OF DIRECTORS & EMPLOYEES

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 [read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A) The percentage increase/decrease in remuneration of Executive Directors ("EDs") and Key Managerial Personnel ("KMPs") and ratio of the remuneration of EDs and KMPs to the median remuneration of the employees of the Company for the Financial Year 2023-24 are as under:

Sr. No.	Name	Designation	Increase/ (decrease) %(1)	Ratio to median remuneration
EDs				
1	Mr. Ashish Dikshit	MD	(4.26)	478.01
2	Ms. Sangeeta Tanwani	WTD	(0.60)	324.92
3	Mr. Vishak Kumar	WTD	14.00	371.60
KMPs				
4	Mr. Jagdish Bajaj	CFO	(2.54)	Not Applicable
5	Mr. Anil Malik(2)	CS	-	

Note:
1. *For determining the percentage increase / (decrease) in remuneration, perquisites under Employee Stock Option Scheme are excluded.*
2. *Appointed w.e.f. December 1, 2022. The remuneration paid is for part of FY 2023 and is not comparable with that of FY 2024. Hence the % increase/ decrease in remuneration for the year under review is not provided.*

The Non-Executive Directors ("NEDs") and Independent Directors ("IDs") of the Company are entitled to Sitting Fees as per the statutory provisions and is not included in remuneration. The details of remuneration of NEDs and IDs are provided in the Corporate Governance Report and not provided in the above table. Sitting fees is paid based on the number of meetings attended by them.

B. Percentage increase in the median remuneration of employees: 18.50%

C. Total number of permanent employees as on March 31, 2024: 26,965

D. Median remuneration of employees for FY 2023-24: ₹ 2,03,303 (Previous year: ₹ 1,71,557)

E. Average percentage increase in the salaries of employees other than the managerial personnel for the last financial year i.e. 2023-24 was 9.97%. The average percentage increase in the salaries of the managerial personnel for the financial year 2023-24 was (2.21%).

F. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid to:

a. Directors, KMPs and members of Senior Management is as per Executive Remuneration Philosophy/Policy of the Company and

b. Other employees of the Company are as per the Human Resource Philosophy of the Company.

ANNEXURE III

DIVIDEND DISTRIBUTION POLICY

Introduction

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, this Dividend Distribution Policy was approved by the Board of Directors of the Company ("the Board") at its meeting held on February 3, 2017.

The objective of this policy is to provide the dividend distribution framework to the Stakeholders of the Company.

The Board shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

Target Dividend Payout

Dividend will be declared out of the current year's Profit after Tax of the Company.

Only in exceptional circumstances, including but not limited to loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.

'Other Comprehensive Income' (as per applicable Accounting Standards) which mainly comprises of unrealized gains/ losses, will not be considered for the purpose of declaration of dividend.

Subject to the leverage position and the availability of cash flows, the Board will endeavour to achieve a dividend payout ratio (including dividend distribution tax) in the range of 15% to 25% of the Standalone Profit after Tax, net of dividend payout to Preference Shareholders, if any. Subject to the dividend payout range mentioned above, the Board will strive to pass on the dividend received from material Subsidiaries, Joint Ventures and Associates (as defined in the Companies Act, 2013).

Factors to be considered for Dividend Payout

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividends:

- Stability of earnings
- Cash flow from operations
- Future capital expenditure, inorganic growth plans and reinvestment opportunities
- Industry outlook and stage of business cycle for underlying businesses
- Leverage profile and capital adequacy metrics
- Overall economic/ regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other contingency plans.

General

Retained earnings will be used inter alia for the Company's growth plans, working capital requirements, debt repayments and other contingencies.

If the Board decided to deviate from this policy, the rationale for the same will be suitably disclosed. This policy would be subject to revision/ amendment on a periodic basis, as may be necessary. This policy (as amended from time to time) will be available on the Company's website and in the Annual Report.

ANNEXURE IV

FORM AOC - 1

PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013 READ WITH RULE (5) OF COMPANIES (ACCOUNTS) RULES, 2014

Statement containing salient features of the consolidated financial statement of Subsidiaries or associate companies / Joint Ventures

Part "A" - Subsidiaries

₹ in Crore

Sr. No.	Particulars	Name of the subsidiary companies															
		Jaypore E-Commerce Private Limited	TG Apparel & Decor Private Limited	Finesse International Design Private Limited	Sabyasachi Calcutta LLP *	Indivinity Clothing Retail Private Limited	Aditya Birla Digital Fashion Ventures Limited	Aditya Birla Garments Limited	House of Masaba Lifestyle Private Limited	TCNS Clothing Co. Limited	Imperial Online Services Private Limited	Pratyaya E-Commerce Private Limited	Awesomefab Shopping Private Limited	Bewakoof Brands Private Limited	Next Tree Products Private limited	Styleverse Lifestyle Private Limited	Jaypore Fashions Inc**
1	Date since when subsidiary was acquired	July 02, 2019	July 02, 2019	July 26, 2019	February 24, 2021	March 26, 2021	April 11, 2022	June 15, 2022	June 1, 2022	September 26, 2023	August 12, 2022	July 22, 2022	August 24, 2022	February 15, 2023	February 15, 2023	October 30, 2023	May 31, 2023
2	Reporting period	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024
3	Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	USD
4	Share capital/ Partner's capital account	16.37	0.01	1.66	966.75	59.05	500.00	35.00	1.01	12.66	0.01	0.04	0.01	0.08	0.01	0.02	0.04
5	Reserves & surplus	-10.61	-0.93	10.97	-30.70	-37.79	-142.28	-7.90	22.56	290.68	3.92	-13.21	3.01	51.80	-6.15	256.94	0.00
6	Total assets	216.75	1.67	122.27	1,266.46	680.01	546.96	106.75	124.01	1,284.67	29.95	18.13	27.54	145.10	2.13	461.81	0.99
7	Total liabilities	211.00	2.59	109.64	330.41	658.75	189.24	79.65	100.44	981.34	26.02	31.29	24.52	93.22	8.27	204.85	0.95
8	Investments	-	-	9.91	-	-	485.33	-	-	-	-	-	-	0.01	-	41.63	
9	Turnover	79.59	-	85.43	486.82	100.06	4.50	7.67	69.58	489.82	66.78	45.45	46.90	160.85	9.58	101.51	0.09
10	Profit/(Loss) before taxation	-60.28	-0.26	-15.46	52.97	-172.94	-107.31	-5.53	-24.77	-141.02	-6.82	-10.29	-4.82	-103.07	-2.75	7.24	0.00
11	Provision for taxation	-3.30	-	-1.60	21.37	-9.63	-	-1.62	-2.08	-25.80	-1.65	-2.67	-1.18	-	-	2.27	-
12	Profit/(Loss) after taxation	-56.99	-0.26	-13.86	31.61	-163.31	-107.31	-3.91	-22.69	-115.22	-5.17	-7.62	-3.64	-103.07	-2.75	4.97	0.00
13	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-			
14	% of shareholding	100.00%	100.00%	63.50%	51.00%	80.00%	100.00%	100.00%	52.44%	52.01%	60.96%	76.03%	54.97%	86.82%	86.82%	50.98%	100.00%

* Consolidated figures of Sabyasachi LLP & its wholly owned subsidiary M/S Sabyasachi Inc

** Converted in to Indian currency for Profit and loss items at 1 USD = ₹ 82.7476 & Balance sheet items at 1 USD = ₹ 83.3739

Part "B" - Joint Ventures

₹ in Crore

Sl. No.	Particulars	Goodview Fashion Private Limited
1	Date since when joint venture	March 19,2021
2	Reporting period	2023-2024
3	Shares of Joint Ventures Held by theCompany on year end - Nos.	3,579
4	Amount of Equity Investment in Joint Venture	67.18
5	Extent of Holding (%)	33.50%
6	Networth attributable to shareholding as per latestAudited Balance Sheet	19.42
7	Profit/(Loss) for the Year (including OCI)	28.39
8	Considered in Consolidation	9.51
9	Not considered in Consolidation	18.88

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

ANNEXURE V

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

Energy conservation measures are taken during the financial year 2023-24

- Energy conservation measures at your Company are looked at in synergy with Carbon Footprint and Green Building initiatives and your Company has taken actions to reduce its energy & carbon footprint.
- Your Company is in constant endeavor to reduce energy consumption and implemented various initiatives across our operations, including ensuring optimum internal and external lighting, installation of LED lights, VFDs and efficient equipment's and also designing new facilities and stores embracing green concepts.
- The operational efficiency initiatives across our manufacturing units have yielded a year-on-year reduction of **6%** in energy intensity at a garment level.
- As a result of these initiatives taken, your Company has saved close to **9.12 Lakh units** of energy during the year which resulted in a reduction of **~720 tCO2e** (tons of Carbon Dioxide equivalent) emissions.
- Your Company is also exploring innovative and scalable opportunities to further enhance operational efficiency across facility and retail spaces to cut down on overall energy usage and progress further in the decarbonization journey.

Renewable energy initiatives taken by the Company for utilizing & enhancing alternate sources of energy

- **~20%** of our total energy requirement (i.e. in TOE) is met through renewable energy sources with help of increasing use of renewable electricity and renewable fuel.
- Solar rooftop plant with capacity of **3 MWp** has been operational across 10 facilities (i.e. 7 factories and 3 warehouses) enabling us to generate more than **~32 Lakh units (kWh)** which resulted in reduction of **2621 tCO2e** (tons of Carbon Dioxide equivalent) emissions.
- Further, usage of **5,396 Tons of briquettes** (biomass and wood) in the boilers, as a renewable fuel for steam generation at the manufacturing units of the Company, has cut down significant amount of Greenhouse Gas emissions.

Investment done on energy conservation equipment's

Your Company has invested in energy conservation measures, which includes moving towards energy-efficient lighting systems.

B. TECHNOLOGY ABSORPTION

There has been no import of technology in the financial year 2023-24.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Foreign exchange earnings for the year under review: ₹ 175.66 Crore (vis-à-vis ₹ 164.34 Crore during the previous year).
- Foreign exchange outgo for the year under review: ₹ 1405.37 Crore (vis-à-vis ₹ 1,374.22 Crore during the previous year).

ANNEXURE VI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[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,
ADITYA BIRLA FASHION AND RETAIL LIMITED
Piramal Agastya Corporate Park,
Building A, 4th and 5th Floor,
Unit No. 401, 403, 501, 502, L.B.S Road,
Kurla, Mumbai - 400070

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate governance practices by **Aditya Birla Fashion and Retail Limited** *(hereafter referred to as "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.

We have verified books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March, 2024** *("the 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 as given in **Annexure A,** during the financial year ended on 31st March, 2024, 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, 1996 and the Regulations and Bye-laws framed thereunder;
   - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 *("SEBI Act")* and circulars issued under:
     - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
     - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
     - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
     - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
     - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
     - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and
     - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *("Listing Regulations")*.
2. We have relied on the representations made by the Company and its officers and report of the Statutory Auditor, Internal Auditor and other designated professionals for systems and mechanism formed by the Company for compliances under the following other applicable Laws, including but not limited to:
   - (a) Acts prescribed related to Retail activities;
   - (b) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, Employees' State Insurance Corporation, compensation etc.;
   - (c) Local Municipal Corporation Act & Bye Laws (city-wise);
   - (d) Shops and Establishment Act & Rule (State wise);
   - (e) The Consumer Protection Act, 2019 and rules made thereunder;
   - (f) Legal Metrology Act, 2009;
   - (g) Acts prescribed under prevention and control of pollution;
   - (h) Acts prescribed under Environmental protection;
   - (i) Acts as prescribed under Direct Tax and Indirect Tax including GST and others;
   - (j) Land Revenue laws of respective States;
   - (k) Labour Welfare Act of respective States;
   - (l) Local laws as applicable to various stores as per the respective Municipal Authority;
   - (m) The Indian Copyright Act, 1957;
   - (n) The Patents Act, 1970 and
   - (o) The Trade Marks Act, 1999.
3. We have also examined compliance with the applicable clauses of the following:
   - (i) The Secretarial Standards issued by 'The Institute of Company Secretaries of India' with respect to board and general meetings and
   - (ii) The Listing Agreements entered into by the Company with BSE Limited *("BSE")* and National Stock Exchange of India Limited *("NSE")* (hereinafter collectively referred to as *"Stock Exchanges"*), read with the Listing Regulations.

During the period under review, the Company has generally complied with all the applicable provisions of the above Regulations and circulars/ guidelines issued.

We further report that the Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors and Committees during the period under review.

Adequate notice was given to all Directors w.r.t. the Board/Committee Meetings held during the year. Agenda and detailed notes on agenda were sent in compliance with the provisions of the Act. 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.

All resolutions/decisions, including Circular Resolutions of the Board of Directors and its Committees are approved by the requisite majority and are duly recorded in the respective minutes.

Majority decisions are carried through, while the dissenting views of the Directors/ Members, if any, 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 year under review, the Company had undertaken the following activities:

A. <u>Strategic Partnerships/Acquisitions</u>

i. <u>Acquisition of TCNS Clothing Co. Limited</u>

➢ On May 5, 2023, the Board of Directors of the Company had approved the acquisition of 51% of the Expanded Share Capital (as defined in the Public Announcement) ("ESC") of TCNS Clothing Co. Limited through:

a) acquisition between ~22.00% to ~30.81% of the ESC at ₹ 503 per equity share, subject to adjustments, in accordance with the terms contemplated under the Share Purchase Agreement dated May 5, 2023 ("SPA") executed amongst the Company, Mr. Arvinder Singh Pasricha, Mr. Onkar Singh Pasricha, Mr. Saranpreet Pasricha, Ms. Parmeet Pasricha and TCNS and

b) conditional open offer for acquiring up to 29% of ESC of TCNS from its public shareholders, subject to minimum level of acceptance of 20.19% of ESC of TCNS at ₹ 503 per equity shares.

Further, the Board also approved the draft Scheme of Amalgamation by way of merger by absorption between TCNS and the Company and their respective shareholders and creditors ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013.

➢ The Company has received the approval of Competition Commission of India.

➢ On August 31, 2023, the Company has completed the acquisition of 29% of the ESC pursuant to the open offer.

➢ On September 26, 2023, the Company has acquired 22% of the ESC under Share Purchase Agreement, thereby making TCNS a subsidiary of the Company w.e.f. September 26, 2023. The Company and has also become Promoter of TCNS w.e.f. September 26, 2023.

➢ The Company has received "No Observation letters" from BSE Limited and National Stock Exchange of India Limited vide letter dated March 14, 2024 and March 15, 2024 respectively for the draft Scheme.

➢ Thereafter, the Company and TCNS has filed a Joint Company Application on March 15, 2024 with Hon'ble National Company Law Tribunal ("NCLT") for further directions.

ii. Investment in Aditya Birla Digital Fashion Ventures Limited ("ABDFVL"), a wholly owned subsidiary of the Company by way of Rights Issue of Partly-paid Shares.

On October 12, 2023, the Company subscribed to the following securities of ABDFVL through rights issue:

a) 9,95,00,000 equity shares of face value ₹ 10/- each of which ₹ 5/- has been paid up aggregating to ₹ 49.75 Cr.

b) 25,00,00,000 7% Optionally Convertible Redeemable Preference Shares ("OCRPS") of ₹ 10/- each of which ₹ 1/- has been paid up aggregating to ₹ 25 Cr.

Subsequently, on October 25, 2023, the Company paid:

a) remaining call money of ₹ 5/- on the equity shares of ABDFVL aggregating to ₹ 49.75 Cr. thereby making the equity shares fully paid up and

b) call money of ₹ 5/- on the OCRPS aggregating to ₹ 125 Cr.

iii. On October 20, 2023, the Company notified to the stock exchanges that wholly owned subsidiary - Aditya Birla Digital Fashion Ventures Limited, entered into a Shareholders Agreement ("SHA") and Share Subscription Agreement ("SSA") subject to customary closing conditions under the SHA and SSA. Thereby, Styleverse Lifestyle Private Limited has become the step-down subsidiary of the Company w.e.f October 30, 2023.

iv. On December 28, 2023, the Company has intimated to the stock exchanges that it has increased its stake in its subsidiary company i.e. Finesse International Design Private Limited from 58.69% to 63.50% by acquiring 1,93,964 Equity Shares on rights basis aggregating to ~₹ 20 Crore.

v. On March 28, 2024, the Company has intimated to the stock exchanges that it has subscribed to 16,66,667 Equity Shares on the Rights issue of its wholly owned subsidiary Company i.e. Jaypore E-Commerce Private Limited aggregating to ~₹ 25 Crore.

B. <u>Resolutions passed through Postal Ballots</u>

(i) <u>Enhancement of limits of investments/ loans/ guarantees/securities in excess of the limits prescribed in Section 186 of the Companies Act 2013</u>

On May 5, 2023, the Board of Directors of the Company has approved the increase in the limits for providing loans, investments, advances, and guarantees or securities by the Company up to ₹ 1,500 Crore, in addition to the limit prescribed under Section 186 of the Companies Act, 2013. This increase was subsequently approved by the shareholders through a special resolution passed via postal ballot on June 8, 2023.

(ii) <u>Re-classification of Authorized Share Capital & consequent Alteration of Memorandum of Association</u>

On February 14, 2024, the Board of Directors of the Company has approved Re-classification of Authorized Share Capital of the Company & consequent Alteration of Capital Clause of the Memorandum of Association, which was approved by the shareholders through a resolution passed via postal ballot on March 21, 2024.

(iii) Issuance of Non-Cumulative Non-Convertible Redeemable Preference Shares to redeem the existing Cumulative Redeemable Preference Shares

On February 14, 2024, the Board of Directors of the Company has approved the issuance of up to 12,00,000, 8% Non-Cumulative Non-Convertible Redeemable Preference Shares at a face value of ₹ 10/- each (Rupees Ten Only), amounting to ₹ 1,20,00,000, to Birla Management Centre Services Private Limited ("BMCSPL") on a private placement basis. This issuance was intended to redeem the Company's existing Cumulative Redeemable Preference Shares, as approved by the shareholders through a special resolution passed via postal ballot on March 21, 2024.

Subsequently, on March 27, 2024, the Company allotted 11,10,000 8% Non-Cumulative Non-Convertible Redeemable Preference Shares to BMCSPL in compliance with the provisions of the Act.

On March 28, 2024, the Company redeemed 5,00,000, 8% Redeemable Cumulative Preference Shares of ₹ 10 each/- and 500, 6% Redeemable Cumulative Preference Shares of ₹ 100/- each.

C. Allotment of Equity shares pursuant to Employee Stock Option Plan(s)

During the financial year, the Stakeholders Relationship Committee has approved allotment of 4,17,929 equity shares of ₹ 10/- each to the eligible employees of the Company, pursuant to the exercise of stock options granted to them under the Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017.

D. Alteration of Articles of Association of the Company

On August 4, 2023, the Board of Directors of the Company has approved an amendment to the existing Articles of Association, by adding clause 109(c), which allows for the appointment of a person nominated by the debenture trustee(s) as a Director on its Board. This amendment was subsequently approved by the shareholders by passing the special resolution at the 16th Annual General Meeting of the Company which was held on September 28, 2023.

E. Formation of new company in partnership with Christian Louboutin SAS

On August 4, 2023, the Company has intimated to the stock exchanges that the Board of Directors of the Company has approved to incorporate a new company in partnership with Christian Louboutin SAS ("CL") to distribute and sell CL's products in India. A new company was incorporated in the name of CLI Footwear and Accessories Private Limited ("CLI Footwear") on September 12, 2023, for the said purpose. The Company has invested ~₹ 6.83 Crore in CLI Footwear during the year under review.

F. Issue of Non-Convertible Debentures

On September 12, 2023, the Company has allotted 75,000 listed, unsecured rated, redeemable non- convertible debentures of the face value of ₹ 1,00,000/- each aggregating to ₹ 750 Crore on Private Placement basis.

G. Conversion of Warrants into Equity Shares

On March 5, 2024, the Company has intimated to the stock exchanges about the Receipt of Notice of Conversion from Caladium Investment Pte. Ltd. for conversion of Warrants.

Accordingly, on March 11, 2024, the Company has approved the allotment of 6,58,00,866 equity shares of face value of ₹ 10/- each at issue price of ₹ 288.75/- per equity share (including a premium of ₹ 278.75 per equity share), aggregating to ~₹ 1,425 Crore (being 75% of the warrant issue price), to Caladium Investment Pte. Ltd, pursuant to the conversion of warrants in the ratio of 1 equity shares in lieu of 1 warrant.

H. General operations

The Company at its 16th Annual General Meeting held on September 28, 2023 approved the following special resolutions apart from the ordinary businesses:

- Approval of remuneration of Ms. Sangeeta Pendurkar, Whole-time Director of the Company , for the period of 2 years viz., February 24, 2024 up to February 23, 2026 and
- Approval of remuneration of Mr. Vishak Kumar, Whole-time Director of the Company for the period of 2 years viz., February 24, 2024 up to February 23, 2026.

This report is to be read with our letter of even date, which is annexed as **Annexure B** and forms an integral part of this report.

For **DILIP BHARADIYA & ASSOCIATES**

DILIP BHARADIYA
Partner
FCS No.: 7956, C P No.: 6740
UDIN: F007956F000474136

Place: Mumbai
Date: May 28, 2024

Annexure - A

List of documents verified:

1. Memorandum and Articles of Association of the Company.
2. Annual Report for the Financial Year ended March 31, 2023.
3. Minutes and Attendance Registers of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management and Sustainability Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee held during the period under review.
4. Circular Resolutions approved by the Board of Directors and its Committees from time to time.
5. Minutes of General Body Meetings/ Postal Ballot held during the period under review.
6. Agreements for acquisitions and strategic Partnerships.
7. Statutory Registers viz.
   - Register of Members;
   - Register of Debenture holders and other security holders;
   - Register of Directors and Key Managerial Personnel and their Shareholding;
   - Register of Employee Stock Options;
   - Register of loans, guarantee, security and acquisition made by the Company;
   - Register of Renewed and Duplicate Share Certificates;
   - Register of Charges and
   - Register of Contracts with Related Party and contracts and bodies, etc. in which directors are interested.
8. Agenda papers submitted to all the Directors / Members for the Board and Committee Meetings.
9. Declarations received from the Directors of the Company pursuant to the provisions of Sections 184(1), 164(2), 149(3) and 149(7) of the Act.
10. Intimations received from Directors under the Code of Conduct for Trading in Listed or Proposed to be Listed Securities of Aditya Birla Fashion and Retail Limited.
11. Structured Digital Database in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.
12. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act, alongwith the attachments thereof, during the period under review.
13. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of the SEBI Listing Regulations.

Annexure - B

To,

The Members,
ADITYA BIRLA FASHION AND RETAIL LIMITED

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the 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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed by us 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, 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 future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **DILIP BHARADIYA & ASSOCIATES**

DILIP BHARADIYA
Partner
FCS No.: 7956, C P No.: 6740
UDIN: F007956F000474136

Place: Mumbai
Date: May 28, 2024

ANNEXURE VII

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,
The Members of
ADITYA BIRLA FASHION AND RETAIL LIMITED
Mumbai

We have examined the compliance of the conditions of Corporate Governance procedures implemented by ADITYA BIRLA FASHION AND RETAIL LIMITED ("the Company") having CIN: L18101MH2007PLC233901 for the year ended on March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, 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 representations made by the management, we certify that to the extent applicable the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

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.

For **DILIP BHARADIYA & ASSOCIATES**

DILIP BHARADIYA
Partner
FCS No. 7956, CP No. 6740
UDIN: F007956F000474257

Place: Mumbai
Date: May 28, 2024

CORPORATE GOVERNANCE REPORT

Company's Governance Philosophy

Aditya Birla Group ("Group") is committed towards the adoption of the best Corporate Governance practices and its adherence in the true spirit, at all times.

As a part of the Group, at Aditya Birla Fashion and Retail Limited ("Your Company"/ "ABFRL") we feel proud to belong to a Group whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business. Our Group Purpose is as below:

ABG Group Purpose

"To enrich lives, by building dynamic and responsible businesses and institutions, that inspires trust."

Your Company's philosophy on Corporate Governance lies in achieving the highest level of integrity, transparency, accountability, sustainability and ethical behaviour in all aspects. Your Company governance philosophy rests on five basic tenets viz, accountability towards all stakeholders, transparency and timely disclosures, strategic guidance and effective monitoring, high standards of ethics, equitable treatment and protection of minority interests and rights.

A report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is given herein below:

The Board of Directors ("The Board")

The Board is at the core of the corporate governance system of the Company. The Board is committed towards compliance of sound principles of corporate governance and plays a crucial role in overseeing how the management serves the short and long-term interests of the members and other stakeholders. This belief is reflected in the governance practices of the Company, under which it strives to maintain an effective, informed and independent Board.

The Chairman leads the Board and is responsible for its overall effectiveness. The Chairman ensures the Directors receive accurate, timely and clear information, promotes and facilitates constructive relationships and effective contribution of all Executive and Non-Executive Directors and promotes a culture of openness and debate.

Board Composition

An independent and well-informed Board goes a long way in protecting the stakeholders' interest.

The composition of your Company's Board represents an optimal mix of professionalism, knowledge, experience that enables the Board in discharging its responsibilities and providing effective leadership and support to the business. The composition, diversity and strength of the Board is reviewed from time to time for ensuring that the same is in line with the applicable laws and also that it remains aligned with the strategy and long term needs of the Company.

Detailed profile of the Board of Directors of the Company along with skills/ expertise/ competencies pursuant to Schedule V of the SEBI Listing Regulations is provided separately in the ‘Corporate Information’ section of this Annual Report.

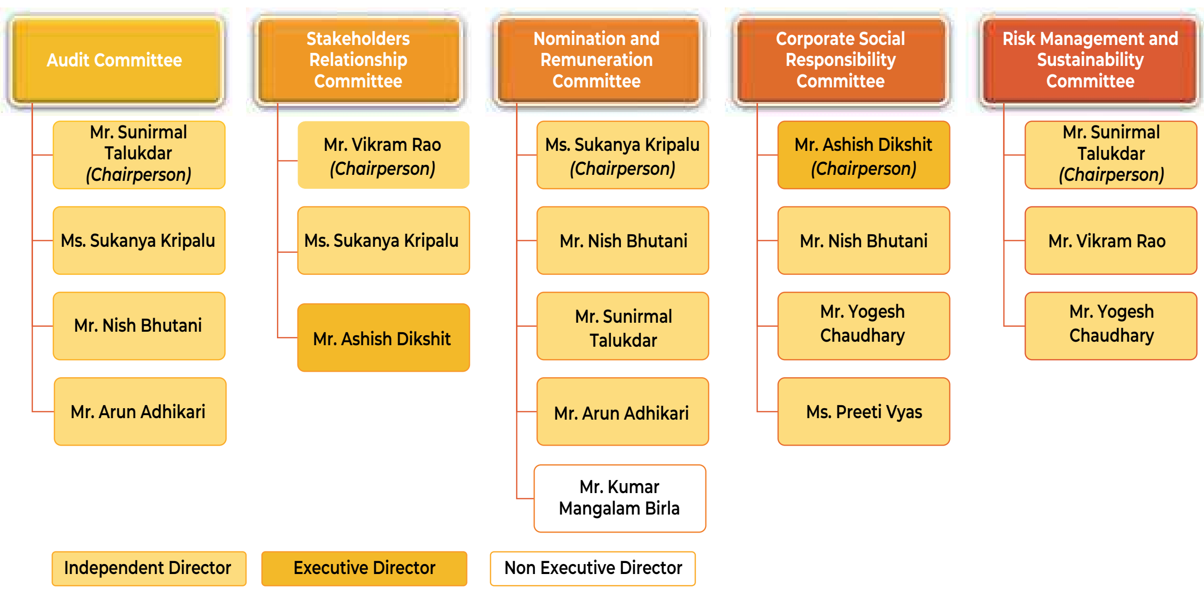
As on March 31, 2024, the Board comprised of 14 members, consisting of 4 Non-Executive Directors (including one Chairman and one Nominee Director), 3 Executive Directors and 7 Independent Directors.

The Board Committees (“The Committees”)

The Committees play a crucial role in the governance structure of the Company. The Committees are formed with the approval of the Board and function under their respective terms of references framed in accordance with the Companies Act, 2013 (“the Act”) and the SEBI Listing Regulations.

The Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. Each Committee demonstrates highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields. These Committees devote time and provide focussed attention to various issues placed before them. The guidance provided by these Committees lend immense value and support, enhancing the efficiency of the decision-making process of the Board. The Board reviews the functioning of these Committees from time to time.

Committees’ Composition



Mr. Ashish Dikshit, Managing Director of your Company, is a Permanent Invitee of the Committees (in which he is not a member). Mr. Anil Malik, Company Secretary of your Company, acts as the Secretary to all the Committees. They attended all the meetings/matters of the Board and Committees held during the financial year, except those in which they were interested and as provided separately in the Attendance at Meetings of Board Committee and Shareholder’s Section of this report.

A. Audit Committee (“AC”)

Your Company has a qualified and independent AC, which acts as an interface between the statutory and internal auditors, the management and the Board. All the members of the AC have the ability to read and understand the financial statements. The Chairman of the AC possesses professional qualifications in the field of Finance and Accounting.

The Committee is governed by a Charter, which is in line with Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations. The scope, functions and overall responsibility of the AC is to supervise the Company’s internal controls and financial reporting process. The brief description of the terms of reference is available on the website of the Company i.e. www.abfrl.com.

The quorum and composition of the AC are in accordance with Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

B. Nomination and Remuneration Committee (“NRC”):

The composition, quorum, powers, role and scope of the NRC are in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The Committee is governed by a Charter which is also in line with the Section 178 of the Act.

The overall responsibility of the NRC is to approve and recommend to the Board matters relating to the appointment and remuneration of the Company’s Executive Directors, Key Managerial Personnel (“KMPs”) and Senior Management, in line with the Nomination Policy and Executive Remuneration Policy of the Company.

The broad terms of reference of the NRC are in accordance with in terms of the Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, available on the website of the Company i.e. www.abfrl.com.

C. Stakeholders Relationship Committee (“SRC”):

The composition, quorum, powers, role and scope of the SRC are in accordance with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

Mr. Anil Malik, Company Secretary, being the Compliance Officer of your Company, is responsible for the redressal of grievances of the shareholders, debenture holders and other security holders.

In terms of the applicable provisions of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations, the scope, functions and overall responsibility of the SRC is to oversee various aspects of interests of stakeholders of the Company. The term ‘stakeholder’ includes shareholders, debenture holders and other security holders. The brief description of the terms of reference is available on the website of the Company i.e. www.abfrl.com.

D. Corporate Social Responsibility Committee (“CSRC”):

Your Company has a Corporate Social Responsibility Policy in place, duly approved by the Board on recommendation of the CSRC, details of which are disclosed in the ‘Board’s Report’ forming part of this Annual Report.

The composition, quorum, powers, role and scope of the CSRC are in accordance with Section 135 of the Act.

In terms of the applicable provisions of Section 135 read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSRC Committee is *inter alia* entrusted with the responsibility of monitoring and implementing the CSR projects/programmes/activities of your Company. The brief description of the terms of reference is available on the website of the Company i.e. www.abfrl.com.

Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development and Dr. (Mrs.) Pragnya Ram, Group Executive President & Group Head - CSR, Legacy Documentation & Archives, are the permanent invitees to the meetings of CSRC.

E. Risk Management and Sustainability Committee ("RMSC"):

Since your Company is in the retail industry, it is prone to inherent business risks. Your Company has in place a Risk Management Policy that covers the inherent business risks and appropriate measures to be taken, to manage uncertainty, changes in the internal and external environment to limit negative impacts and capitalise on opportunities along with minimisation of identifiable risks by the Company.

The composition, quorum, powers, role and scope of the RMSC are in accordance with the applicable provisions of the Act and Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations.

Business risk evaluation and its management is an on-going process within the Company. The RMSC is *inter alia* entrusted with the responsibility of monitoring and reviewing the risk management plan, sustainability and the cyber security of the Company and such other functions as may be delegated by the Board from time to time. The brief description of the terms of reference is available on the website of the Company i.e. www.abfrl.com.

Meetings: Board & Committees

The Board meets at regular intervals to discuss and decide on strategies, policies and reviews the financial performance of the Company.

Annual Calendar: The meetings of the Board & Committees are pre-scheduled. A tentative annual calendar of the meetings is circulated to the Directors well in advance to facilitate them to plan their schedules.

Meetings at shorter notice & Circular Resolutions: In case of business exigencies, the Board and/or Committees approval is taken either by holding meetings at shorter notice or through Circular Resolutions, which are noted at the subsequent meetings thereof.

Information provided to/placed before the Board or Committees

Following information is provided to the Board (including Committees thereof), adequately in advance, of its Meetings/consideration (in case of Circular Resolutions), as per regulatory timelines, to enable them to take well informed decisions:

a) The notice and detailed agenda along with relevant explanatory notes;

b) Material information, to the extent applicable and relevant, as prescribed under:
- The Companies Act, 2013;
- Secretarial Standard - 1 on Meetings of the Board of Directors ("SS-1");
- Securities and Exchange Board of India ("SEBI") Laws, more particularly, the Listing Regulations, Issue of Capital and Disclosure Requirements, Prohibition of Insider Trading Regulations and SEBI Circulars issued, from time to time and
- Other applicable laws.

c) Presentations on various functional and operational areas of the Company and other business development activities as well as on major projects, financial highlights, etc.

Any information which involves unpublished price sensitive information and in exceptional cases, certain additional matters are tabled at the meeting with the approval of the Chairman and the Board, more particularly the Independent Directors. An approval from the Board for circulating such information at a shorter notice is obtained every year, in terms of SS-1.

Mode of Meetings

The Board meets at regular intervals as per the pre-scheduled calendar to discuss and decide on strategies, policies and reviews the financial performance of the Company, in person or through the Video-conferencing facility (to enable the directors travelling abroad or present at other locations to be able to participate in the meetings). Such meetings, if conducted physically, are convened generally at the Registered Office/Corporate Office of the Company/Group.

The Chief Executive Officers of various businesses, Chief Financial Officer, Senior Management Personnel of the Company are also invited to the Board/Committee meetings, as may be required.

In addition, representatives of the Statutory Auditors and Internal Auditors of your Company are also invited to the Committee Relevant meetings for providing such information as may be necessary.

Your Company has provided an avenue to the Statutory Auditors to have a separate discussion with the Chairperson and members of the Audit Committee without the presence of executives, prior to declaration of the financial results.

Meetings held: FY 2023-24

The Company has complied with all the procedures stipulated under the Act, rules made thereunder and SS-1.

Details of Board and Committee Meetings held during FY 2023-24

Meeting Date(s)	Board	AC	NRC	SRC	RMSC	CSRC
May 5, 2023	1st	1st	-	-	-	-
May 8, 2023	-	-	-	-	-	1st
May 22, 2023	2nd	2nd	-	-	-	-
Jul 28, 2023	-	-	-	-	1st	-
Aug 4, 2023	3rd	3rd	1st	-	-	-
Aug 8, 2023	-	4th	-	1st	-	-

Meeting Date(s)	Board	AC	NRC	SRC	RMSC	CSRC
Nov 9, 2023	4^{th}	5^{th}	2^{nd}	-	-	-
Jan 18, 2024	-	-	-	-	2^{nd}	-
Feb 14, 2024	5^{th}	6^{th}	3^{rd}	-	-	-
Mar 11, 2024	-	-	-	2^{nd}	-	-
Mar 20, 2024	-	7^{th}	-	-	-	-

Attendance at Meetings of Board, Committees and Shareholders'

Directors	Board	AC	NRC	SRC	RMSC	CSRC	16^{th} AGM
Mr. Kumar Mangalam Birla (Chairman)	4/5	*	2/3	*	*	*	Yes
Mr. Aryaman Vikram Birla	5/5	*	*	*	*	*	Yes
Ms. Ananyashree Birla	3/5	*	*	*	*	*	Yes
Mr. Ashish Dikshit	5/5	*	*	2/2	*	0/1	Yes
Ms. Sangeeta Tanwani	5/5	*	*	*	*	*	Yes
Mr. Vishak Kumar	5/5	*	*	*	*	*	Yes
Mr. Arun Adhikari	5/5	7/7	3/3	*	*	*	Yes
Mr. Nish Bhutani	3/5	6/7	2/3	*	*	1/1	Yes
Ms. Preeti Vyas	5/5	*	*	*	*	1/1	Yes
Ms. Sukanya Kripalu	5/5	7/7	3/3	1/2	*	*	Yes
Mr. Sunirmal Talukdar	5/5	7/7	3/3	*	2/2	*	Yes
Mr. Vikram Rao	5/5	*	*	2/2	2/2	*	Yes
Mr. Yogesh Chaudhary	5/5	*	*	*	2/2	1/1	Yes
Mr. Pankaj Sood	5/5	*	*	*	*	*	No
Total Number of Meetings held during the financial year 2023-24	5	7	3	2	2	1	1

*Not a member of the Committee

(1) The maximum gap between two consecutive Board and AC meetings was less than 120 days.

(2) The necessary quorum was present for all the Board and Committee meetings.

(3) All the Directors attended at least 1 out of the 5 Board meetings held during the reporting period, thus, adhering to the meeting attendance criteria as per Section 167(1)(b) of the Act.

Directors Details as on March 31, 2024

In terms of the provisions of Section 165 and 184 of the Act and Regulation 17A and 26 of the SEBI Listing Regulations, the Directors provide necessary disclosures regarding positions held by them on the Board and/or Committees of other public and/or private companies in the first Meeting of the Board every financial year and post change in such disclosures, from time to time. The said disclosures are placed before the Board in its next Meeting (post receipt of disclosures) for noting.

Category	Name of the Director	At ABFRL		In other companies			
		Tenure (in ~ yrs.)	Share-holding	Total [(2)]	Directorships In listed entities	Committee positions [(1)] Member	Committee positions [(1)] Chairperson
Non-Independent Non-Executive	Mr. Kumar Mangalam Birla	3.1	33,966	7	As NED [(3)]: 1) Aditya Birla Capital Ltd. 2) Century Textiles and Industries Ltd. 3) Grasim Industries Ltd. 4) Ultratech Cement Ltd. 5) Hindalco Industries Ltd. 6) Vodafone Idea Ltd.	-	-
	Mr. Aryaman Vikram Birla	1.2	-	2	As NED [(3)]: Grasim Industries Ltd.	-	-
	Ms. Ananyashree Birla	1.2	-	2	As NED [(3)]: Grasim Industries Ltd.	1	-
Executive	Mr. Ashish Dikshit	6.1	2,42,137	8	As NED [(3)]: TCNS Clothing Co. Ltd.	-	1
	Ms. Sangeeta Tanwani	3.1	-	4	As ID [(3)]: Sula Vineyards Ltd.	2	-
	Mr. Vishak Kumar	3.1	2,88,324	-	-	-	-
Independent Non-Executive	Mr. Arun Adhikari	2.10	-	5	As ID [(3)]: 1) Aditya Birla Capital Ltd. 2) Ultratech Cement Ltd. 3) Vodafone Idea Ltd. 4) Voltas Ltd.	4	-
	Mr. Nish Bhutani	3.9	-	-	-	-	-
	Ms. Preeti Vyas	3.0	-	3	As ID [(3)]: 1) Century Textiles and Industries Ltd. 2) TCNS Clothing Co. Ltd.	2	-
	Ms. Sukanya Kripalu	9.5	-	6	As ID [(3)]: 1) Ultratech Cement Ltd. 2) Colgate - Palmolive (India) Ltd. 3) Entertainment Network (India) Ltd. 4) CEAT Ltd.	6	-
	Mr. Sunirmal Talukdar	4.0	-	5	As ID [(3)]: 1) India Carbon Ltd. 2) Heubach Colorants India Ltd. 3) Sasken Technologies Ltd.	1	3
	Mr. Vikram Rao	1.10	-	1	As ID [(3)]: TCNS Clothing Co. Ltd.	-	1
	Mr. Yogesh Chaudhary	3.0	-	2	As NED [(3)]: TCNS Clothing Co. Ltd.	1	-
Nominee [(4)] - Non -Executive	Mr. Pankaj Sood	1.6	-	4	As NED [(3)]: Mphasis Ltd.	1	-

(1) in AC & SRC of other public limited companies (including deemed public).
(2) Computed basis directorships in all public limited companies (including deemed public company), whether listed or not; and excludes this Company, foreign companies, private limited companies and Section 8 companies.
(3) NED: Non-Executive Director; ID: Independent Director.
(4) Representative of Caladium Investment Pte. Ltd (equity investor of the Company).

Basis the disclosures received from the Directors as on March 31, 2024, it is confirmed that none of the directors:

(a) is on the Board of more than:
   i. 20 (twenty) companies;
   ii. 10 (ten) public limited companies;
   iii. 7 (seven) listed entities;
(b) is a member in more than 10 (ten) AC and/or SRC, across all public limited companies (including deemed public);
(c) is a Chairperson of more than 5 (five) AC and/or SRC across all public limited companies (including deemed public) and
(d) have any inter-se relationship with the Board members except Mr. Kumar Mangalam Birla, father of Mr. Aryaman Vikram Birla and Ms. Ananyashree Birla.

Appointment, tenure and remuneration

All the Directors of the Company are appointed/re-appointed by the Shareholders on the basis of recommendations of the NRC and Board.

Executive Directors:

The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of their contract of service with the Company. They are appointed by the Shareholders for a period of five years but can be re-appointed on completion of the term, if eligible. Either party may terminate their employment by giving three months' notice.

Non-Executive Directors (other than Independent Directors):

As per the Articles of Association of the Company, at least two-third of the Board members shall be retiring Directors, excluding Independent Directors. One-third of such Directors are required to retire every year and if eligible, the retiring Directors qualify for re-appointment.

Independent Directors:

As trustees of shareholders, Independent Directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision-making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance.

All Independent Directors on the Board are Non-Executive Directors as defined under Regulation 16 of the SEBI Listing Regulations. Independent Directors may hold office for upto two consecutive terms of five years. As regards the appointment and tenure of the Independent Directors, the Company has complied with the provisions of the Act and the SEBI Listing Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations.

Further, in opinion of the Board, the Independent Directors fulfil the conditions specified in Regulation 16 and 25 of the SEBI Listing Regulations and are independent of the management.

The Independent Directors on the Board of your Company are experienced, competent and highly respected individuals in their respective fields, which brings an ideal mixture of expertise, professionalism, knowledge and experience to the table.

- Databank registration:

  Further, pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs ("MCA"), all Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the Independent Directors in this regard.

- Separate meeting of Independent Directors:

  Pursuant to Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, the Independent Directors met once during the year i.e. on March 20, 2024, without the presence of Non-Independent Directors, Executive Directors or management representatives. The Independent Directors *inter alia* discussed the performance of the Board, Non-Independent Directors and the management of the Company and assessed the quality, quantity and timeliness of flow of necessary information between the management and the Board, required for the Board to effectively and reasonably perform its duties.

- Evaluation criteria for Independent Directors:

  The performance of the Independent Directors of the Company is evaluated on the criteria more particularly as to how an Independent Director:

  i. invests time in understanding the Company and its unique requirements;
  ii. brings in external knowledge and perspective to the table for discussions at the meetings;
  iii. expresses his/her views on the issues discussed at the Board and
  iv. keeps himself/herself current on areas and issues that are likely to be discussed at the Board level.

Pursuant to the amendment in the SEBI Listing Regulations, in addition to the above criteria the evaluation criteria for Independent Directors also include fulfilment of the independence criteria as specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and their independence from the management.

Remuneration:

In terms of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, your Company has a Nomination Policy in place, which *inter alia* enumerates the appointment of directors, KMPs and senior management. Further, the Company also has an Executive Remuneration Policy, which indicates the remuneration philosophy covering the directors, KMPs, Senior Management and other employees of the Company.

Both the aforesaid policies, as amended from time to time, are available on the website of the Company i.e. www.abfrl.com.

The Policies and the NRC Charter broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive Directors (comprises of salary, allowances, perquisites, stock options, performance linked income/ bonus and other retirement benefit funds, as may be approved by the members of the Company), KMPs and Senior Management. Further, the Company has in place a system where all the Directors, KMPs and Senior Management of the Company are required to disclose all pecuniary relationships or transactions with the Company. Also, the Company does not pay any severance fees to its Directors.

Sitting fees to the Non-Executive Directors and Independent Directors has been recommended by the NRC and approved by the Board.

Annual increments to Executive Directors are linked to performance and are decided by the NRC and recommended to the Board for approval thereof. The performance review system is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspirations with the organisational goals and objectives.

Also, your Company has a policy of not advancing any loans to its Directors, except to the Executive Directors, in the normal course of employment.

Your Company does not have any pecuniary relationship with any of the Non Executive Directors, except for the sitting fees payable, in accordance with the applicable laws and they do not hold any convertible instruments in the Company.

Further, requisite disclosure with respect to the details of fixed component and performance linked incentive, in terms of the provisions of Part C of the Schedule V of the SEBI Listing Regulations and in terms of the provisions of sub-clause (IV) of the second proviso to clause (B) of Section II of Part - II of Schedule V of the Act, have been made in the Annual return in Form MGT- 7 disclosed on the website of the Company i.e. www.abfrl.com.

Details of Remuneration, fees paid to Directors for the financial year 2023-24:

A. Non - Executive Directors ("NED")

(₹ in lakhs)

Directors	Category[1]	Sitting fees[2]
Mr. Kumar Mangalam Birla	Chairman	3.80
Mr. Aryaman Vikram Birla	NED	3.75
Ms. Ananyashree Birla	NED	2.25
Mr. Arun Adhikari	ID	9.20
Mr. Nish Bhutani	ID	6.95
Ms. Preeti Vyas	ID	4.65
Ms. Sukanya Kripalu	ID	9.35
Mr. Sunirmal Talukdar	ID	9.75
Mr. Vikram Rao	ID	6.60
Mr. Yogesh Chaudhary	ID	5.45
Mr. Pankaj Sood	Nominee	-

B. Executive Directors ("ED")

(₹ in lakhs)

Directors	Category [1]	Salary, Benefits, Bonus, Pension, etc., paid during the Year	Performance linked Incentive paid during the Year	Perquisite value of stock options/ RSUs exercised during the year	Service contracts, notice period, severance fee	Stock option details, if any
Mr. Ashish Dikshit	MD	590.07	381.73	37.79	Refer Note 3	Nil
Ms. Sangeeta Tanwani	WTD	475.78	184.78	-		
Mr. Vishak Kumar	WTD	474.50	280.98	-		

Notes:

(1) ID: Independent Director; MD: Managing Director; WTD: Whole-time Director.

(2) Gross amount of sitting fees paid for attending the Board and Committee meetings held during the financial year (without deducting TDS).

(3) The appointment is subject to termination by three months' notice in writing on either side. No severance fees is payable to MD or WTD.

Board Evaluation

An evaluation mechanism is carried out among the Board, its committees, individual members and Chairman based on various criteria as per the provisions of the Act, SEBI Listing Regulations and Company's framework adopted by the NRC and approved by Board.

Details pertaining to Board evaluation are forming part of the 'Board's Report' of this Annual Report.

Board induction, training and familiarisation

In terms of the provisions of Regulation 25 of the SEBI Listing Regulations, your Company has framed a Familiarisation Programme for Independent Directors of the Company, structured into two parts i.e. 'Induction' and 'Ongoing interaction'. This Programme aims to provide insights into the business of the Company, to enable the Independent Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, its business in depth and contribute significantly to the Company.

By way of an introduction/induction to the Company, presentations are also made to the newly appointed Independent Director (including Non-Executive Directors) on relevant information of the Company.

A formal letter of appointment has been issued to the Independent Directors and the same is also disclosed on the website of the Company i.e. www.abfrl.com.

Further, on an ongoing basis as a part of the agenda of meetings of the Board/Committee(s), presentations are made to the Independent Directors on various matters *inter alia* covering the Company's businesses and operations, strategy, risk management framework, industry and regulatory updates and other relevant matters.

The details of the 'Familiarisation Programmes for Independent Directors' are also available on the website of the Company i.e. www.abfrl.com.

GENERAL BODY MEETINGS

Annual General Meetings ("AGM"):

The 16th AGM of the Company was held on September 28, 2023 via Video-conferencing ("VC"), in terms of various circulars issued by MCA permitting holding of AGM through VC without physical presence of Members at a common venue.

The respective Chairpersons of the Committees of the Board i.e. AC (Mr. Sunirmal Talukdar), NRC (Ms. Sukanya Kripalu), SRC (Mr. Vikram Rao) and CSR (Mr. Ashish Dikshit), were present at the AGM, to answer the queries of the members of the Company. Details of attendance of Directors at the AGM forms part of this report.

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

AGM No.	Date and Time	Special Resolutions passed	Venue
14th	September 9, 2021 at 4:00 p.m.	i. Fixing remuneration limits for Mr. Ashish Dikshit, Managing Director for the remaining term of 2 years. ii. Appointment of Ms. Sangeeta Pendurkar as a Whole-time Director of the Company. iii. Appointment of Mr. Vishak Kumar as a Whole-time Director of the Company.	All the AGM were Conducted through Video Conferencing / Other Audio-Visual Means.
15th	September 5, 2022 at 4:00 p.m.	No special resolutions were passed in this meeting.	
16th	September 28, 2023 at 3:00 p.m.	i. Remuneration for Ms. Sangeeta Pendurkar, Whole-time Director. ii. Remuneration for Mr. Vishak Kumar, Whole-time Director. iii. Alteration of Articles of Association of Company.	

Postal Ballot ("PB")

Special Resolutions passed through PB:

During the year under review, the Company has passed Special Resolutions through PB for the proposals mentioned hereunder:

S. No.	Special Resolution passed	Date of PB notice	Approval Date	Voting Pattern		
				Particulars	Numbers	Percentage
1	Enhancement of limits of investment/ loans/ guarantees/ securities in excess of the limits prescribed in section 186 of the Companies Act 2013.	May 5, 2023	June 8, 2023	Total Votes	77,78,94,952	100.00
				Votes in Favour	68,01,19,481	87.43
				Votes Against	9,77,75,471	12.57
2	Issue of Non-Cumulative Non-Convertible Redeemable Preference Shares to redeem the existing Cumulative Redeemable Preference Shares.	February 14, 2024	March 21, 2024	Total Votes	76,85,29,711	100.00
				Votes in Favour	76,85,21,473	99.99
				Votes Against	8,238	0.0011

Scrutinizer appointed for PB:

The Board of Directors of the Company had appointed Ms. Shivangini Gohel, (ACS 25740 & C.P. No. 9205) and failing her Mr. Dilip Bharadiya (FCS 7956 & C.P. No. 6740), Partners of M/s. Dilip Bharadiya & Associates, Company Secretaries, as the Scrutinizer to scrutinize the PB process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

Procedure of PB:

The PB was carried out in compliance with Sections 108 and 110 read along with the Companies (Management and Administration) Rules 2014, the SEBI Listing Regulations (including any statutory modification (s) or re enactment (s) thereof for the time being in force) and applicable provisions of the circulars issued by the MCA from time to time.

The details of special resolution proposed to be transacted through PB is as follows:

As on the date of this report, no special resolution is proposed to be passed through PB.

SENIOR MANAGEMENT PERSONNEL

Particulars of Senior Management including changes therein since the close of the previous Financial Year:

Name	Designation
Ms. Shobha Ratna Tanniru*	Chief Human Resource Officer
Mr. Chandrashekhar Chavan#	Chief Human Resource Officer
Mr. Praveen Shrikhande	Chief Digital and Information Officer
Mr. Swaminathan Ramachandran	Chief Supply Chain Officer
Mr. Puneet Kumar Malik	CEO - Innerwear Business
Mr. Sathyajit Radhakrishnan	CEO - International Brands
Mr. Naresh Tyagi	Chief Sustainability Officer
Mr. Sooraj Bhat	CEO - Ethnic Business
Mr. Jagdish Bajaj	Chief Financial Officer
Mr. Anil Malik	Company Secretary and Compliance Officer

*Appointed w.e.f. February 16, 2024.

Transferred to another role within the Group w.e.f February 15, 2024.

MEANS OF COMMUNICATION

The Company uses the following means for communication with investors/ shareholders:

Website	www.abfrl.com	A separate dedicated section 'Investors' is maintained on the website of the Company for ease of the shareholders. The information required to be disseminated by the Company in terms of Regulation 46 and 30 of the SEBI Listing Regulations are uploaded on the website of the Company. These include, more particularly, the following: i. Quarterly financial results and annual financial statements; ii. Investor presentations, press releases, earnings call transcripts; iii. Details of corporate governance policies, Board committee charters and iv. Other quarterly filings and Stock Exchange disclosures.
Newspaper	'The Business Standard' and 'Navshakti'	The quarterly financial results of the Company are published within the stipulated timeline, in 1 (one) English language national daily newspaper and regional language daily newspapers.
E-mail IDs	i. invrelations.abfrl@adityabirla.com ii. secretarial@abfrl.adityabirla.com	The Company has designated e-mail ids for investor relations and shareholders assistance.
Portal	NEAPS (NSE Electronic Application Processing System) & BSE Corporate Compliance & the Listing Centre	NEAPS and BSE Listing Centre are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings are filed electronically on such portals.
Investor Redressal system	SEBI Complaints Redress System (SCORES)	This platform of SEBI is a centralised database of all complaints and enables on-line upload of Action Taken Reports by the Company on complaints received, on-line viewing by investors of actions taken on the complaints and their current status.

GENERAL SHAREHOLDER INFORMATION

Your Company has provided the details required under this as a separate section on 'General Shareholder Information', forming a part of this Annual Report.

OTHER AFFIRMATIONS AND DISCLOSURES

a. No material transaction has been entered into by your Company with the promoters, directors or the management or relatives, etc. that may have a potential conflict with interests of the Company.

b. Compliance with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the SEBI Listing Regulations.

c. There were no material significant Related Party Transaction ("RPTs") that had/ may have potential conflict with the interests of the Company at large.

d. The Company has complied with all applicable provisions of the SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI and stock exchanges no penalties or strictures are imposed on your Company by SEBI or the stock exchanges or any statutory authority on any matter related to the capital markets during the last 3 years.

e. The Company or its subsidiaries do not have Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.

f. Material Subsidiaries – Policy and other details

The Company has formulated a Policy for Determining Material Subsidiaries, which is available on the website of the Company i.e. www.abfrl.com. Details of material subsidiary of the Company, including the date and place of incorporation and the name and date of appointment of statutory auditors of such material subsidiary is as below:

Name of Subsidiary	Date and Place of incorporation	Statutory Auditor	
		Name	Date of appointment
TCNS Clothing Co. Limited	December 3, 1997, Delhi	Price Waterhouse & Co Chartered Accountants LLP	September 26, 2023

g. Shareholders' complaints as on March 31, 2024

During the year under review, the Company received total of 42 complaints from the shareholders. The Company has addressed all the investor complaints received.

h. Vigil Mechanism/ Whistle Blower policy and affirmation that no personnel have been denied access to the AC

The Company has in place a Vigil Mechanism/ Whistle Blower Policy which facilitates the stakeholders to have direct access to the management and the AC, to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It is hereby affirmed that no employee has been denied access to the AC. The said policies are also available on the website of the Company i.e. www.abfrl.com.

Also, the Company has adopted 'Policy for Prevention of Sexual Harassment at Workplace' and 'Anti-fraud Policy' which specifically guarantee the right to 'blow the whistle'. The said policies are also available on the website of the Company i.e. www.abfrl.com. This ensures a work environment that is professional and mature, free from animosity and one that reinforces ABFRL's value of integrity, which includes respect for the individual.

Without prejudice to and in addition to the same, your Company has established a policy for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. The mechanism provides adequate safeguards against any victimisation of the persons who use this mechanism.

i. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to corporate governance.

In addition to the above, your Company also strives to adhere and comply with the following discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of the SEBI Listing Regulations, to the extent applicable:

(i) Modified opinion(s) in Audit Report: Company's financial statements have unmodified audit opinions.

(ii) Reporting of Internal Auditor: Internal auditor of the Company directly reports to the Audit Committee.

j. Commodity price risk and commodity hedging activities:

Your Company does not engage in commodity hedging activities.

k. Certificate from Practicing Company Secretary regarding Non-Debarment and Non-Disqualification of Directors

A certificate from M/s. Dilip Bharadiya & Associates, Company Secretaries, (FRN: P2005MH091600) has been obtained, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of a Company by SEBI and MCA or any other statutory authority and accordingly the same forms part of this report as **Annexure A**.

l. Details of recommendation of any Committee of the Board not accepted by the Board and reasons thereof

During the year under review, the Board of your Company has accepted all the recommendations made by its Committee(s), from time to time.

m. Total fees paid, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

During the financial year 2023-24, Price Waterhouse & Co Chartered Accountants LLP, Statutory Auditor of the Company has been paid total fees of ₹ 3.86 Crore by the Company and all the entities in the network firm/network entity of which statutory auditors is a part, for the services provided by them during the year under review. The segregation of which is mentioned below:

(₹ in Crore)

Sr. no.	Firm Name	By Company	By Subsidiary	Total
1	Price Waterhouse & Co Chartered Accountants LLP	2.40	1.46	3.86
	Total	**2.40**	**1.46**	**3.86**

Note:

a) Amount of ₹ 0.70 Crore pertains to the audit fees of statutory auditors of Subsidiary Companies which is not included in the above disclosure.

b) The above amount of ₹ 3.86 Crore includes ₹ 0.23 Crore towards out of pocket expenses

n. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has adopted 'Policy for Prevention of Sexual Harassment at Workplace' ("POSH") on a company-wide level to ensure the respect and dignity of all its employees. POSH is applicable not only to employees but also to third parties or clients and vendors of the Company.

The details of complaints related to sexual harassment, during the financial year 2023-24 are as below:

Sr. no.	Particulars	Pending as on March 31, 2023	Received during the year	Disposed off during the year	Pending as on March 31, 2024
1	Employees (On roll)	1	24	25	-
2	Others (Off roll/3rd party)	-	-	-	-
	Total	**1**	**24**	**25**	**-**

o. Disclosure of accounting treatment

The Company has followed all applicable accounting standards while preparing the financial statements.

OTHER POLICIES AND CODES OF THE COMPANY

Your Company has various policies and codes, duly adopted pursuant to the approval of the Board and the same are periodically reviewed by the Board, to incorporate any changes required either in terms of the business of the Company or pursuant to the amendment in the applicable Acts and Regulations including but not limited to the Act and the SEBI Listing Regulations. Web Link details of the policies and codes adopted by the Company are as under:

- CSR Policy
- RPT Policy
- Policy for Determining of Material Subsidiary Companies
- Policy for determination of materiality of information or event
- Policy for archival of documents
- Policy on preservation of documents
- Code of practices and procedures for fair disclosure of unpublished price sensitive information
- Code of Conduct for Board of Directors and Senior Management
- Anti-fraud Policy
- Sustainability Policy
- Environmental Policy
- Tax Policy
- Human Rights Policy
- Safety Policy
- Dividend Distribution Policy
- Vendor Code of Conduct Policy

Your Company also has a 'Code of Conduct to regulate, monitor and report trading by Designated Persons in listed or proposed to be listed Securities of Aditya Birla Fashion and Retail Limited' which is followed by designated persons for dealing in securities of the Company.

SUBSIDIARY & ASSOCIATE COMPANIES

The AC and Board of Directors review the financial statement and investments made, if any, on quarterly basis and also the annual financial statements of subsidiaries and associate which are duly consolidated with annual financial statements of the Company. The Board of Directors of the Company also reviews minutes of the Board Meetings of all subsidiaries and associate companies.

As per the Regulation 16 of the SEBI Listing Regulations, the Company has 1 (one) material subsidiary.

Details of the Subsidiaries and Associate Companies are forming part of the 'Board's Report' of this Annual Report.

CEO/CFO CERTIFICATION

As required under the provisions of Regulation 33 of the SEBI Listing Regulations, Mr. Ashish Dikshit, Managing Director and Mr. Jagdish Bajaj, Chief Financial Officer have reviewed the audited financial statements and cash flow statement for the financial year ended March 31, 2024 and accordingly have provided a Certificate, which is enclosed separately at the end of this Report as **Annexure B**.

CODE OF CONDUCT

The Board of Directors has laid down a 'Code of Conduct for the Board Members and Senior Management' of your Company. All Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct, which is enclosed separately at the end of this Report as **Annexure C.**

REPORT ON CORPORATE GOVERNANCE

As required under Regulation 27 of the SEBI Listing Regulations, your Company has been duly submitting the quarterly compliance report in the prescribed format and within the required timelines to the stock exchanges and the same are available on their websites. The said reports are also available on the website of the Company i.e. www.abfrl.com.

The compliance certificate received from M/s. Dilip Bharadiya & Associates (FRN: P2005MH091600), Company Secretaries regarding compliance of corporate governance requirements forms part of **Annexure VII** to the Board's Report.

ANNEXURE A

CERTIFICATE FROM PRACTICING COMPANY SECRETARY W.R.T. CONFIRMATION OF DIRECTORS' NON-DISQUALIFICATION

To,

The Members,
ADITYA BIRLA FASHION AND RETAIL LIMITED
Piramal Agastya Corporate Park,
Building A, 4th and 5th Floor,
Unit No. 401, 403, 501, 502, L.B.S Road,
Kurla, Mumbai -400070

This Certificate is being issued to the Members of Aditya Birla Fashion and Retail Limited, bearing Corporate Identity Number (CIN) - L18101MH2007PLC233901, having its registered office address at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla, Mumbai - 400070 ("the Company") in terms of Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

We believe it is the responsibility of the Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Companies Act, 2013 ("Act") and Listing Regulations.

We have examined the documents and disclosures provided by the following Directors (as on March 31, 2024) in electronic mode, for the purpose of issuing this Certificate, in accordance with the requirements under the Act and the Listing Regulations:

Sr. No.	Name of the Director	DIN	Date of appointment
1.	Mr. Ashish Dikshit	01842066	01/02/2018
2.	Mr. Vishak Kumar	09078653	24/02/2021
3.	Mr. Kumar Mangalam Birla	00012813	24/02/2021
4.	Ms. Sukanya Kripalu	06994202	13/10/2014
5.	Mr. Sunirmal Talukdar	00920608	11/03/2020
6.	Ms. Sangeeta Tanwani	03321646	24/02/2021
7.	Mr. Nish Bhutani	03035271	05/06/2020
8.	Ms. Preeti Vyas	02352395	31/03/2021
9.	Mr. Vikram Rao	00017423	17/03/2021
10.	Mr. Yogesh Chaudhary	01040036	17/03/2021
11.	Mr. Arun Adhikari	00591057	19/05/2021
12.	Mr. Pankaj Sood	05185378	20/09/2022
13.	Ms. Ananyashree Birla	06625036	30/01/2023
14.	Mr. Aryaman Vikram Birla	08456879	30/01/2023

Based on our examination of relevant documents made available to us by the Company and such other verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, **we certify that as on date of this certificate, none of the directors on the Board of the Company, as listed hereinabove, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority**.

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.

For **DILIP BHARADIYA & ASSOCIATES**

DILIP BHARADIYA
PARTNER
FCS NO. 7956 CP NO. 6740
UDIN: F007956F000474301

Place: Mumbai
Date: May 28, 2024

ANNEXURE B

CEO - CFO CERTIFICATION

To the Board of Directors

Aditya Birla Fashion and Retail Limited

(1) We have reviewed the Audited Financial Statements and the Cash Flow Statements of Aditya Birla Fashion and Retail Limited ***("Company")*** for the financial year ended on March 31, 2024 and to the best of our knowledge and belief:

I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

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

(2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2024 which are fraudulent, illegal or violative of the Code of Conduct of the Company.

(3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.

(4) We have indicated to the Auditors and the Audit Committee:

I. significant changes in the Company's internal control over financial reporting during the financial year ended on March 31, 2024;

II. significant changes in accounting policies, if any, during the financial year ended on March 31, 2024 have been disclosed in the notes to the Financial Statements and

III. instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: May 28, 2024

Ashish Dikshit
Managing Director

Jagdish Bajaj
Chief Financial Officer

ANNEXURE C

DECLARATION

To the Members of Aditya Birla Fashion and Retail Limited

I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed Compliance with the Code of Conduct for the year ended March 31, 2024.

Place: Mumbai
Date: May 28, 2024

Ashish Dikshit
Managing Director

GENERAL SHAREHOLDER INFORMATION

[IN TERMS OF PART C, SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

(i) Annual General Meeting (17th) for FY 23-24

Day and date	:	Thursday, September 19, 2024
Time	:	4:00 p.m.
Venue / Mode	:	Video Conferencing/Other Audio Visual Means

(ii) Financial Calendar for Reporting

Board Meetings

Financial Year of the Company	1st April to 31st March
Quarter ending June 30, 2024	On or before August 14, 2024
Quarter and six months ending September 30, 2024	On or before November 14, 2024
Quarter and nine months ending December 31, 2024	On or before February 14, 2025
Quarter and year ending March 31, 2025	On or before May 30, 2025
Annual General Meeting for the year ending March 31, 2025	On or before September 30, 2025

(iii) Dividend payment date: Not Applicable

(iv) Stock exchanges where securities of the Company are listed:

(a) Equity shares:

Stock exchange	Stock code
BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	535755
National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	ABFRL

(b) Non-convertible debentures ("NCD"):-

Unsecured, rated, redeemable, non-convertible debentures ("NCDs") of face value of ₹ 10,00,000/- each issued by the Company for Series 7 and 8 and face value of

₹ 1,00,000/- each for Series 9 and 10 from time to time and are listed on BSE, details of which are as under:

Year of issue	Series	Scrip code	ISIN	Principal amount (₹ in Crore)	Date of maturity	Debenture Trustee
2020	7[1]	959492	INE647O08099	325	22-May-23	**Axis Trustee Services Limited** 2nd Floor 'E', Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 Phone: +91 22 2425 5215/5216 Fax: +91 22 2425 4200 Email id: debenturetrustee@axistrustee.com
2021	8	973442	INE647O08107	400	09-Sep-24	
2023	9	974570	INE647O08115	500	30-Jan-26	
2023	10[2]	975069	INE647O08123	750	12-Sep-30	

Notes:
(1) Redemption of Series 7 NCDs was due on May 22, 2023. Accordingly, the redemption amount has been duly paid.
(2) Series 10 NCDs was issued on September 12, 2023.

(c) Commercial Papers: In terms of Securities and Exchange Board of India ('SEBI') Circular no. SEBI/HO/DDHS/P/CIR/2021/613 Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 and updated as on April 13, 2022, the Commercial Papers issued by the Company are listed on BSE.

(v) Credit ratings:

The details of credit ratings as on March 31, 2024 and any revisions thereto during the financial year are disclosed below:

Instrument issued by/on behalf of the Company	Credit Rating		
	CRISIL Limited	ICRA Limited	India Ratings & Research
Bank Loan Facilities	CRISIL AA+/ Stable	[ICRA] AA+/ Stable	IND AA+/Stable
NCDs	CRISIL AA+/ Stable	[ICRA] AA+/ Stable	IND AA+/Stable
Commercial Paper	CRISIL A1+	[ICRA] A1+	IND A1+

Notes:
1. *India Ratings and Research upgraded the Rating as IND AA+ and reaffirmed its outlook as 'Stable' on the bank loan facilities and the non-convertible debentures on May 4, 2023.*
2. *CRISIL reaffirmed the Rating as CRISIL AA+/Stable on the bank loan facilities, non-convertible debentures and CRISIL A1+ on the commercial paper on July 13, 2023.*
3. *ICRA Limited reaffirmed the Rating [ICRA] AA+/Stable on the bank loan facilities, non-convertible debentures and [ICRA] A1+ on the commercial paper on July 31, 2023.*
4. *India Ratings and Research assigned the Rating as IND A1+ for the enhanced limit of commercial paper on August 22, 2023.*
5. *ICRA Limited assigned the Rating [ICRA] AA+/Stable on the enhanced limit of non-convertible debentures on October 25, 2023.*

(vi) Designated depository for the purpose of monitoring of Foreign Investment limits on behalf of the Company: Central Depository Services (India) Limited ("CDSL")

(vii) Annual listing fees for the financial year 2024-25: Has been paid to both the stock exchanges.

(viii) Stock market price data:

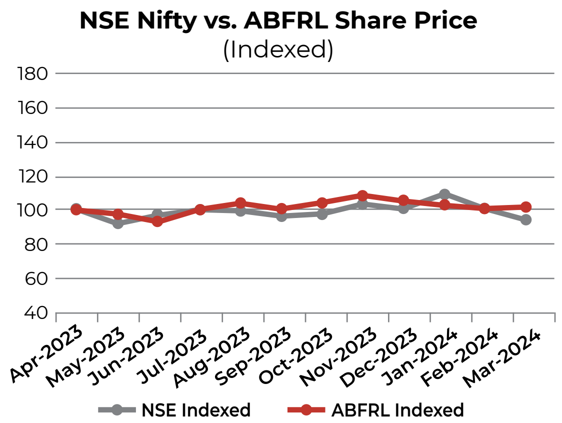
Month – Year	BSE				NSE			
	High (in ₹)	Low (in ₹)	Close (in ₹)	Traded volume (No. of shares in lakh)	High (in ₹)	Low (in ₹)	Close (in ₹)	Traded volume (No. of shares in lakh)
Apr-23	227.50	202.75	222.70	17.30	227.60	202.70	222.65	433.33
May-23	227.50	184.40	201.10	71.78	226.90	184.40	201.45	1282.21
Jun-23	216.95	197.50	212.75	41.03	216.85	197.40	212.95	688.65
Jul-23	225.75	209.30	222.95	31.56	225.75	209.30	223.15	705.07
Aug-23	225.00	193.05	219.35	52.36	224.90	192.95	219.55	827.78
Sep-23	235.00	210.50	214.60	27.12	234.90	210.40	214.25	632.90
Oct-23	239.90	206.05	214.60	34.30	239.90	206.00	214.75	617.84
Nov-23	232.95	206.05	231.75	29.65	233.30	208.25	231.75	499.52
Dec-23	245.00	215.80	223.60	32.72	245.00	215.40	223.70	510.67
Jan-24	249.25	216.65	243.95	85.37	249.25	216.50	243.95	1335.40
Feb-24	265.75	221.75	225.40	73.72	266.00	221.70	225.20	1256.21
Mar-24	236.00	198.45	205.50	46.24	235.80	198.75	205.55	769.11

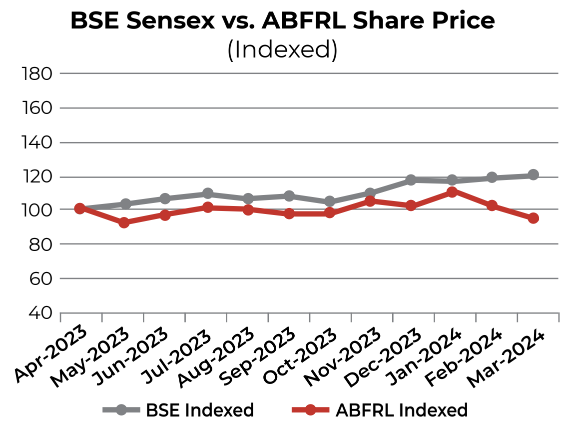
Source: BSE and NSE websites.

Closing price of your Company's equity shares and the market capitalisation as on the last trading day of the financial year 2023-24 i.e. March 31, 2024, were as under:

Particulars	BSE	NSE
	535755	ABFRL
Closing price (in ₹)	205.50	205.55
Market capitalisation (₹ in Crore)	19,504.97	19,509.72

(ix) Stock performance:





Source: BSE and NSE websites.

Base 100 = Friday, April 28, 2023

Base 100 = Friday, April 28, 2023

(x) Distribution of shareholding as on March 31, 2024:

Range of shareholding	No. of shareholders	% No. of shareholders	No. of shares held	% shareholding
1 to 500	2,84,367	88.77	2,55,43,111	2.51
501 to 1000	17,851	5.57	1,33,65,719	1.32
1001 to 2000	9,222	2.88	1,33,85,379	1.32
2001 to 3000	3,318	1.04	83,53,019	0.82
3001 to 4000	1,431	0.45	50,55,293	0.50
4001 to 5000	1,012	0.32	46,90,807	0.46
5001 to 10000	1,724	0.54	1,22,11,926	1.20
10001 and above	1,389	0.43	93,24,04,388	91.87
Total	**3,20,314**	**100.00**	**1,01,50,09,642**	**100.00**

Category-wise shareholding pattern of the Company as on March 31, 2024:

Category	No. of shareholders [1]	No. of shares	%
Promoter and Promoter Group (A)	**15**	**52,62,99,516**	**51.85**
Public (B)	**3,12,384**	**48,39,92,109**	**47.69**
Institutions	**221**	**34,84,62,194**	**34.34**
Mutual Funds	38	10,27,79,655	10.13
Foreign Portfolio Investors	119	19,79,37,907	19.50
Insurance Companies	12	4,65,86,802	4.59
Alternate Investment Funds	7	9,67,072	0.10
Financial Institutions/ Banks	40	1,00,563	0.01
Others	5	90,195	0.01
Central / State Government(s)	**3**	**1,060**	**0.00**
Non-Institutions	**3,12,160**	**13,55,28,855**	**13.36**
Individuals	2,99,913	10,88,60,450	10.73
Body Corporates	1,261	1,52,20,448	1.50
Others	10,986	1,14,47,957	1.13
Non Promoter - Non Public (C)	**1**	**47,18,017**	**0.46**
Total (A + B + C)	**3,12,400**	**1,01,50,09,642**	**100.00**

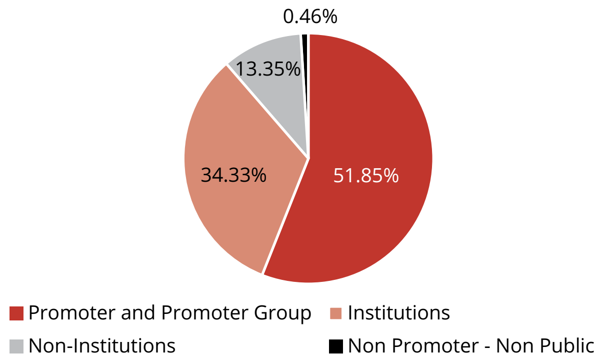
[1] *Consolidated on basis of Permanent Account Number (PAN).*

(xi) Dematerialisation of shares and liquidity:

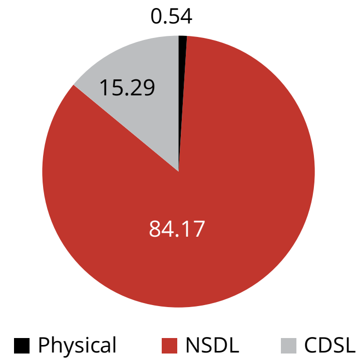
As on March 31, 2024, 99.46 % equity shares of the Company are held in dematerialised form.

Particulars	No of Shareholders	No. of shares held	%
Physical	24,014	54,91,602	0.54
Dematerialised mode:	2,96,300	1,00,95,18,040	99.46
NSDL	1,14,201	85,43,13,660	84.17
CDSL	1,82,099	15,52,04,380	15.29
Total	**3,20,314**	**1,01,50,09,642**	**100.00**

Category-wise Shareholding %



Dematerialisation of share



(xii) Unclaimed Suspense Account:

(a) As on March 31, 2024, total number of 28,16,968 equity shares of ₹ 10/- each were lying in the said suspense account and details of which is as under:

Particulars	No. of shareholders	No. of shares
Outstanding at the beginning of the year	14,664	28,59,477
Shareholders who approached the Company and to whom shares were transferred during the year	53	42,509
Shareholders and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	-	-
Outstanding at the end of the year	14,611	28,16,968

Note: Voting rights on these shares shall remain frozen till the rightful owners of such shares claims the shares.

(xiii) Transfer of sale proceeds of fractional shares arising out of amalgamation to Investor Education and Protection Fund ("IEPF")

During the year under review, the sale proceeds of fractional shares arising out of amalgamation for the year 2016 were transferred to the Investor Education and Protection Fund.

(xiv) Reconciliation of share capital audit:

As stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 and as per the amendments, M/s. Dilip Bharadiya & Associates, Company Secretaries (FRN: P2005MH091600), carried out quarterly audit for the purpose of reconciliation of the total issued capital, listed capital and the capital held by the depositories in dematerialised form, the details of changes in the share capital during each quarter and the in-principle approval pending from stock exchanges with respect to such further issued capital, if any.

Further, an audit report issued in that regard is submitted to the stock exchanges, National Securities Depository Limited ("NSDL") and CDSL on quarterly basis and the same is also placed before the Board.

(xv) Outstanding Global Depository Receipts ("GDRs")/ American Depository Receipts ("ADRs")/ warrants or any convertible instruments, conversion date and likely impact on equity:

The Company on September 20, 2022 had inter-alia allotted 6,58,00,866 warrants to Caladium Investment Pte. Ltd. on preferential basis at an issue price of ₹ 288.75 (Rupees Two Hundred and Eighty Eight and Seventy Five Paise only) per warrant. Each warrant was convertible into 1 (One) equity share of the Company of face value of ₹ 10 /- each (Rupees Ten Only) ("Warrants"), on payment of the balance consideration aggregating to ₹ 1,425 Crore, being 75% of the issue price per warrant, pursuant to exercise of conversion option against each such warrant, within 18 months from the date of allotment of warrants.

Subsequently, during the financial year 2023-24, the Company upon receipt of balance 75% of the issue price, has allotted 6,58,00,866 fully paid-up equity shares of face value of ₹ 10/- each (including a premium of ₹ 278.75 per equity share) against conversion of said Warrants.

(xvi) Commodity price risk/ foreign exchange risk and hedging activities:

The foreign currency exposure of the Company, in respect of its imports, borrowings and export receivables, is hedged as per its policies. The Company uses a mix of various derivative instruments like forward covers.

(xvii) Investor service and grievance handling mechanism:

A robust mechanism is established by your Company which ensures efficient service to the investors, pro-active handling of investor correspondences and redressal of grievances in an expeditious manner. This mechanism is handled by the Compliance Officer of your Company and the RTA, through its investor service centres which are spread across the country.

<u>Quarterly review by the Board and Audit Committee ("AC")</u>

The Board of your Company and its AC review the status of investor complaints on a quarterly basis.

<u>Six-monthly/annual review by the Stakeholders Relationship Committee ("SRC")</u>

SRC has been constituted specifically to look into various aspects of interest of Shareholders, Debenture Holders and other Security Holders. The SRC meets twice in a year to deliberate on various matters with respect to stakeholders of the Company.

During the year under review, the Company received total of 42 complaints from the shareholders. Details of complaints received along with their status as on March 31, 2024, have been disclosed separately in the Corporate Governance Report forming part of this Annual Report.

(xviii) Share transfer system:

The Company has a Board-level SRC to examine and redress investors' complaints.

In terms of the provisions of Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained, on yearly basis, a certificate, from a Company Secretary in practice, certifying that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation and renewal (except those rejected on technical grounds) and also filed a copy of the said certificate with the Stock Exchanges.

Securities of the listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Further, SEBI vide Circular no SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated all listed companies to issue securities in dematerialised form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. The Company/RTA shall verify and process the investor service requests and thereafter issue a 'Letter of Confirmation' ("LOC") in lieu of physical share certificate(s). The LOC shall be valid for a period of 120 days from the date of issuance within which the Member/ Claimant shall make a request to the Depository participant for dematerialising the said shares. In case, the demat request is not submitted within the aforesaid period, the shares shall be credited to the Company's Suspense Escrow Demat Account.

In view of the above, the Shareholders holding shares in physical form are requested to get their shares dematerialised at the earliest to avoid any inconvenience in future while transferring the shares. Accordingly, shareholders holding shares in physical are requested to contact the RTA/ Company for assistance in converting their holdings to demat form at the earliest.

Shareholders are advised to refer the latest SEBI guidelines/circular issued for all the holders holding securities in listed companies in physical form from time to time and keep their KYC details updated at all times.

(xix) Suspense Escrow Demat Account

In accordance with the recent SEBI circular as mentioned above, the Company has opened a separate Suspense Escrow Demat Account ("said account") with NSDL in case any demat request is not submitted within 120 days from the date of "Letter of Confirmation" the same shall be credited to the said account.

The details of shares lying under the said Demat Account as on March 31, 2024 is as follows

Particulars	No. of shareholders	No. of shares
Aggregate Number of shareholders and the outstanding shares in the suspense escrow demat account lying as on April 1, 2023	4	1,044
Transferred during the year	9	3,101
Shareholders, who approached the Company for transfer of shares from the suspense escrow demat account	4	1,122
Aggregate Number of shareholders and the outstanding shares in the suspense escrow demat account lying as on March 31, 2024	9	3,023

(xx) Dispute Resolution Mechanism (SMART ODR)

In order to strengthen the dispute resolution mechanism for all disputes between a listed company and/or registrars & transfer agents and its shareholder(s)/investor(s), SEBI had issued a Standard Operating Procedure ('SOP') vide Circular dated May 30, 2022. As per this Circular, shareholder(s)/investor(s) can opt for Stock Exchange Arbitration Mechanism for resolution of their disputes against the Company or its RTA. Further, SEBI vide Circular dated July 31, 2023 (updated as on December 20, 2023), introduced the Online Dispute Resolution (ODR) Portal. Through this ODR portal, the aggrieved party can initiate the mechanism, after exercising the primary options to resolve its issue, directly with the Company and through the SEBI Complaint Redress System (SCORES) platform. The Company has complied with the above circulars and the same are available at the website of the Company: https://www.abfrl.com

(xxi) Company's recommendations to the shareholders:

a. Intimate/update contact details

Shareholders are requested to update/ intimate changes, if any, with necessary documentary evidence, to the Company/ RTA, if shares are held in physical mode or to their Depository Participant ("DP"), if the holding is in electronic mode.

b. Furnish/ update PAN, KYC, bank account and nomination details with the Company/ DP

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, has prescribed common and simplified norms for processing investor's service request by furnishing the following documents/ details/ to RTA:

- Register the PAN through form ISR - 1
- Compulsory linking of PAN and Aadhaar
- Nomination in Form SH-13 or cancellation or variation in nomination through Form SH-14
- Declaration to Opt-out Nomination through Form ISR - 3 after cancelling his existing nomination, if any, through Form SH-14
- Bank account particulars through Form ISR-2
- Specimen signature update
- All the above forms are available on the website of the Company www.abfrl.com and with RTA.

c. Updation of details by non-resident shareholders

Non-resident Indian shareholders are requested to immediately inform the Company/ RTA, if shares are held in physical mode or to their DP, if the holding is in electronic mode, regarding change in the residential status on return to India for permanent settlement and/or the particulars of the NRE account with a bank in India, if not furnished earlier.

d. Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services, shareholders who have more than one folio/demat account in the same order of names, are requested to consolidate their holdings under one folio/demat account. They may write to the RTA/ DP in this regard. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor and service multiple folios/ demat accounts.

e. Submit Nomination Form

Section 72 of the Companies Act, 2013, extends nomination facility to individuals holding shares in physical form. Shareholders, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form No. SH-13/ SH-14 which can be downloaded from the website of the Company i.e., www.abfrl.com, duly filled-in to RTA at their address mentioned herein below. Shareholders holding shares in demat form may contact their respective DPs for availing this facility/ change an existing nomination.

f. Deal with registered intermediaries

Shareholders should transact through a SEBI registered intermediary, as it will be responsible for its activities and in case the intermediary does not act professionally, the matter can be taken up with SEBI/stock exchanges.

g. Monitor holdings regularly

Demat account should not be kept dormant for a long period of time. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. Where the shareholder holding shares in demat form is likely to be away for a long period of time, such shareholder can make a request to the DP to keep the account frozen, so that there can be no debit to the account till the instruction for freezing the account is countermanded by the shareholder.

(xxii) Plants of the Company with their locations:

Sr. no.	Plants	Location
1.	Madura Clothing *(Crafted Clothing)*	No. 527, Marasur Village, Anekal Taluk, Bengaluru - 562106, Karnataka
2.	Madura Clothing *(Fashion Craft)*	No. 324, Marasur Village, Anekal Taluk, Bengaluru - 562106, Karnataka
3.	Madura Clothing *(Europa Garments)*	Survey No. 62/2A, 62/2B, Parappana Agrahara, Off Hosur Road, Begur Hobli, Naganathapura, Bengaluru - 560100, Karnataka
4.	Madura Clothing *(Classical Menswear)*	No. 288/2, Dodda Begur, Bommanahalli, Bengaluru - 560068, Karnataka.
5.	Madura Clothing *(English Apparels)*	No. 52/2, Bilvaradahalli, Jigani Hobli, Anekal Taluk, Bengaluru - 560083, Karnataka
6.	Madura Clothing *(Haritha Apparels)*	Survey No. 42/2, 43, Basavanapura, Mayaganahalli, Kasaba Hobli, Ramanagara Taluk and District - 562159, Karnataka
7.	Madura Clothing *(Alpha Garments)*	No. 10/1, Byatarayanapura Jakkur Layout, Bellary Main Road, Bengaluru - 560064, Karnataka
8.	Madura Clothing *(Little England Apparels)*	Survey No.#569/1,569/2B,570,606,853/1, Kurbarapalli village Doddaubanur Post, Denkanikotte Taluk, Thally - 635118, Tamil Nadu
9.	Aditree Apparels (formerly known as Bilteek Fashion)	Plot No. A-4, A-5, A-6, Apparel Park Industrial Area, Sy.No. 29 and 31, Arehalliguddadahalli, Kasaba Hobli, Doddaballapur Taluk, Bengaluru - 561203
10.	Aditya Birla Fashion and Retail Limited – Odisha	IDCO Plot No. H2, H3, H4, H5, H5(P) and H6, Bomikhal, Mancheswar Industrial Estate, Bhubaneswar, Odisha - 751010

(xxiii) Store Locations of the Company:

Your Company also has multiple stores spread across India. You may please refer the back inner cover page of this Annual Report for the city-wise break-up of stores of the Company plotted on the map of India.

(xxiv) Address for correspondence:

- All shareholder's correspondence should be forwarded to Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company or to the Company Secretary at the registered office of the Company at the addresses mentioned below.
- The Company's dedicated e-mail address for shareholders complaints and other communications is secretarial@abfrl.adityabirla.com.

Registrar and Share Transfer Agent	Registered Office
Link Intime India Private Limited	**Aditya Birla Fashion and Retail Limited**
Unit: Aditya Birla Fashion and Retail Limited	Piramal Agastya Corporate Park, Building 'A',
C-101, 247 Park, L.B.S. Marg,	4^{th} and 5^{th} Floor, Unit No. 401, 403, 501, 502,
Vikhroli (West), Mumbai - 400083	L.B.S. Road, Kurla, Mumbai - 400070
Phone : +91 8108116767	Phone : +91 86529 05000
Fax : +91 22 49186060	Fax : +91 86529 05400
E-mail : rnt.helpdesk@linkintime.co.in	E-mail : secretarial@abfrl.adityabirla.com
Website: www.linkintime.co.in	Website: www.abfrl.com

(xxv) Feedback:

Your feedback is valuable to us to help us serve you better. Shareholders are requested to give us their valuable suggestions, if any, for enhancement of our investor services by writing to RTA/Company at the address provided hereinabove.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Anchored by the ABG Vision and Sustainable Business Framework, we at ABFRL embarked on our sustainability journey with the launch of the sustainability 1.0 programme 'ReEarth - For Our Tomorrow' in FY13.

Building on our commitment to foster a sustainable tomorrow and deliver sustainable fashion, we have leapfrogged in our ReEarth programme with sustainability 2.0 and defined milestones for 2025.

We present our Business Responsibility and Sustainability Report (BRSR) in alignment with the National Guidelines on Responsible Business Conduct (NGRBCs) on Environmental, Social and Governance (ESG) of Businesses as released by the Ministry of Corporate Affairs. This Report is prepared as per amended 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 and SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	:	L18101MH2007PLC233901
2	**Name of the Listed Entity**	:	Aditya Birla Fashion and Retail Limited
3	**Year of incorporation**	:	2007
4	**Registered office address**	:	Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai, Maharashtra - 400 070
5	**Corporate address**	:	KH No, 118/110/1, Building 2, Divyashree Technopolis, Yemalur Post, HAL Old Airport Rd, Bengaluru, Karnataka - 560 037
6	**E-mail**	:	secretarial@abfrl.adityabirla.com
7	**Telephone**	:	91 86529 05000
8	**Website**	:	www.abfrl.com
9	**Financial year for which reporting is being done**	:	2023-2024
10	**Name of the Stock Exchange(s) where shares are listed**	:	BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE")
11	**Paid-up Capital (in INR)**	:	₹ 1,015.01 Cr
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: Dr Naresh Tyagi Designation: Chief Sustainability Officer Telephone: 080-67271000 Email Address: naresh.tyagi@abfrl.adityabirla.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).**	:	Yes, the disclosure under this report are made on Standalone basis. The BRSR disclosures pertain to our Corporate office in Mumbai and Head Office in Bengaluru, factories, warehouses, and retail stores. The defined boundary covers significant operations of the organization. Please Refer about the report' section page no. 03
14	**Name of Assurance Provider**	:	British Standards Institution
15	**Type of Assurance**	:	Reasonable Assurance for BRSR core

II. Products / services

16. Details of business activities (accounting for 90% of the turnover):

Business activities include design, manufacturing, distribution and retailing offering branded apparel and accessories. Details of turnover provided in subsequent question.

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Description of Main Activity	Description of Business Activity	Business Activity Code	% of Turnover of the entity
1	Manufacturing	Textile, Leather and other apparel products	C2	19.02%
2	Trade	Retail Trading	G2	80.98%

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	10 Factories 8 Warehouses	Registered Office – Mumbai Office – Bengaluru	20
International	—	—	—

Please Refer 'Reporting Scope Boundary and Framework' section page no. 04

19. Markets served by the entity:

a. Number of locations:

Location	Number
National (no. of states)	28 states and 4 union territories across India
International (no. of countries)	The Middle East, USA

b. What is the contribution of exports as a percentage of the total turnover of the entity?

1.48% is contributed to exports in total turnover

c. A brief on types of customers:

Considering our product portfolio, we cater to all types of customer needs in fashion including formals, casuals, fast fashion, Indian ethnic and luxury. We also cater to accessory needs of the customers across India. We also reach out to our customer through our e-commerce along with our large retail footprint.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Please refer Human Capital section, Page no. 52

b. Differently abled Employees and workers:

Please refer Human Capital section, Page no. 51

21. Participation / Inclusion / Representation of women

Please refer Human Capital section, Page no. 52, 53

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Please refer Human Capital section, Page no. 55, 56

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	Jaypore E Commerce Private Limited	Subsidiary	100.00%	No
2	TG Apparel & Décor Private Limited	Subsidiary	100.00%	No
3	Finesse International Design Private Limited	Subsidiary	63.50%	No
4	Sabyasachi Calcutta LLP	Subsidiary	51.00%	No
5	Indivinity Clothing Retail Private Limited	Subsidiary	80.00%	No
6	House of Masaba Lifestyle Private Limited	Subsidiary	52.44%	No
7	Aditya Birla Garments Limited	Subsidiary	100%	No
8	Aditya Birla Digital Fashion Ventures Limited	Subsidiary	100%	No
9	TCNS Clothing Co. Limited	Subsidiary	52.01%	No
10	Sabyasachi Inc	Step-down Subsidiary	51.00%	No
11	Jaypore Fashions Inc	Step-down Subsidiary	100.00%	No
12	Pratyaya E -Commerce Private Limited	Step-down Subsidiary	76.03%	No
13	Imperial Online Services Private Limited	Step-down Subsidiary	60.96%	No
14	Awesomefab Shopping Private Limited	Step-down Subsidiary	54.97%	No
15	Bewakoof Brands Private Limited	Step-down Subsidiary	86.82%	No
16	Next Tree Products Private Limited	Step-down Subsidiary	86.82%	No
17	Styleverse Lifestyle Private Limited	Step-down Subsidiary	51.00%	No
18	Goodview Fashion Private Limited	Joint Venture	33.50%	No

VI. CSR Details

24. CSR details

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: *Yes*

(ii) Turnover (in Rs.): *Rs. 12,351.15 Cr*

(iii) Net worth (in Rs.): *Rs. 5,048.97 Cr.*

VII. Transparency and Disclosure compliance

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 redress policy)	FY 2023-24 (Current)			FY 2022-23 (Previous)		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0		0	0	
Investors (other than shareholders)	Yes	0	0		0	0	
Shareholders	Yes https://www.abfrl.com/corporate-governance/policies/	42	0	0	88	1	
Employees and workers	Yes	220	11		163	2	0
Customers	Yes	56890	540		36294	0	NA
Value Chain Partners	Yes	0	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

Please Refer Materiality – Stakeholder Engagement and Materiality Assessment Section, page no. 20

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	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and Management Process									
1a.	**Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1b.	**Has the policy been approved by the Board? (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1c.	**Web Link of the Policies, if available**	http://www.abfrl.com/corporate-governance/policies/ Some policies may also include a combination of internal policies of the Company which are accessible to all internal stakeholders and policies placed on the Company's website								
2	**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
3	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
4	**Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	Global Standards / frameworks: ILO, GRI, IFC, ISO, SA8000	Labels: BCI, LIVA Eco Fiber International Standards: OHSAS, ANSI, BSI, ASTM, NFPA Indian Standards: BIS, NBC, NSC Global Standards / frameworks: ILO, GRI, IFC, ISO, SA8000, Recycled Claim Standard, Higg Index	International Standards: OHSAS, ANSI, BSI, ASTM, NFPA Indian Standards: BIS, NBC, NSC Global Standards / frameworks: ILO, GRI, IFC, ISO, SA8000, ETI	Global Standards: AA1000AS, GRI, UNGC	Global Standards / frameworks: ILO, ISO, IFC SA8000, ETI, UNGC	Global Standards / frameworks: ILO, GRI, IFSC, ISO, SA8000 Certifications: USGBC, IGBC	Global Standards: AA1000AS, GRI, UNGC	Global Standards / frameworks: ILO, IFC, ISO, SA8000, UNGC	Global Standards / Frameworks: ISO
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	-	- 50% products by volume to have at least one sustainable attribute by 2025 - All tier-1 suppliers to be covered under Vendor Code of Conduct Program by 2025 - Zero severity at our premises - 50% renewable energy across our facilities	- All tier-1 suppliers to be covered under Vendor Code of Conduct Program by 2025 - Zero Harm - No incident of 'Category 5' at our premises.	-	- All tier-1 suppliers to be covered under Vendor Code of Conduct Program by 2025	- 50% Renewable Energy across our facilities by 2025 - 5% reduction in Scope 1, 2 & 3 Emissions by 2025 - Water positive across our facilities - Zero Waste disposed to landfill	-	- CSR goals are defined year-on-year across Education, Healthcare & Sanitation, Sustainable Livelihood, Water & Watershed and Digitalization	'All tier-1 suppliers to be covered under Vendor Code of Conduct Program by 2025 - 10% products by volume to be recycled / upcycled

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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)**	*Please refer 'Executive Messages' Section*								
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Name: Dr. Naresh Tyagi Designation: Chief Sustainability Officer Telephone: 080-67271000 Email Address: naresh.tyagi@abfrl.adityabirla.com								
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**	Please refer Risk and Opportunity, Risk governance section. Page no. 16								
10	**Details of Review of NGRBCs by the Company**	**Indicate whether: (i) Review was undertaken by Director / Committee of the Board / Any other Committee(ii) Frequency - Annually / Half yearly / Quarterly / Any other – please specify**								
	Subject for review	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
	Performance against above policies and follow up action	Quarterly / Half yearly	Quarterly / Half yearly	Quarterly / Half yearly	Quarterly / Half yearly	Quarterly / Half yearly	Quarterly / Half yearly	-	Quarterly / Half yearly	-
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Half yearly	Half yearly	Half yearly	Half yearly	Half yearly	Half yearly	-	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**	Yes, IMS audit conducted by BVQI	Yes, facilities assessed on Higg Index FEM / FSLM by Bluwin		Yes, Sustainability Report assessed and assured by BSI	Yes, Human Rights Assessment conducted by KPMG	-	-	Yes, Social Impact assessment by Navgraam Development Consulting LLP	Yes, Information and Cyber Security systems & protocols assessed by one of the Big 4 Audit firm
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)	-	-	-	-	-	-	-	-	-
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
	Any other reason (please specify)	-	-	-	-	-	-	While ABFRL does not have a stated policy on Policy Advocacy; as part of the Aditya Birla Group, we actively undertake need- based advocacy on issues pertaining to the industry through our membership of relevant industry bodies, such as Retail Association of India and Clothing Manufacturers Association of India		

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Good governance is the common underlying principle for all successful organizations. To ensure transparent communication and ethical conduct at all levels of the value chain, we adhere to the policies which form the cornerstone of our operations and ensure business continuity in a responsible manner.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

   A top priority at ABFRL is effectively harnessing the skills and capabilities of our people through focused initiatives on talent development. These initiatives enable our employees to focus on achieving personal and professional goals that are in alignment with the organizational strategy and their own career aspirations.

Segment	Total number of training and awareness programmes held	Topics / prin-ciples cov-ered under the training and its im-pact	Total no. of per-sons in the cate-gory	Total no. per-son covered by the awareness programmes	% of persons in cate-gory covered by the awareness pro-grammes
Board of Directors	1	1,2,4,5,6	14	12	85.71%
Key Managerial Personnel	1	1,2,4,5,6	5	5	100%
Employees other than BoD and KMPs	290	1,2,3,5,8,9	14436	14436	100%
Workers	31	1,2,3,5,6	12529	12529	100%

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:**

Monetary	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	1 to 9	NIL (for directors & KMP)	-	-	-
Settlement	1 to 9	NIL (for directors & KMP)	-	-	-
Compounding fee	1 to 9	NIL (for directors & KMP)	-	-	-
Non-Monetary	**NGRBC Principle**	**Name of the regulatory / enforcement agencies / judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**	
Imprisonment	1 to 9	NIL (for directors & KMP)	-	-	-
Punishment	1 to 9	NIL (for directors & KMP)	-	-	-

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. –**

   NIL

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, we have an Anti-Fraud and Anti-Corruption and Bribery Policy in place.

   https://www.abfrl.com/docs/corporate_governance/policies/Anti-Fraud-Policy.pdf

   https://www.abfrl.com/wp-content/uploads/2024/07/Anti-Corruption-and-Bribary-Policy.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Segment	FY 2023-24	FY 2022-23
Directors	Nil	Nil
Key Managerial Personnel	Nil	Nil
Employees other than BoD and KMPs	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

No. of complaints received in relation to issues of Conflict of Interest	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil

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 payable ((Accounts payable*365) / cost of goods / services procured) in the following format:**

   Please refer Financial Capital section, Page no. 36

9. **Open-ness of Business:**

   Please refer Financial Capital section, Page no. 36

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

   Please refer Social and Relationship Capital section, Page no. 155

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.**

   Board and Senior Management being the decision-making authority, there's a code of conduct in place to observe the highest standards of ethical conduct and integrity.

   Refer Code of Conduct - https://www.abfrl.com/corporate-governance/code-of-conduct/

Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe

ABFRL is committed to its vision to 'passionately satisfy Indian consumers' needs in fashion, style and value'. Consumers today are more aware and prefer not only the style and service but also in the knowledge that the brands they choose manufacture products sustainably and operate responsibly and ethically. They make the conscious, and often a well-researched choice to opt for products that meet their expectations in terms of both quality and values without compromising on sustainability.

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**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	0	0	-
Capex	0	0	-

2. a. **Does the entity have procedures in place for sustainable sourcing?**

   Yes, we have a defined methodology namely 'Sustainable Attributes' to monitor sustainable coefficient across our product portfolio

   b. **If yes, what percentage of inputs were sourced sustainably?**

   At ABFRL Level, 89.2% product have at least one sustainable attribute

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life**

   Please refer Natural Capital section, Page no. 115

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities-**

   Yes

   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.

   Please refer Natural Capital section, Page no. 119

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?** Yes

NIC Code	Name of Product / Service	% of total Turnover contribute	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.
Section C, Division 13 and 14, Group 131 and Group 141	Denim Jeans (Peter England) Shade: Dark Grey)	NA	Cradle to Grave	Yes	No
	Denim Jeans (Bare Denim) Shade: Na-vy	NA	Cradle to Grave	Yes	No

NIC Code	Name of Product / Service	% of total Turnover contribute	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.
Section C, Division 13 and 14, Group 131 and Group 141	T Shirt (Allen Solly) Shade: OBA White	NA	Cradle to Grave	Yes	No
	T Shirt (Byford) Shade: Black	NA	Cradle to Grave	Yes	No

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**

   Please refer Natural Capital section, Page no. 120

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 ma-terial	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Carton Box	100% cardboard made from recycled paper	

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:**

   Please refer Natural Capital section, Page no. 119

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category. –** *Not Applicable*

Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

At ABFRL, our 'People Vision' is to **'Drive a High Performing and Customer Centric Culture with Happy and Value Oriented Employees'.** We are especially proud of our performance as it is expertly anchored by advanced capabilities and enhanced productivity.

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

   Please refer Human Capital section, Page no. 66

   b. **Details of measures for the well-being of workers:**

   Please refer Human Capital section, Page no. 67, 68

   c. **Spending on measure towards well-being of employees and workers (including permanent and other than permanent)**

   Please refer Human Capital section, Page no. 66

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

	FY 2023-24			FY2022-23		
Benefits	No. of employees covered as a % of total employees	No. of employees 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 employees covered as a % of total Workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	41%	94%	Yes	44%	97%	Yes

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 premises / offices are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016

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.**

   While we don't have a standalone Equal Opportunity Policy, our Human Rights policy emphasizes our commitment and approach in providing a conducive and diverse work environment considering the rights of vulnerable groups such as indigenous people, women, migrant workers and other minorities. Please refer Human Rights Policy for further information. - https://www.abfrl.com/docs/corporate_governance/policies/HUMAN-RIGHTS-POLICY.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

   Please refer Human Capital section, Page no. 68

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes / No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	Works committee has formed to address the Grievance of workers. Committee comprises of 13 members with 20% of male and 80% of female across levels and each unit level (Factories)
Other than Permanent Worker	No	NA
Permanent Employees	Yes	Please refer Employee grievance mechanism in Human Capital Page no. 72
Other than Permanent Employees	No	NA

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

   Please refer Human Capital section, Page no. 70

8. **Details of training given to employees and workers:**

   Health and Safety:

	FY 2023-24					FY 2022-23				
	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)
Employees										
Male	10,645	82810	777%	24482	229%	10688	8246	77%	11404	107%
Female	3,791	56744	1496%	10024	264%	3693	3129	85%	4169	113%
Total	14,436	139554	966%	34506	239%	14381	11375	79%	15573	108%
Worker										
Total	12529	135584	1082%	21958	175%	14009	16840	120%	386	3%

*Percentage exceeds 100% as employees have received multiple trainings

9. **Details of performance and career development reviews of employees and worker:**

   100% of employees and permanent workers are covered under performance and career development review. Please refer Human Capital section, Page no. 68

10. **Health and safety management system:**

    a. **Whether an occupational health and safety management system has been implemented by the entity? If yes, the coverage such system?**

       Yes, please refer Human Capital Section, Page no. 73

    b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

       Risk Assessment and Management System - Hazard Identification and Risk Assessment, Job Safety Analysis, please refer Human Capital Section, Page no. 76

    c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

       Please refer Human Capital Section, Page no. 76

    d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?**

       We have Group Mediclaim Policy in place for all our employees (including workers)

11. **Details of safety related incidents, in the following format:**

    Please refer Human Capital section, Page no. 77

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

    Please refer Human Capital section, Page no. 76

13. **Number of Complaints on the following made by employees and workers:**

Number of Complaints on the following made by employees and workers:	FY 2023-24			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Health & Safety	2879	0	-	3142	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% (Factories and Warehouse)
Working conditions	100% (Factories and Warehouse)

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.**

    Please refer Human Capital section, Page no. 76, 77

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death.**

Employees	Yes
Workers	Claims are settled through EDLI – EPFO

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   Statutory dues are managed by internal process stakeholders and there are quarterly audit happening around to ensure the prompt payment and 100% complaint

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 are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees / worker		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-2024	FY 2022-2023	FY 2023-2024	FY 2022-2023
Employees	0	0	NA	NA
Workers	0	0	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?

Please refer Human Capital section, Page no. 59-63

5. Details on assessment of value chain partners:

Please refer Social and Relationship Capital section, Page no. 152-154

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.

Please refer Social and Relationship Capital section, Page no. 155

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.

Please refer Stakeholder Engagement and Materiality assessment Section, Page no. 20

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Please refer Stakeholder Engagement and materiality assessment Section, Page no. 21-23

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.

Please refer Stakeholder Engagement and materiality assessment section, Page no. 24

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No).

Yes

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.

Please refer Materiality Section and Stakeholder Engagement section, Page no. 20

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Please refer Materiality Section and Stakeholder Engagement section, Page no. 21

Principle 5 Businesses should respect and promote human rights

ABFRL upholds the belief that all humans must be treated with dignity and respect. In order to ensure this, we protect human rights, not only within our premises but across our supply chains. Our policy on human rights is thus extended to vendors, suppliers and NGOs. Some of the steps that we have taken to safeguard human rights are:

- We prohibit child labour across all vendor sites. This is enforced and ensured through stringent and regular audit checks of vendors
- Our 'Prevention of Sexual Harassment' (POSH) Policy has been adopted on the Company-wide level to ensure the respect and dignity of all its employees. POSH is applicable not only to employees but also to third parties or clients and vendors of the Company

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:

Please refer Human Capital section, Page no. 71

2. Details of minimum wages paid to employees and workers, in the following format:

Please refer Human Capital section, Page no. 58

3. Details of remuneration/salary/wages, in the following format:

a. Median Remuneration / Wages

Details of Remuneration	Male		Female	
Category	**Number**	**Median remuneration/salary/ wages of respective** *(in INR)*	**Number**	**Median remuneration/ salary/wages of respective** *(in INR)*
Board of Directors (BoD)	-	-	-	-
Key Managerial Personnel	4	5,79,55,827	1	6,60,56,465
Employees other than BoD and KMP	10641	3,56,000	3790	2,32,639
Workers	1808	2,24,044	10721	1,70,663

b. Gross wages paid to female as % of the total wages paid by entity

Please refer Human Capital section, Page no. 58

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*

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have a formal policy in line with UNGC Principles of Human Rights & Labor, Social Accountability 8000 etc. and employee raise their grievances through dedicated helpline numbers work committee and email in their reginal language

6. Number of Complaints on the following made by employees and workers:

Please refer Human Capital section, Page no. 72

7. Complaints filed under the sexual Harassment of women at workplace (prevention, prohibition and redressal) act 2023, in the following format

Please refer Human Capital section, Page no. 72

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Please refer Human Capital section, Page no. 72

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)- *Yes*

10. Assessments for the year – Percentage of plants and offices

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100% assessed for Workplace Health & Safety requirements

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

At the time of Audit suitable corrective actions are recommended and facilities are monitored through regular Follow-up and Annual Surveillance Audits to ensure robustness of the systems in place

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. – *Not applicable*

2. Details of the scope and coverage of any Human rights due-diligence conducted.

All the tier 1 vendors, warehouse, retail stores, business offices, and in-house factories are under the scope of Human Rights due diligence.

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

4. Details on assessment of value chain partners:

Please refer Social and Relationship Capital section, Page no. 153

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

At the time of Audit suitable corrective actions are recommended. Vendors are monitored through regular Follow-up and Annual Surveillance Audits to ensure robustness of the systems in place

Please refer Social and Relationship Capital section, Page no. 154

Principle 6 Businesses should respect and make efforts to protect and restore the environment

At ABFRL, we are striving to provide every customer a sense of meaningful contribution in building a sustainable ecosystem, through resource neutral operations of closed-loop models, sustainable raw materials and enhanced transparency.

- Our sustainability webpage link - https://www.abfrl.com/sustainability/
- Our Environmental Policy link - https://www.abfrl.com/docs/corporate_governance/policies/ENVIRONMENTAL-POLICY.pdf

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Please refer Natural Capital section, Page no. 104

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.

None of the ABFRL facility has been identified as designated consumers under PAT scheme

3. Provide details of the following disclosures related to water, in the following format:

Please refer Natural Capital section, Page no. 107

4. Provide the following details related to water discharged:

Please refer Natural Capital section, Page no. 109

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, ABFRL has implemented a mechanism for zero water Discharge. Under Liquid waste, we have Used oil, which is collected, stored and disposed for recycling.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Please refer Natural Capital section, Page no. 103

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Please refer Natural Capital section, Page no. 101

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, Energy efficiency, PV Solar Roof Top, Use of biomass as fuel in boiler etc. Please refer Natural Capital section, Page no. 105

9. Provide details related to waste management by the entity, in the following format:

Please refer Natural Capital section, Page no. 116

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.

Please refer Natural Capital Section, Page no. 123, 124

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:

Not Applicable. ABFRL has no operations/offices in/around ecologically sensitive areas

12. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year: *Not Applicable*

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:

Yes, we adhere to all applicable local and national environment laws and regulations

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Bangalore and Gurugram

(ii) Nature of operations: Domestic purpose

(iii) Water withdrawal, consumption and discharge in the following format:

Please refer Natural Capital Section, Page no. 109

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Please refer Natural Capital Section, Page no. 102, 103

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.

ABFRL has no operations/offices in/around 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:

Please refer Natural Capital Section, Page no. 104

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

We have crisis management policy at group level

https://sustainability.adityabirla.com/images/Crisis-Management-Policy.pdf

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 impacts to the environment evidenced as a result of our operations

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Please refer, Social and Relationship Capital, Page no. *152, 153*

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 trade and industry chambers/ associations.

Please refer 'Membership in Industry Associations', in Public Advocacy section in Social and Relationship Capital, Page no. 158

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Please refer 'Membership in Industry Associations', in Public Advocacy section in Social and Relationship Capital, Page no. 158

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.

– *Not Applicable*

Principle 8 Businesses should promote inclusive growth and equitable development

The Company focuses its CSR initiatives under 5 pillars, i.e., Education, Health & Sanitation, Sustainable Livelihood, Water and Digitization. It also strongly encourages voluntary employee participation in the CSR activities, and has a policy in place to facilitate this.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Please refer Social and Relationship Capital, Page no. 147

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Please refer Social and Relationship Capital, Page no. 136

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

   Please refer Social and Relationship Capital, Page no. 152

5. **Job creation in smaller town- Disclose wages paid to person employed (Including employees or workers employed on permanent or non-permanent /on contract basis in the following locations.**

   Please refer Human Capital, Page no. 53

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
Not Applicable as no any negative social impacts identified in the Social Impact Assessments	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   Please refer Social and relationship capital section, page no. 138

3a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

- *No*

3b. **From which marginalized /vulnerable groups do you procure?**

Currently, we are not purchasing from any marginalized or vulnerable groups

3c. **What percentage of total procurement (by value) does it constitute? –** 0%

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:**

   Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   – *Not Applicable*

6. **Details of beneficiaries of CSR Projects:**

   Please refer Social and Relationship Capital, Page no. 132

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.**

   Please Refer Customer, Social and Relationship Capital Page no. 149

2. **Turnover of products and / services as a percentage of turnover from all products/ service that carry information about:**

Environmental and social parameters relevant to the product	We have defined sustainable product attributes. We launch various environment friendly collections and mentions the Environment and Social performance of the products. Such products comprise of 89.2 % by volume.
Safe and responsible usage	Our product tags contain the information on the safe and responsible usage of the products such as wash care, drying and ironing instruction. We mention these instructions on 100% of our apparel products.
Recycling and/or safe disposal	Not Applicable

3. **Number of consumer complaints in respect of the following:**

   Please refer Social and Relationship Capital, Page no. 149

4. **Details of instances of product recalls on account of safety issues: -** *Not Applicable*

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.**

   Please refer intellectual Capital, Information security section Page no. 92, 93

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. -** *Nil*

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact:**

   0

   b. **Percentage of data breaches involving personally identifiable information of customers:**

   0%

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)**

   Information relating to all the products and services provided by the organization are available on the Company website https://www.abfrl.com. Apart from that all the brands that are part of ABFRL, have their own websites, where they regularly update their information regarding their products and services. In addition, the Corporation actively uses various social media and digital platforms to disseminate information.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Our product tags contain the information on the safe and responsible usage of the products such as wash care, drying and ironing instruction. We mention these instructions on all of our apparel products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Not applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

   Product Story related to raw material, finish or any other key highlight shall be disclosed over and above the mandatory requirement through the hangtag. Example - LIVA, Giza Cotton

   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)

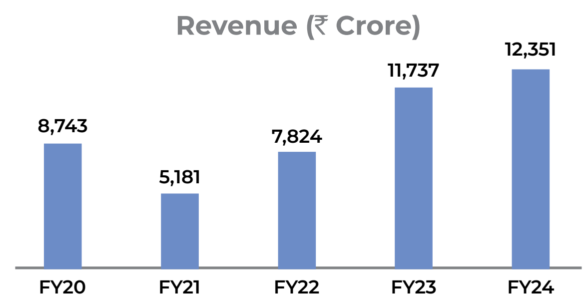
   Yes, we do carry out surveys with regard to consumer satisfaction.

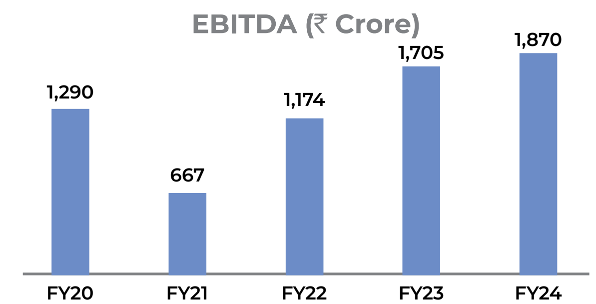
FINANCIAL HIGHLIGHTS

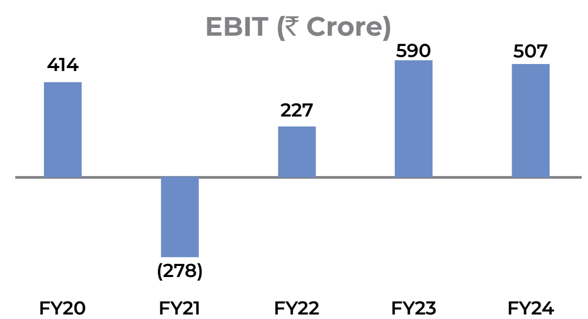
(in ₹ Crore)

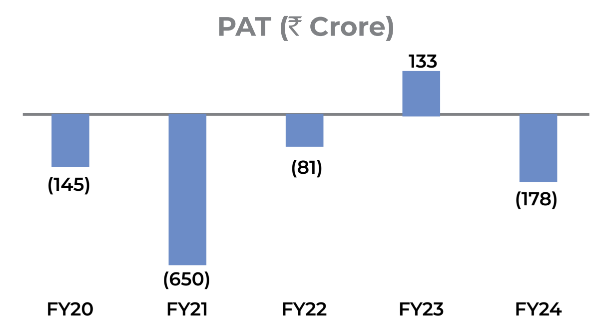
Standalone :

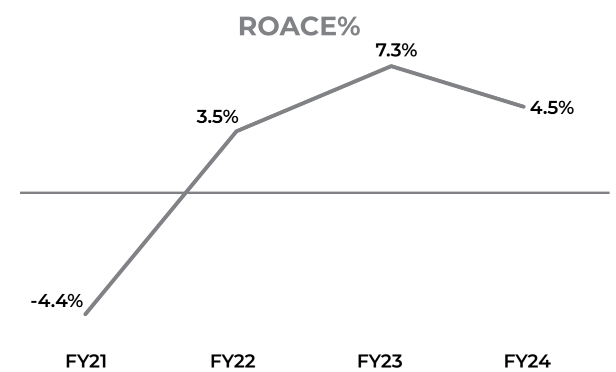
Particulars	FY20	FY21	FY22	FY23	FY24
Revenue	8,743	5,181	7,824	11,737	12,351
EBITDA	1,290	667	1,174	1,705	1,870
EBIT	414	(278)	227	590	507
PBT	(9)	(776)	(113)	166	(235)
PAT	(145)	(650)	(81)	133	(178)
Revenue Growth		-40.7%	51.0%	50.0%	5.2%
EBITDA Growth		-48.3%	76.0%	45.3%	9.7%
EBITDA%	14.8%	12.9%	15.0%	14.5%	15.1%
EBIT%	4.7%	-5.4%	2.9%	5.0%	4.1%
PBT%	-0.1%	-15.0%	-1.5%	1.4%	-1.9%
PAT%	-1.7%	-12.5%	-1.0%	1.1%	-1.4%
Capital Employed	6,330	6,188	6,705	9,466	12,834
ROACE		-4.4%	3.5%	7.3%	4.5%
Net Debt Equity Ratio	2.3	0.2	0.2	0.3	0.4









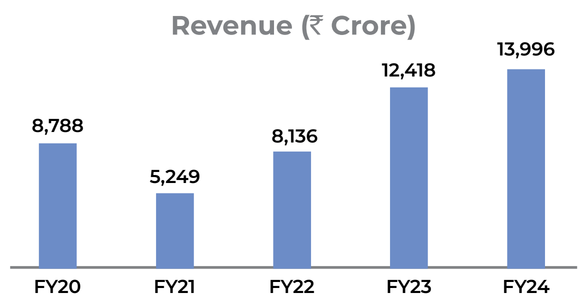


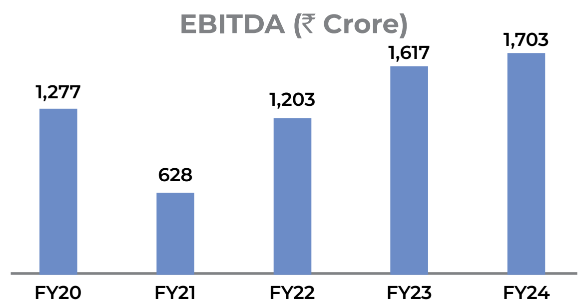
FINANCIAL HIGHLIGHTS

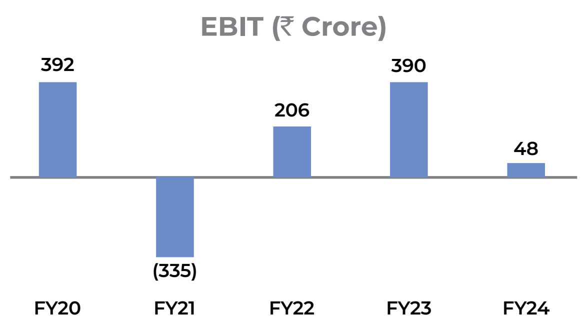
(in ₹ Crore)

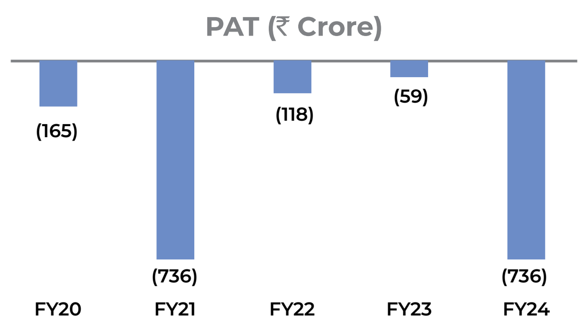
Consolidated:

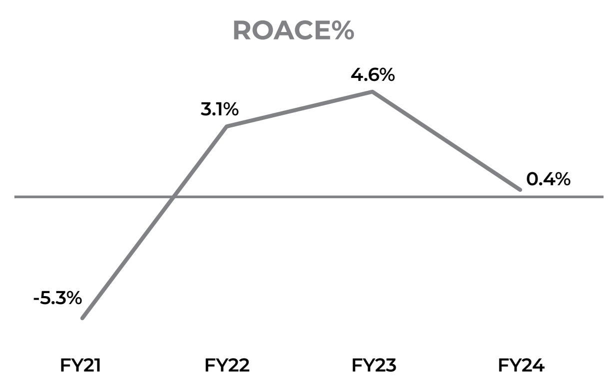
Particulars	FY20	FY21	FY22	FY23	FY24
Revenue	8,788	5,249	8,136	12,418	13,996
EBITDA	1,277	628	1,203	1,617	1,703
EBIT	392	(335)	206	390	48
PBT	(33)	(838)	(145)	(82)	(829)
PAT	(165)	(736)	(118)	(59)	(736)
Revenue Growth		-40.3%	55.0%	52.6%	12.7%
EBITDA Growth		-50.8%	91.6%	34.4%	5.3%
EBITDA%	14.5%	12.0%	14.8%	13.0%	12.2%
EBIT%	4.5%	-6.4%	2.5%	3.1%	0.3%
PBT%	-0.4%	-16.0%	-1.8%	-0.7%	-5.9%
PAT%	-1.9%	-14.0%	-1.5%	-0.5%	-5.3%
Capital Employed	6,373	6,276	6,889	9,919	14,172
ROACE		-5.3%	3.1%	4.6%	0.4%
Net Debt Equity Ratio	2.3	0.2	0.2	0.4	0.6











INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Fashion and Retail Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Aditya Birla Fashion and Retail Limited ("the Company") which includes the financial statements of ABFRL Employee Welfare Trust, which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive loss (comprising of loss and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

4. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill (Refer Note 5 to the Standalone Financial Statements) The Company has goodwill of ₹1,859.60 crores as at March 31, 2024. The goodwill was acquired in business combinations recorded in the prior years and was allocated to Cash Generating Units (CGU) of the Company. In accordance with Ind AS 36, *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment annually. Management has performed impairment assessment for each of the CGUs to which goodwill has been allocated by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU which is higher of value in use and fair value less costs of disposal. Impairment assessment of goodwill requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill is considered to be a key audit matter.	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Company's controls to assess impairment of goodwill on an annual basis. • Evaluated whether the CGUs were determined and the goodwill allocation was performed in accordance with requirements of Ind AS 36 and our knowledge of the Company's operations. • Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount of the CGU. • Evaluated the objectivity, competency and independence of the management expert engaged by the Company. • Evaluated the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis and assessed the consistency of the cashflow projections with the budgets approved by the Board of Directors. • Evaluated the sensitivity analysis performed by management on the growth rates and discount rates to determine whether reasonable changes in these key assumptions would result in the carrying amounts of individual CGUs to exceed their recoverable amounts. • Involved auditor's expert to assist in evaluating the impairment assessment including certain assumptions used. • Evaluated the adequacy of the disclosures made in the Standalone Financial Statements. Based on procedures above, management's impairment assessment of goodwill appears to be reasonable.

Key audit matter	How our audit addressed the key audit matter
Impairment evaluation of Investments in subsidiaries (Refer Note 6(a) to the Standalone Financial Statements) At March 31, 2024, the Company has investments in the following subsidiaries namely:	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Company's controls to assess impairment of its investments in subsidiaries. • Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount. • Evaluated the objectivity, competency and independence of the Management expert engaged by the Company. • Evaluated the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis and assessed the consistency of the cashflow projections with the budgets approved by Board of Directors. • Evaluated the sensitivity analysis performed by the Management on the recoverable amount and assessed whether any reasonably foreseeable changes in key assumptions could lead to impairment loss or material change in valuation. • Evaluated the Company's process regarding impairment assessment with the involvement of auditor's valuation experts to assist in assessing the appropriateness of the impairment model including independent assessment of certain assumptions underlying the cash flow projections, discount rate, terminal value etc. • Obtained the audited Standalone Financial Statements of the subsidiaries for the year ended March 31, 2024 and evaluated their financial performance. • Evaluated the adequacy of the disclosures made in the Standalone Financial Statements. Based on the above work performed, Management's assessment of impairment of subsidiaries appears to be reasonable.

Name of subsidiary	Amount (₹ In crores)
Jaypore E-Commerce Private Limited	254.75
Finesse International Design Private Limited	97.77
Sabyasachi Calcutta LLP	440.84
Indivinity Clothing Retail Private Limited (#)	254.20
House of Masaba Lifestyle Private Limited	90.00
Aditya Birla Digital Fashion Ventures Limited (^)	650.00
TCNS Clothing Co. Ltd.	1,626.19

(#) including investment of ₹ 100 crores for which equity shares have not been allotted at March 31, 2024.

(^) including investment of ₹ 150 crores in Optionally Convertible Redeemable Preference Shares (OCRPS).

The Company evaluates the recoverability of the carrying values of these investments in accordance with Ind AS 36 *'Impairment of Assets'*. Impairment assessment is performed and recoverable amounts of the investments are determined if indicators of impairment are identified.

Management has considered losses suffered by these subsidiaries as an indicator for impairment assessment.

Management has therefore performed impairment assessment by determining the recoverable amount of the investments in these subsidiaries using the value in use method and comparing the same with the carrying value. Where the carrying value exceeds the recoverable amount, an impairment loss is recognized.

Key audit matter	How our audit addressed the key audit matter
Determination of value in use involves use of projected cash flows based on financial budgets approved by the Board of Directors. Management has involved external experts to determine the recoverable amounts. Impairment evaluation of investment in subsidiaries is considered as a key audit matter as it requires significant management judgement and estimates in addition to consideration of economic and entity specific factors in determination of the recoverable value used in impairment assessment such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates which are subject to management judgement and subjectivity and might be affected by changes in economic conditions.	
Provision for Inventory obsolescence (Refer Notes 2.4(d) and 12 to the Standalone Financial Statements) The Company held inventories of ₹ 3,625.65 crores as at March 31, 2024. In accordance with Ind AS 2, *Inventories*, inventories are carried at lower of cost or net realizable value. The Company operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost. Management has a policy to recognize provisions for inventory considering assessment of future trends and the Company's past experience related to its ability to liquidate the aged inventory. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimates.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Company's controls to assess the adequacy of provision for inventory obsolescence. • Evaluated the methodology used by the management to determine the provision for inventory obsolescence and determined whether the method is consistent with that applied in the prior year. • Assessed whether the changes in the methodology (if any) are reasonable and consistent with our understanding of the changes in the business. • Tested the ageing report including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Company's policy. • Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis. • Evaluated the adequacy of the disclosures made in the Standalone Financial Statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provision for inventory obsolescence.

Key audit matter	How our audit addressed the key audit matter
Provisions for discount and sales returns (Refer Note 2.4(e) to the Standalone Financial Statements) The Company has recognised provisions for unsettled discounts and sales returns amounting to ₹ 378 crores and ₹ 488.04 crores, respectively, as at March 31, 2024. Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer. Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts. The estimate of sales returns and discounts depends on contract terms, forecasts of sales volumes and past history of quantum of returns. The expected returns and discounts that have not yet been settled with the customers are estimated and accrued. Determination of provisions for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Company's controls to assess the adequacy of provision for discounts and sales returns. • Evaluated the periodic account reconciliations prepared by the management during the year. • Evaluated the management estimates and judgements in determining the provision for discounts and sales returns and assessed whether the same is consistent with the prior year. • Evaluated the contract terms for a sample of customer contracts to assess the reasonableness of the provision for discounts and returns and determine whether the same is in line with terms of the contract. • Verified credits notes issued to customers on a sample basis and assessed the validity of claims with the underlying documents and appropriate approvals. • Evaluated the adequacy of the disclosures made in the Standalone Financial Statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provisions for discount and sales returns.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the standalone financial statements

8. 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 financial statements.

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

   a) 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.

   b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   e) 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.

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

11. 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.

12. 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

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year and the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows 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 Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) 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".

    (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, 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 Notes 29 and 45 to the standalone financial statements)

        ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company has made provision as required under the accounting standards for material foreseeable losses, if any, on derivative contracts as at March 31, 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 57 (vii) to the standalone 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 57 (vii) to the standalone 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has the feature of recording audit trail (edit log) facility, except for changes made by certain users through specific access at application level and for direct database changes. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with.

In respect of accounting software maintained by third party service providers, due to absence of or insufficient information in the service auditors' report related to audit trail, we are unable to comment whether the audit trail feature of the aforesaid software were enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLU4780

Place: Mumbai
Date: May 28, 2024

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Fashion and Retail Limited on the standalone financial statements as of and for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Aditya Birla Fashion and Retail Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls 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 standalone 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 standalone financial statements.

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

7. 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 controls 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLU4780

Place: Mumbai
Date: May 28, 2024

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Aditya Birla Fashion and Retail Limited on the Standalone Financial Statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 3(a) and 4(a) to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Freehold Land	5.92	Madura Garments Export Limited	No	8 years (from January 2016)	Title deeds are in name of erstwhile transferor companies.
Factory Building	0.13	Madura Garments Lifestyle Retail Company Limited	No	8 years (from January 2016)	
Leasehold properties (stores)	26.27	Pantaloons Fashion and Retail Limited	No	8 years (from January 2016)	
Leasehold properties (stores)	78.09	Aditya Birla Nuvo Limited	No	8 years (from January 2016)	
Leasehold properties (Factories)	1.29	Aditya Birla Nuvo Limited	No	8 years (from January 2016)	
Leasehold properties (Factories)	19.90	Crafting Clothing Private Limited	No	8 years (from January 2016)	
Leasehold properties (Factories)	14.17	Madura Garments Lifestyle Clothing Private Limited	No	8 years (from January 2016)	
Leasehold properties (Factories)	5.94	Madura Garments Exports Limited	No	8 years (from January 2016)	

(d) The Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.

ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also, refer Note 57 (iv) to the Standalone Financial Statements).

iii. (a) The Company has made investments in eight companies, seventeen mutual fund schemes, granted unsecured loans to four subsidiary companies and granted loans to other parties (employees). The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to subsidiaries and parties other than subsidiaries are as per the table given below:

	Amount (₹ in crores)
Aggregate amount granted/ provided during the year	
- Loans to subsidiary companies	267.60
- Loans to employees	0.63
Balance outstanding as at balance sheet date in respect of the above case	
- Loans to subsidiary companies	253.60
- Loans to employees	0.28

(Also refer Note 7 and Note 13 to the Standalone Financial Statements)

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted/investments were made are not prejudicial to the Company's interest.

(c) In respect of the loans and advances in nature of loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loans and advances in nature of loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans and advances in nature of loans which have fallen due during the year and were renewed or extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans or advances in nature of loan.

(f) Following loans were granted during the year, including to related parties under Section 2(76), which are repayable on demand:

	All parties (₹ in crores)	Related parties (₹ in crores)
Aggregate of loans/advances in nature of loan		
Repayable on demand (A)	267.60	267.60
Agreement does not specify any terms or period of repayment (B)	-	-
Total (A+B)	267.60	267.60
Percentage of loans/advances in nature of loans as above to the total loans	99.76%	100%

(Also refer Note 7 and Note 13 to the Standalone Financial Statements)

iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013 ("Act"). In our opinion, the Company has complied with the provisions of Section 186 of the Act, in respect of the loans and investments made. The Company has not issued or provided any guarantees and security.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of professional tax, tax deducted at source under the Income Tax Act, employees' state insurance, labour welfare fund and goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues of provident fund, tax deducted at source, professional tax, labour welfare fund, employees' state insurance and duty of customs which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Gross Value (₹ in crores)	Paid Amount (₹ in crores)	Unpaid amount (₹ in crores)	Financial year to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	0.50	-	0.50	2011-12 and 2012-13	Commissioner of Central Excise (Bangalore)
Orissa Entry Tax Act, 1999	Entry tax	0.00*	0.00*	0.00*	2002-03	Additional Commissioner - Appeals, Bhubaneswar
The Central Sales Tax Act, 1956 and Orissa Sales Tax Act, 1947	Sales Tax	0.01	0.00*	0.01	2002-03	Additional Commissioner - Appeals, Bhubaneswar
The Central Sales Tax Act, 1956 and Kerala Value Added Tax Act, 2003	Value added tax and Central sales tax	0.01	-	0.01	2004-05	Kerala Sales Tax Appellate Tribunal, Ernakulam

Name of the statute	Nature of dues	Gross Value (₹ in crores)	Paid Amount (₹ in crores)	Unpaid amount (₹ in crores)	Financial year to which the amount relates	Forum where the dispute is pending
Karnataka Tax on Entry of Goods Act, 1979	Entry tax	0.03	-	0.03	2001-02 and 2004-05	Joint Commissioner of Commercial Taxes, Bengaluru
Andhra Pradesh Entry Tax Act	Entry tax	0.02	0.01	0.01	2006-07	Deputy Commissioner of Commercial Taxes, Secunderabad
The Central Sales Tax Act, 1956 and The Karnataka Value Added Tax Act, 2003	Value added tax and Central sales tax	2.01	2.01	0.00*	2004-05 and 2006-07	The High Court of Karnataka
The Central Sales Tax Act, 1956 and The Karnataka Value Added Tax Act, 2003	Value added tax and Central sales tax	5.31	1.59	3.72	2014-15	Karnataka Commercial Appellate Tribunal
Kerala Surcharge on Taxes Act, 1957	Surcharge on sales tax	3.14	0.70	2.44	2008-09 to 2016-17	Supreme Court of India
Goods and Service Tax, 2017	Goods and Service Tax	0.41	-	0.41	2017-18	Deputy Commissioner of State Goods and Service Tax, Maharashtra
The Central Sales Tax Act, 1956 and Kerala Value Added Tax Act, 2003	Value added tax and Central sales tax	0.73	0.15	0.58	2017-18	Assistant Commissioner (Appeals) of State Goods and Service Tax Department, Kozhikode
Textile Committee Act, 1963	Textile committee cess	1.19	0.60	0.59	1998-99 to 2004-05	The High Court of Karnataka
The Central Sales Tax Act, 1956 and The West Bengal Value Added Tax Act, 2003	Value added tax and Central sales tax	0.01	0.01	0.00*	2005-06	Appellate Tribunal, West Bengal
The Customs Act, 1962	Customs duty	2.98	-	2.98	2017-18 to 2021-22	CESTAT Mumbai
Goods and Services Tax Act, 2017, Rajasthan	Goods and Service Tax	0.63	0.03	0.60	2017-18	1st Appellate Authority (Rajasthan)
Goods and Services Tax Act, 2017, Gujarat	Goods and Service Tax	0.04	-	0.04	2017-18	The Superintendent of Central Tax, AR-IV, Div-VI, Ahmedabad South CGST
Goods and Services Tax Act, 2017, Haryana	Goods and Service Tax	0.90	0.04	0.86	2017-18	Excise and Taxation officer cum Proper officer of State Tax (GST)
Goods and Services Tax Act, 2017, Uttar Pradesh	Goods and Service Tax	17.99	0.83	17.16	2017-18	The JCCT (Corporate) of State Goods and Service Tax, Kanpur-II, Kanpur-C
Goods and Services Tax Act, 2017, Delhi	Goods and Service Tax	6.38	0.30	6.08	2017-18	Asst. Commissioner, Ward-201, 203 & 206/ KCS
Goods and Services Tax Act, 2017, Andhra Pradesh	Goods and Service Tax	0.55	0.02	0.53	2017-18	Deputy Commissioner (ST), Regional GST Audit & Enforcement office, Visakhapatnam
The Customs Act, 1962	Customs duty	0.56	-	0.56	2017-18	Additional Commissioner of Customs Group III (Imports) Air Cargo Complex, Maharashtra

*All amounts in the table above have been rounded off to the nearest crores. The sign '0.00' indicates that the amounts are below ₹ fifty thousand and the sign '-' indicates that amounts are nil.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 22 to the Standalone Financial Statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made a private placement of shares during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and our consideration of the complaints having any bearing on our audit is based on the information furnished to us by the management.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the Standalone Financial Statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

xiv (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is 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. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has 8 CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

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 standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts 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 was not required to spend any amount during the year for Corporate Social Responsibility under Sections 135(5) and 135(6) of the Act. Accordingly, there is no amount unspent as at March 31, 2024 and the reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLU4780

Place: Mumbai
Date: May 28, 2024

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

₹ in Crore

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3a	**928.58**	799.39
(b) Capital work-in-progress	3b	**126.86**	88.95
(c) Right-of-use assets	4a	**3,278.60**	3,043.15
(d) Goodwill	5	**1,859.60**	1,859.60
(e) Other intangible assets	5	**605.87**	542.59
(f) Intangible assets under development	5a	**-**	57.03
(g) Financial assets			
(i) Investment in subsidiaries and joint venture	6a	**3,416.18**	1,390.50
(ii) Other investments	6b	**21.03**	10.57
(iii) Loans	7	**0.45**	1.15
(iv) Security deposits	8	**407.55**	400.10
(v) Other financial assets	9	**618.74**	424.26
(h) Deferred tax assets (net)	10	**373.96**	316.61
(i) Non-current tax assets (net)		**14.32**	2.10
(j) Other non-current assets	11	**57.56**	99.56
Total - Non-current assets		**11,709.30**	9,035.56
II Current assets			
(a) Inventories	12	**3,625.65**	3,764.03
(b) Financial assets			
(i) Current investments	6c	**823.60**	150.02
(ii) Loans	13	**264.55**	26.33
(iii) Security deposits	14	**132.52**	92.56
(iv) Trade receivables	15	**880.05**	835.10
(v) Cash and cash equivalents	16	**303.86**	642.48
(vi) Bank balance other than Cash and cash equivalents	17	**0.06**	0.54
(vii) Other financial assets	18	**105.32**	70.05
(c) Other current assets	19	**1,006.80**	856.55
Total - Current assets		**7,124.41**	6,437.66
TOTAL - ASSETS		**18,851.71**	15,473.22

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

₹ in Crore

	Notes	As at March 31, 2024	As at March 31, 2023
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	20	**1,015.01**	948.79
(b) Other equity	21	**4,033.96**	2,838.10
Total - Equity		**5,048.97**	3,786.89
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	**2,341.79**	1,415.41
(ii) Lease liabilities	4b	**3,066.85**	2,786.52
(iii) Deposits		**270.35**	251.10
(iv) Other financial liabilities	23	**760.10**	576.07
(b) Provisions	24	**37.26**	28.18
(c) Other non-current liabilities	25	**22.39**	20.20
Total - Non-current liabilities		**6,498.74**	5,077.48
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	**1,365.82**	614.50
(ii) Lease liabilities	4b	**1,010.19**	862.19
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	27	**98.15**	97.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	27	**3,464.39**	3,565.34
(iv) Deposits		**261.02**	189.89
(v) Other financial liabilities	28	**281.37**	446.67
(b) Provisions	29	**186.17**	192.22
(c) Other current liabilities	30	**636.89**	640.69
Total - Current liabilities		**7,304.00**	6,608.85
TOTAL - EQUITY AND LIABILITIES		**18,851.71**	15,473.22
Basis of preparation	2		

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

		Notes	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenue from operations	31	**12,351.15**	11,736.86
II	Other income	32	**214.31**	110.16
III	**Total income (I + II)**		**12,565.46**	11,847.02
IV	**Expenses**			
	(a) Cost of materials consumed	33a	**1,163.37**	1,099.59
	(b) Purchase of stock-in-trade	33b	**4,483.89**	5,401.11
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	33c	**100.43**	(1,091.30)
	(d) Employee benefits expense	34	**1,365.84**	1,338.06
	(e) Finance costs	35	**741.35**	424.23
	(f) Depreciation and amortisation expense	36	**1,363.69**	1,114.46
	(g) Rent expense	44a	**935.62**	885.28
	(h) Other expenses	37	**2,645.99**	2,509.34
	Total expenses		**12,800.18**	11,680.77
V	**Profit/(Loss) before tax (III - IV)**		**(234.72)**	166.25
VI	**Income tax expense**			
	(a) Current tax	38	**-**	-
	(b) Current tax relating to earlier years		**-**	(2.22)
	(b) Deferred tax	38	**(56.99)**	35.95
			(56.99)	33.73
VII	**Profit/(Loss) for the year (V - VI)**		**(177.73)**	132.52
VIII	**Other comprehensive income/ (loss)**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans	21	**(5.03)**	(1.13)
	Income tax effect on above		**1.27**	0.28
	(b) Fair value gains/ (losses) on equity instruments	21	**3.62**	3.26
	Income tax effect on above		**(0.91)**	(0.82)
	Total other comprehensive income/ (loss) for the year		**(1.05)**	1.59
IX	**Total comprehensive income/ (loss) for the year (VII + VIII)**		**(178.78)**	134.11
X	**Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2023 : ₹ 10)]**	39		
	Basic (₹)		**(1.84)**	1.40
	Diluted (₹)		**(1.84)**	1.39
	Basis of preparation	2		

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

a. Equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	**₹ in Crore**	No. of shares	₹ in Crore
Equity shares of ₹ 10 each issued				
As at the beginning of the year	**94,89,96,351**	**949.00**	93,85,09,538	938.50
Equity shares under Rights Issue and Preferential Issue [Refer Note - 20(iii)]	**6,58,00,866**	**65.80**	1,02,16,588	10.23
Exercise of Options (Refer Note - 43)	**4,17,929**	**0.42**	2,70,225	0.27
As at the end of the year	**1,01,52,15,146**	**1,015.22**	94,89,96,351	949.00

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	**₹ in Crore**	No. of shares	₹ in Crore
Equity shares of ₹ 10 each subscribed and paid up				
As at the beginning of the year	**94,87,90,847**	**948.79**	93,83,04,034	938.29
Equity shares under Rights Issue and Preferential Issue [Refer Note - 20(iii)]	**6,58,00,866**	**65.80**	1,02,16,588	10.23
Exercise of Options (Refer Note - 43)	**4,17,929**	**0.42**	2,70,225	0.27
As at the end of the year	**1,01,50,09,642**	**1,015.01**	94,87,90,847	948.79

b. Other equity

₹ in Crore

	Share application money pending allotment (Refer Note - 21)	Share suspense account (Refer Note - 21)	Reserves and surplus: Securities premium (Refer Note-21)	Reserves and surplus: Retained earnings (Refer Note-21)	Reserves and surplus: Share options outstanding account (Refer Note - 21)	Reserves and surplus: Treasury shares (Refer Note-21)	Reserves and surplus: Capital reserve (Refer Note-21)	Share warrants (Refer Note-21)	Other equity	Other comprehensive income: Remeasurement gains/(losses) on defined benefit plans (Refer Note-21)	Other comprehensive income: Fair value gains/(losses) on equity instruments (Refer Note-21)	Total other equity
As at April 01, 2022	**-**	**0.02**	**3,118.18**	**(1,157.44)**	**60.14**	**(103.09)**	**21.74**	**-**	**-**	**1.97**	**2.33**	**1,943.85**
Profit for the year	-	-	-	132.51	-	-	-	-	-	-	-	132.51
Share forfeiture/ (issued) during the year	-	-	-	-	-	-	0.00	-	-	-	-	0.00
Equity shares under Rights Issue and Preferential Issue [Refer Note - 20(iii)]	-	-	284.03	-	-	-	-	-	-	-	-	284.03
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(0.85)	2.44	1.59
Warrants issued	-	-	-	-	-	-	-	475.00	-	-	-	475.00
Recognition of Share based payment expenses	-	-	-	-	18.91	-	-	-	-	-	-	18.91
Exercise price received pending allotment	0.01	-	-	-	-	-	-	-	-	-	-	0.01
Treasury shares Issued/ (purchased) by ESOP Trust (Net)	-	-	-	-	-	(11.91)	-	-	-	-	-	(11.91)
Issue of shares upon exercise of options	-	-	5.86	-	(12.71)	-	0.96	-	-	-	-	(5.89)
As at March 31, 2023	**0.01**	**0.02**	**3,408.07**	**(1,024.93)**	**66.34**	**(115.00)**	**22.70**	**475.00**	**-**	**1.12**	**4.77**	**2,838.10**
As at April 01, 2023	**0.01**	**0.02**	**3,408.07**	**(1,024.93)**	**66.34**	**(115.00)**	**22.70**	**475.00**	**-**	**1.12**	**4.77**	**2,838.10**
Loss for the year	-	-	-	(177.73)	-	-	-	-	-	-	-	(177.73)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(3.76)	2.71	(1.05)
Preferential Issue of equity shares on conversion of warrants [Refer Note - 20(iii)]	-	-	1,375.65	-	-	-	-	-	-	-	-	1,375.65
Conversion of warrants (amount transferred to securities premium) [Refer Note - 20(iii)]	-	-	458.55	-	-	-	-	(475.00)	-	-	-	(16.45)
Recognition of Share based payment expenses	-	-	-	-	6.85	-	-	-	-	-	-	6.85
ESOP of the Subsidiaries issued to the employees	-	-	-	-	-	-	-	-	1.64	-	-	1.64
Exercise price received pending allotment	0.03	-	-	-	-	-	-	-	-	-	-	0.03
Treasury shares Issued/(purchased) by ESOP Trust (Net)	-	-	-	-	-	3.69	-	-	-	-	-	3.69
Issue of shares upon exercise of options	-	-	9.23	-	(6.19)	-	0.19	-	-	-	-	3.23
As at March 31, 2024	**0.04**	**0.02**	**5,251.50**	**(1,202.66)**	**67.00**	**(111.31)**	**22.89**	**-**	**1.64**	**(2.64)**	**7.48**	**4,033.96**

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities			
Profit/(Loss) before tax		**(234.72)**	166.25
Adjustments for:			
Depreciation and amortisation expense	36	**1,363.69**	1,114.46
Finance costs	35	**741.35**	424.23
Gain on retirement of right-of-use assets	32	**(35.82)**	(18.78)
Rent concession on lease rentals	44a	**-**	(0.17)
(Profit)/ Loss on sale/ discard of property, plant and equipment		**1.87**	(0.53)
Fair value changes in derivative financial instrument (net)		**10.94**	(7.38)
Share-based payment to employees	34	**15.28**	29.69
Interest income	32	**(31.92)**	(10.57)
Liabilities no longer required written back		**(3.89)**	(1.60)
Net gain on sale of current investments	32	**(33.06)**	(21.78)
Net Unrealised exchange (gain)/ loss		**13.37**	(0.90)
Expense/ (income) on financial assets/ liabilities that is designated as Fair value through profit or loss	32	**(65.72)**	(36.90)
Provision for doubtful debts, deposits and advances	37	**6.32**	2.65
Operating profit before working capital changes		**1,747.69**	1,638.67
Changes in working capital:			
(Increase)/ decrease in trade receivables		**(50.78)**	(81.31)
(Increase)/ decrease in inventories		**138.38**	(1,034.80)
(Increase)/ decrease in other assets		**(87.37)**	(167.99)
Increase/ (decrease) in trade payables		**(104.65)**	329.70
Increase/ (decrease) in provisions		**(11.49)**	12.87
Increase/ (decrease) in other liabilities		**13.37**	203.57
Cash generated from/ (used) in operations		**1,645.15**	900.71
Income taxes paid (net of refund)		**(12.22)**	20.50
Net cash flows from/ (used) in operating activities		**1,632.93**	921.21
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		**(545.36)**	(494.37)
Investment in subsidiaries	6a	**(2,125.69)**	(562.70)
Purchase of equity investments	6b	**(6.82)**	-
Purchase of current investments		**(18,900.41)**	(12,629.00)
Inter-corporate deposits to subsidiaries		**(267.60)**	(106.79)
Proceeds from sale of property, plant and equipment and intangible assets		**5.91**	9.89
Proceeds from sale/ maturity of current investments		**18,259.89**	13,038.18
Repayment of Inter-corporate deposits by subsidiaries		**29.00**	91.54
Interest received		**30.34**	10.51
Net cash flows from/ (used) in investing activities		**(3,520.74)**	(642.74)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from financing activities			
Proceeds from issue of equity shares		**6.37**	3.55
Proceeds from Rights Issue (net off share issue expenses)		**-**	0.22
Proceeds from Preferential Issue (net off share issue expenses)	20(iii)	**1,425.00**	769.05
Treasury shares issued/ (purchased) by ESOP Trust		**3.69**	(11.91)
Proceeds from non-current borrowings (net off charges)		**1,342.83**	996.99
Proceeds/ (repayments) of current borrowings (net)		**675.25**	273.74
Repayment of non-current borrowings		**(340.37)**	(448.20)
Repayment of lease liabilities		**(885.28)**	(841.18)
Interest paid		**(678.30)**	(486.06)
Net cash flows from/ (used) in financing activities		**1,549.19**	256.20
Net (Decrease)/ Increase in cash and cash equivalents		**(338.62)**	534.67
Cash and cash equivalents at the beginning of the year		**642.48**	107.81
Cash and cash equivalents at the end of the year	16	**303.86**	642.48
Components of Cash and cash equivalents			
Balances with banks - on current accounts		**235.95**	105.70
Balances with banks - on deposit accounts (original maturity less than 3 months)		**0.07**	500.00
Balances with credit card companies		**40.93**	16.93
Balances with e-wallet companies		**1.40**	4.18
Cash on hand		**20.38**	12.45
Cheques/ drafts on hand		**5.13**	3.22
Total Cash and cash equivalents		**303.86**	642.48

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. CORPORATE INFORMATION

Aditya Birla Fashion and Retail Limited (the "Company"), a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070.

The Company is engaged in the business of manufacturing and retailing of branded apparels/ accessories and runs a chain of apparels and accessories retail stores in India.

The standalone financial statements, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors in their meeting held on May 28, 2024.

2. BASIS OF PREPARATION

2.1 Compliance with Ind AS and historical cost convention

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 the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

2.2 Functional and Presentation Currency:

The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. (₹ 1 Crore is equal to ₹ 10 Million)

2.3 Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in 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 equivalents 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 treated as current when:

- It is expected to be settled in 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.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.4 Critical Accounting Judgements, Estimates And Assumptions

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next three years and next 2 years have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Company. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note – 5b

(b) Share-based payment

The Company uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Standalone Statement of Profit and Loss. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 43.

(c) Taxes

Deferred tax assets are recognised for unused tax losses 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.

As at March 31, 2024, the Company has ₹ 1,522.33 Crore (March 31, 2023: ₹ 1,477.38 Crore) of tax losses carried forward as per income tax records of the Company. These losses pertain to unabsorbed business loss as at March 31, 2024 of ₹ 268.74Crore (March 31, 2023: ₹ 194.20 Crore) which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2024 of ₹ 1,253.59 Crore (March 31, 2023: ₹ 1,283.18 Crore) which do not have any expiry period. Further details on taxes are disclosed in Notes - 10 and 38.

(d) Provision on inventories

The Company has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non-core (fashion) and sub-categorised into finished goods and raw materials. The Company provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

(e) Provision for discount and sales return

The Company provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

(f) Leases

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

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(g) Valuation of Put Option and Call Option

The fair value of financial liability (put option) arising from acquisition agreements, has been determined by discounting consideration payable at the time of exercise of the put option as per the terms of the agreement, using appropriate valuation model. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of the put option. The fair value of financial asset (call option) arising from terms of acquisition agreements, has been determined by discounting the call option payoff, using an appropriate discount rate, considering

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

the terms of the agreement. Such valuation includes assumptions such as discount rate, future cashflow and EBITDA estimates. Such assumptions are reviewed at each reporting date.

(h) Going concern

Management has considered the cash and cash equivalents and current investments at March 31, 2024, committed undrawn borrowing facilities available and also evaluated the future cash flow projections for a period of 12 months from the balance sheet date. Based on the said assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the financial statements have been prepared on a going concern basis.

2.5 New and amended standards adopted by the Company:

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

Disclosure of accounting policies amendments to Ind AS 1

Definition of accounting estimates amendments to Ind AS 8

Deferred tax related to assets and liabilities arising from a single transaction amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 3a
PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Freehold land is carried at historical cost. Property, plant and equipment is stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis upto the month preceding the month of deletions/ disposals. The management believes that the estimated useful lives below reflect fair approximation of the period over which the assets are likely to be used.

(a) Assets where useful life is same as Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Factory buildings	Freehold buildings	30 years
Fences, wells, tube wells	Freehold building	5 years
Borewells (pipes, tubes and other fittings)	Freehold building	5 years
Plant and machinery (other than retail stores)	Plant and equipment	15 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 years

(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	5 – 6 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 – 6 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	3 - 4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office equipment	5 years	4 - 6 years
Air conditioner (Other than retail stores)	Office equipment	5 years	15 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	5 years

Useful life of assets different from that prescribed in Schedule II has been estimated by the management, supported by technical assessment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Leasehold assets

Assets	Estimated useful life
Leasehold improvements at stores	Lease term or management's estimate of useful life, whichever is shorter
Leasehold improvements other than stores	

See note 56 for other accounting policies relevant to property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

	Freehold land*	Freehold buildings*	Plant and equipment	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
As at April 01, 2022	**5.92**	**43.36**	**247.32**	**359.18**	**128.02**	**509.00**	**141.05**	**9.04**	**1,442.89**
Additions	-	0.53	53.97	112.94	44.69	218.33	30.55	9.00	**470.01**
Disposals	-	-	31.65	27.26	8.19	48.32	4.39	3.25	**123.06**
As at March 31, 2023	**5.92**	**43.89**	**269.64**	**444.86**	**164.52**	**679.01**	**167.21**	**14.79**	**1,789.84**
Additions	-	0.10	29.92	111.80	32.39	189.18	31.39	28.41	**423.19**
Disposals	-	-	35.19	35.07	19.98	147.28	7.48	2.91	**247.91**
As at March 31, 2024	**5.92**	**43.99**	**264.37**	**521.59**	**176.93**	**720.91**	**191.12**	**40.29**	**1,965.12**
Depreciation									
As at April 01, 2022	**-**	**7.24**	**118.51**	**208.80**	**95.11**	**363.30**	**76.11**	**4.62**	**873.69**
Depreciation for the year (Refer Note - 36)	-	1.58	48.02	58.76	16.12	93.84	8.93	2.87	**230.12**
Disposals	-	-	29.29	25.26	7.23	45.02	3.64	2.92	**113.36**
As at March 31, 2023	**-**	**8.82**	**137.24**	**242.30**	**104.00**	**412.12**	**81.40**	**4.57**	**990.45**
Depreciation for the year (Refer Note - 36)	-	1.47	24.10	78.43	28.07	130.95	18.22	6.62	**287.86**
Disposals	-	-	34.60	33.11	19.83	144.40	7.27	2.56	**241.77**
As at March 31, 2024	**-**	**10.29**	**126.74**	**287.62**	**112.24**	**398.67**	**92.35**	**8.63**	**1,036.54**
Net carrying value as at:									
March 31, 2024	**5.92**	**33.70**	**137.63**	**233.97**	**64.69**	**322.24**	**98.77**	**31.66**	**928.58**
March 31, 2023	**5.92**	**35.07**	**132.40**	**202.56**	**60.52**	**266.89**	**85.81**	**10.22**	**799.39**

Net carrying value

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	**928.58**	799.39
Total	**928.58**	799.39

* The title deeds of immovable properties, included in Property, Plant and Equipment above are held in the name of the Company except for Freehold land and Freehold building wherein the Gross Block amounting to ₹ 5.92 Crore (March 31, 2023: ₹ 5.92 Crore) and ₹ 0.13 Crore (March 31, 2023: ₹ 0.13 Crore), respectively, which are held in the names of demerged companies and are in the process of being transferred to the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 3b
CAPITAL WORK-IN-PROGRESS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress	**126.86**	88.95
Total	**126.86**	88.95

Ageing of Capital work-in-progress as on March 31, 2024

₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	**126.86**	**-**	**-**	**-**	**126.86**
(ii) Projects temporarily suspended	-	-	-	-	-

Ageing of Capital work-in-progress as on March 31, 2023

₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	88.95	-	-	-	88.95
(ii) Projects temporarily suspended	-	-	-	-	-

There are no projects as at the reporting date where costs have been exceeded as compared to original plan or where completion is overdue.

NOTE: 4
RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting Policy

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 assess whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, either the Company has the right to operate the asset; or the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Where the Company is the lessee

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for short-term leases which are less than 12 months and leases of low value assets. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the lease commencement date to the end of the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortised cost using the effective interest method.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification arising due to change in the lease term, change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero and there is a further reduction in measurement of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Standalone Balance Sheet.

Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the Standalone Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Standalone Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(a) Right-of-use assets

₹ in Crore

	Land	Buildings*	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost							
As at April 01, 2022	**10.42**	**4,054.77**	**21.30**	**3.90**	**96.58**	**6.22**	**4,193.19**
Additions	-	1,725.59	-	-	9.50	0.36	**1,735.45**
Termination	-	427.94	-	-	-	-	**427.94**
As at March 31, 2023	**10.42**	**5,352.42**	**21.30**	**3.90**	**106.08**	**6.58**	**5,500.70**
Additions	-	1,473.76	-	-	5.26	-	**1,479.02**
Termination	-	624.40	-	-	-	0.16	**624.56**
As at March 31, 2024	**10.42**	**6,201.78**	**21.30**	**3.90**	**111.34**	**6.42**	**6,355.16**
Depreciation							
As at April 01, 2022	**0.65**	**1,880.22**	**5.81**	**0.81**	**25.71**	**1.09**	**1,914.29**
Depreciation for the year (Refer Note - 36)	0.13	828.04	4.28	0.79	23.26	1.28	**857.78**
Termination	-	314.52	-	-	-	-	**314.52**
As at March 31, 2023	**0.78**	**2,393.74**	**10.09**	**1.60**	**48.97**	**2.37**	**2,457.55**
Depreciation for the year (Refer Note - 36)#	0.13	991.50	4.28	0.79	22.56	1.28	**1,020.54**
Termination	-	401.53	-	-	-	-	**401.53**
As at March 31, 2024	**0.91**	**2,983.71**	**14.37**	**2.39**	**71.53**	**3.65**	**3,076.56**
Net carrying value as at:							
As at March 31, 2024	**9.51**	**3,218.07**	**6.93**	**1.51**	**39.81**	**2.77**	**3,278.60**
As at March 31, 2023	**9.64**	**2,958.68**	**11.21**	**2.30**	**57.11**	**4.21**	**3,043.15**

* The title deeds of Right of Use assets above are held in the name of the Company except for Buildings wherein Gross Block amounting to ₹ 145.66 Crore (March 31, 2023: ₹ 313. 63 Crore) are held in the name of the demerged companies and are in the process of being transferred to the Company.

Depreciation for the year excludes ₹ 11.97 crores which has been transferred to Capital work-in progress for property under construction.

Net carrying value

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Right-of-use assets	**3,278.60**	3,043.15
Total	**3,278.60**	3,043.15

(b) Lease liabilities

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening balance	**3,648.71**	2,615.88
Additions *	**1,558.38**	1,915.21
Retirements	**(276.81)**	(122.77)
Interest expense on lease liabilities#	**357.98**	264.56
Rent concession	**-**	(0.17)
Payments	**(1,211.22)**	(1,024.00)
Closing balance	**4,077.04**	3,648.71

* Includes liabilties for net investment in sub-lease amounting to ₹ 376.34 crore (March 31, 2023: ₹ 270.94 crore).
# Interest expense on lease liabilities for the year excludes ₹ 12.58 crores which has been transferred to Capital work-in progress for property under construction.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Current	**1,010.19**	862.19
Non-current	**3,066.85**	2,786.52

For maturity analysis of lease liabilities, refer Note - 44a.

NOTE: 5
GOODWILL AND OTHER INTANGIBLE ASSETS

Accounting Policy

Intangible assets are stated at cost less accumulated amortisation and impairment.

Amortisation methods and periods

A summary of amortisation policies applied to the Company's intangible assets is as below:

Intangible assets	Useful life	Amortisation method used
Computer software	3 - 4 years	Amortised on straight-line basis
Brands/ trademarks	10 years	Amortised on straight-line basis
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement

See note 56 for other accounting policies relevant to Intangible Assets

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer software	Technical know - how	Franchisee/ License rights	Total
Cost						
As at April 01, 2022	**1,859.60**	**27.89**	**96.76**	**1.84**	**33.81**	**2,019.90**
Additions	-	-	10.13	-	515.34	**525.47**
Disposals	-	-	0.55	-	-	**0.55**
As at March 31, 2023	**1,859.60**	**27.89**	**106.34**	**1.84**	**549.15**	**2,544.82**
Additions	-	1.63	85.39	-	43.53	**130.55**
Disposals	-	-	0.86	-	-	**0.86**
As at March 31, 2024	**1,859.60**	**29.52**	**190.87**	**1.84**	**592.68**	**2,674.51**
Amortisation						
As at April 01, 2022	**-**	**18.56**	**83.37**	**1.68**	**12.91**	**116.52**
Amortisation for the year (Refer Note - 36)	-	2.91	8.45	-	15.20	**26.56**
Disposals	-	-	0.45	-	-	**0.45**
As at March 31, 2023	**-**	**21.47**	**91.37**	**1.68**	**28.11**	**142.63**
Amortisation for the year (Refer Note - 36)	-	4.10	29.72	-	33.44	**67.26**
Disposals	-	-	0.85	-	-	**0.85**
As at March 31, 2024	**-**	**25.57**	**120.24**	**1.68**	**61.55**	**209.04**
Net carrying value as at:						
March 31, 2024	**1,859.60**	**3.95**	**70.63**	**0.16**	**531.13**	**2,465.47**
March 31, 2023	**1,859.60**	**6.42**	**14.97**	**0.16**	**521.04**	**2,402.19**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Net carrying value

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Goodwill	**1,859.60**	1,859.60
Other intangible assets	**605.87**	542.59
Total	**2,465.47**	2,402.19

NOTE: 5a
INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Intangible Assets under development	**-**	57.03
Total	**-**	57.03

Ageing of Intangible assets under development as on March 31, 2024

₹ in Crore

Intangible assets under development	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Projects in progress	**-**	**-**	**-**	**-**	**-**
(ii) Projects temporarily suspended	-	-	-	-	-

Ageing of Intangible assets under development as on March 31, 2023

₹ in Crore

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	57.03	-	-	-	57.03
(ii) Projects temporarily suspended	-	-	-	-	-

NOTE: 5b
IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through various business combinations have been allocated to the three Cash-Generating Units (CGUs) as below:

1. Pantaloons CGU
2. Madura Fashion & Lifestyle CGU
3. Forever 21 CGU

Pantaloons CGU

During the year ended March 31, 2013, the Company acquired Pantaloons format business ('Pantaloons business') from Future Retail Limited ("FRL"), which consisted of fashion retail business operating under the brand name "Pantaloons". Pantaloons is a leading large format fashion retailer engaged in retailing of apparel and accessories. The business thus acquired is Pantaloons CGU.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Madura Fashion & Lifestyle CGU

"Pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited (""ABNL""), Madura Garments Lifestyle Retail Company Limited (""MGLRCL"") and their respective shareholders and creditors ("Composite Scheme"), Madura Undertaking of ABNL and MGL Retail Undertaking of MGLRCL ("demerged undertakings") were transferred to the Company on a going concern basis, w.e.f. April 01, 2015.

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England, and MGL Retail Undertaking is primarily engaged in promoting lifestyle brands and having licences to retail various international brands like Armani Collezioni, Hugo Boss, Versace Collection and many more under one roof, 'The Collective'. "

Forever 21 CGU

Effective July 01, 2016, the Company acquired exclusive franchise rights in the Indian market of Forever 21 business comprising of operating retail stores in India for the sale of clothing, artificial jewellery, accessories and related merchandise under the brand name "Forever 21" ("F21"), and is considered as a separate CGU.

For the purpose of Segment reporting, Madura Fashion & Lifestyle and Forever 21 CGUs have been aggregated to form one segment in accordance with Ind AS 108, considering the same is operated and monitored by the Company as one.

Carrying amounts of Goodwill allocated to each of the CGUs are as below:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Pantaloons CGU	**1,167.55**	1,167.55
Madura Fashion & Lifestyle CGU	**627.67**	627.67
Forever 21 CGU	**64.38**	64.38
Total	**1,859.60**	1,859.60

Disclosures with respect to Goodwill allocated to the CGUs

Value in use calculation of CGUs:

The recoverable amount of the CGUs as at March 31, 2024, have been determined based on value in use method using cash flow projections from financial budgets approved by senior management covering a three - year period ending March 31, 2027 and cash flow projections for financial years 2028 and 2029 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. The Company has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2029. The post-tax discount rate is applied to discounted future cash flow projections. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.

Key assumptions used for value in use calculations

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both cost of debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

cost of debt is based on the interest-bearing borrowings of the Company. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

	As at March 31, 2024			As at March 31, 2023		
	Pantaloons CGU	**Madura Fashion & Lifestyle CGU**	**Forever 21 CGU**	Pantaloons CGU	Madura Fashion & Lifestyle CGU	Forever 21 CGU
Discount rate	**12.00%**	**12.00%**	**16.00%**	13.00%	13.00%	16.00%

Growth rate estimates:

"Rates are based on published industry research. Growth rate is based on the Company's projection of business and growth of the industry in which the respective CGU is operating. The growth rate is in line with the long-term growth rate of the industry except for Forever 21 CGU. The growth rate of Forever 21 CGU considers the Company's plan to launch new stores, expected same store growth and change in merchandise.

No reasonable possible change in key assumptions are likely to result in the recoverable amount of the CGUs being less than their carrying amount."

NOTE: 6

(a) NON-CURRENT FINANCIAL ASSETS - INVESTMENT IN EQUITY OF SUBSIDIARIES AND JOINT VENTURE

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
(a) Investments in subsidiaries and joint venture		
Investments in subsidiaries: (Carried at cost)		
Unquoted equity instruments		
1,63,65,287 (March 31, 2023: 1,46,98,620) fully paid equity shares of ₹ 10/- each of Jaypore E-Commerce Private Limited (Refer Note - 1 below)	**254.75**	229.75
10,000 (March 31, 2023: 10,000) fully paid equity shares of ₹ 10/- each of TG Apparel & Decor Private Limited (Refer Note - 1 below)	**0.25**	0.25
10,56,066 (March 31, 2023: 8,62,102) fully paid equity shares of ₹ 10/- each of Finesse International Design Private Limited (Refer Note - 2 below)	**97.77**	77.78
Sabyasachi Calcutta LLP	**440.84**	440.84
Share of Profit Ratio: Aditya Birla Fashion and Retail Limited - 51% Mr. Sabyasachi Mukherjee - 49% (Refer Note - 3 below)		
4,72,39,766(March 31, 2023: 4,72,39,766) fully paid equity shares of ₹ 10/- each of Indivinity Clothing Retail Private Limited (Refer Note - 4 below)	**154.20**	154.20
5,24,991 (March 31, 2023: 5,24,991) fully paid equity shares of ₹ 10/- each of House of Masaba Lifestyle Private Limited (Refer Note - 5 below)	**90.00**	90.00
50,00,00,000 (March 31, 2023: 31,55,00,000) fully paid equity shares of ₹ 10/- each of Aditya Birla Digital Fashion Ventures Limited (Refer Note - 6 below)	**500.00**	315.50
3,50,00,000 (March 31, 2023: 1,50,00,000) fully paid equity shares of ₹ 10/- each of Aditva Birla Garments Limited (Refer Note - 7 below)	**35.00**	15.00
Quoted equity instruments		
3,29,08,325 (March 31, 2023: NIL) fully paid equity shares of ₹ 10/- each of TCNS Clothing Co. Limited ("TCNS") (Refer Note - 8 below)	**1,626.19**	-
Investments in Preference Shares of subsidiary: (Carried at cost)		
25,00,00,000 (March 31, 2023: NIL) partially paid up preference shares at ₹ 6/- each (face value of ₹ 10/-) of Aditya Birla Digital Fashion Ventures Limited (Refer Note - 6 below)	**150.00**	-
Investments in joint venture: (Carried at cost)		
3,579 (March 31, 2023: 3,579) fully paid equity shares of ₹ 10/- each of Goodview Fashion Private Limited (Refer Note - 10 below)	**67.18**	67.18
Total	**3,416.18**	1,390.50
(b) Other Investments: (Carried at fair value through other comprehensive income)		
Unquoted equity instruments		
7,000 (March 31, 2023: 7,000) fully paid equity shares of ₹ 10/- each of Birla Management Centre Services Limited*	**14.19**	10.56
10,000 (March 31, 2023: 10,000) fully paid up equity shares of ₹ 10/- each of Retailers Association of India	**0.01**	0.01
68,25,000 (March 31, 2023: NIL) fully paid equity shares of ₹ 10/- each of CLI Footwear and Accessories Private Limited (Refer Note - 9 below)	**6.83**	-
Total	**21.03**	10.57
* Increase is on account of fair valuation gain recorded during the year.		
(c) Current Investments (Carried at fair value through profit and loss (FVTPL))		
Quoted investments		
Aditya Birla Sun Life Overnight Fund - Growth- Regular Plan (March 31, 2024: 9,02,398.391 units, March 31, 2023: 4,14,626.568 units)	**116.13**	50.01
Axis Overnight Fund - Regular Growth(O) (March 31, 2024: 79,445.829 units, March 31, 2023: 4,22,822.210 units)	**10.03**	50.01
Axis Liquid Fund - Regular Growth(CFGP) (March 31, 2024: 2,28,644.533 units, March 31, 2023: Nil units)	**60.92**	-
HDFC Liquid Fund - Regular Plan - Growth (March 31, 2024: 3,49,606.151 units, March 31, 2023: Nil units)	**164.24**	-
ICICI Prudential Overnight Fund Growth (March 31, 2024: 7,79,427.512 units, March 31, 2023: Nil units)	**100.11**	-
SBI Liquid Fund Regular Growth (March 31, 2024: 4,02,153.776 units, March 31, 2023: Nil units)	**150.63**	-
UTI Liquid Fund (Formerly UTI Liquid Cash Plan) - Regular Plan - Growth (March 31, 2024: 1,54,571.948 units, March 31, 2023: Nil units)	**60.70**	-
UTI Overnight Fund - Regular Plan - Growth (March 31, 2024: 30,928.897 units, March 31, 2023: Nil units)	**10.03**	-
Kotak Liquid Fund Regular Plan Growth (March 31, 2024: 3,11,589.225 units, March 31, 2023: Nil units)	**150.81**	-
Kotak Overnight Fund Growth - Regular Plan (March 31, 2024: Nil units, March 31, 2023: 4,19,792.177 units)	**-**	50.00
Total	**823.60**	150.02
Aggregate book value of unquoted investments	**1,811.02**	1,401.07
Aggregate book value of quoted investments	**2,449.79**	150.02
Aggregate market value of quoted investments#	**1,946.27**	150.02
Aggregate amount of impairment in value of investments	**-**	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Shortfall in the market price as compared with the book value for shares issued by TCNS is temporary. Management has determined that there is no impairment in the value of investment considering the future cash flow projection.

Notes:

1. During the year ended March 31, 2020, the Board of Directors of the Company approved acquisition of 100% stake in Jaypore E-Commerce Private Limited ("Jaypore") and TG Apparel & Decor Private Limited ("TG Apparel"). Post completion of the conditions precedent under the aforesaid Share Purchase Agreement(s), Jaypore and TG Apparel became wholly-owned subsidiaries of the Company w.e.f. July 02, 2019. As at March 31, 2024, TG Apparel has negative net worth of ₹ 0.92 Crore (March 31, 2023: ₹ 0.67 Crore) due to losses incurred. During the year, the Company has infused ₹ 25.00 Crore under Rights Issue in Jaypore E-Commerce Private Limited to support the existing operations and growth of the business.

   These two subsidiaries are of strategic importance to the Company and have a long-term potential. Accordingly, management is of the view that there is no diminution in the value of these investments. The Company has committed to provide support to fund the operations of TG Apparel & Décor Private Limited and Jaypore E-Commerce Private Limited.

2. The Company entered into a strategic partnership with India's leading designers "Shantanu & Nikhil" by way of acquisition of 51% stake in 'Finesse International Design Private Limited' ("Finesse"). The said acquisition was done through a combination of primary equity infusion and secondary share purchase by way of signing of Share Subscription and Purchase Agreement ("SSPA") and Shareholders' Agreement with Finesse and its shareholders. Consequent to aforesaid, Finesse became the subsidiary of the Company w.e.f. July 26, 2019.

   During the year, the Company has infused ₹ 20.00 Crore under Rights Issue to support the existing operations and growth of the business."

3. On January 27, 2021, the Board of Directors approved the acquisition of 51% stake in Sabyasachi Calcutta LLP [formerly M/s. Sabyasachi Couture, a partnership firm ("Sabyasachi")] by entering into a Framework Agreement. On February 24, 2021, post completion of the customary closing conditions under the Agreement, the Company concluded the acquisition. Considering the terms of the Agreement, investment in Sabyasachi is considered as a subsidiary of the Company. Also refer Note - 9 and Note - 23.

   During the previous financial year, the Company has infused ₹ 51.00 Crore under capital contribution to support the existing operations and growth of the business."

4. On February 24, 2021, the Board of Directors approved the acquisition of 80% stake in Indivinity Clothing Retail Private Limited ["ICRPL"] by way of entering into 'Share Subscription and Shareholders Agreement' ["SSSA"]. On March 26, 2021, post completion of the customary closing conditions under the said SSSA, ICRPL became a subsidiary of the Company. During the year, the Company has infused ₹ 100.00 Crore under Rights Issue to support the existing operations and growth of the business (Refer note 9). The Company has committed to provide support to fund the operations of Indivinity Clothing Retail Private Limited.

   During the previous financial year, the Company has infused ₹ 91.20 Crore under Rights Issue to support the existing operations and growth of the business.

5. On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent set out in the definitive agreements and statutory approvals, HMLPL became a subsidiary of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

6. On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C") business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means. Thus, w.e.f. April 11, 2022 Aditya Birla Digital Fashion Ventures Limited a wholly owned subsidiary of the Company was set up to carry on the "D2C" business.

7. Aditya Birla Garments Limited, a wholly owned subsidiary of the Company has been incorporated w.e.f. June 15, 2022 in compliance with the requirements of 'Operational Guidelines for the Production Linked Incentive (PLI) scheme for promoting MMF and Textile segments'. The Company has committed to provide support to fund the operations of Indivinity Clothing Retail Private Limited.

8. On May 5, 2023, the Board of Directors of the Company approved acquisition of TCNS Clothing Co. Ltd. ("TCNS"), subject to requisite regulatory approvals. On August 31, 2023, the Company completed the acquisition of 1,87,12,577 equity shares constituting 29% of the Expanded Share Capital of TCNS (as defined in the letter of offer for the Open Offer) pursuant to the open offer. On September 26, 2023, the Company completed the acquisition of 1,41,95,748 equity shares constituting 22% of the Expanded Share Capital of TCNS pursuant to the Share Purchase Agreement dated May 5, 2023 ("SPA"). Pursuant to the completion of the Open Offer and acquisition of shares as specified in the SPA, the Company acquired 51% of the Expanded Share Capital, thereby acquired control over TCNS. The Company has also become Promoter of TCNS w.e.f. September 26, 2023.

   The Company has received No Objection from BSE Limited and National Stock Exchange of India Limited vide letters dated March 14, 2024 and March 15, 2024 respectively for the amalgamation of TCNS Clothing Co. Limited ("TCNS") with the Company. The Company and TCNS have filed Joint Company Application on March 15, 2024. with Hon'ble National Company Law Tribunal ("NCLT") for further directions. Pursuant to the direction of NCLT, meeting of the equity shareholders of the Company and TCNS is scheduled to be held on June 05, 2024."

9. On August 04, 2023, the Board of Directors approved to incorporate a new company in partnership with Christian Louboutin SAS ("CL"). On September 12, 2023, the Company has incorporated a new company viz. CLI Footwear and Accessories Private Limited ("CLI") in partnership with Christian Louboutin SAS ("CL SAS"). CLI is a 50%-50% partnership between the Company and CL SAS. CLI is incorporated by the Company in partnership with CL SAS in India to carry out the business of distribution and sale of CL SAS's products in India. The Company has entered into shareholders agreement which provides CLI with a call option to buy the Company's 50% equity interest at any time during the agreement period at the fair value. The Company has evaluated the impact of such call option and concluded that the Company does not have a significant influence over CLI despite the Company having 3 nominee directors on the board. Accordingly, the Management has disclosed the amount invested in CLI as equity investments carried at fair value through other comprehensive income.

10. On or after the expiry of 3 years from the Closing Date and till the expiry of 5 years from the Closing Date, the Company has right but not an obligation, to acquire all or such number of Promoter securities from the Promoter of Goodview Fashion Private Limited ('Goodview') so as to increase the shareholding to 51%. This is referred to as the Tranche 2 call option. The strike price for the Tranche 2 call option is based on a formula specified in the Share Purchase Agreement ('SPA'). The call option is excercisable at fair value which is based on a specific formula. Upon expiry of the 3 years period, the option became exercisable during the year ended March 31, 2024. The management has determined the price at which the Tranche 2 call option is exercisable is deeply out of the money and is expected to remain so for that two-year period. Accordingly, Goodview continues to be disclosed as a joint venture in the standalone financial statements for the year ended March 31, 2024.

    Further, the agreement stipulates a simultaneous call and put option (the Company holds the call options and has written the put options), whereby, after the expiry of 10 years, in certain specified

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

time periods, the Company can acquire, if it exercises the call option it holds, and will also be required to acquire, if Promoter exercises the put options the Company has written, all or such number of equity shares so as to increase its shareholding to 100%. These call and put options are to be exercised by acquiring/selling the said equity shares at fair value. Accordingly, the fair value of the option is Nil.

NOTE: 7
NON-CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees		
Unsecured, considered good	**0.45**	1.15
Total	**0.45**	1.15

NOTE: 8
NON-CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Security deposits		
Deposits to related party - unsecured, considered good (Refer Note - 46)	**5.64**	5.64
Unsecured, considered good	**401.91**	394.46
Unsecured, considered doubtful	**1.25**	1.60
Provision for doubtful deposits	**(1.25)**	(1.60)
Total	**407.55**	400.10

NOTE: 9
NON-CURRENT FINANCIAL ASSETS - OTHERS

Accounting Policy

(I) Financial instruments

(i) Classification of financial assets at amortised cost

The group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, loans and security deposits.

(ii) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVTOCI) comprise equity securities (unlisted) which are not held for trading, and for which the Company has irrevocably elected at initial recognition to recognise changes in fair value through OCI rather than profit or loss. These are strategic investments and the Company considers this classification to be more relevant.

(iii) Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVTPL):

- debt investments (bonds, debentures and mutual funds) that do not qualify for measurement at either amortised cost or FVTOCI,
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI, and
- Investments in financial instruments issued by subsidiaries, associate and joint venture, whose contractual terms are not wholly equity in nature.

Derivatives

The Put and Call options on the Non-Controlling Interest ("NCI") in a subsidiary or to acquire equity interest held by the venture partners in a joint venture are initially measured at fair value. The subsequent changes in fair value is recognised in the Standalone Statement of Profit and Loss.

See note 56 for other accounting policies relevant to Financial instruments

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Lease receivables (from sub-lease arrangements)	**299.86**	232.86
Other bank balance		
Bank deposits with more than 12 months maturity from the Balance Sheet date	**0.53**	0.06
Derivative Instruments*	**218.35**	191.34
Investment (Pending Allotment)#	**100.00**	-
Total	**618.74**	424.26

* During the year ended March 31, 2021, the Company acquired 51% stake in Sabyasachi Calcutta LLP by entering into an agreement on February 24, 2021. Under the terms of the agreement, the Company has a Call option to purchase the entire holding of Mr. Sabyasachi Mukherjee in case the Put Option (as specified in Note - 23) is not exercised by Mr. Sabyasachi Mukherjee at the end of fourteen years. Accordingly, the derivative instruments includes the fair value of call option of ₹ 218.28 Crore (March 31, 2023: ₹ 190.62 Crore) as non-current financial asset based on independent valuation performed by the Company's appointed independent valuer.

Indivinity Clothing Retail Private Limited ["ICRPL"], a subsidiary, approved a Rights Issue of 2,26,09,088 Equity Shares aggregating to ~ ₹ 100 crore. The Company paid the subscription money to ICRPL. Consequent to the payment on March 30, 2024 and allotment on May 9, 2024, on post money basis, the Company holds 85.54% stake vs (earlier 80.00%) in ICRPL.

NOTE: 10
DEFERRED TAX ASSETS (NET)

Reflected in the Standalone Balance Sheet as follows:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	**373.96**	316.61
Deferred tax assets/ (liabilities) (net)	**373.96**	316.61

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Deferred tax assets / (liabilities) relates to the following:

₹ in Crore

	Standalone Balance Sheet		Standalone Statement of Profit and Loss and OCI	
	As at March 31, 2024	As at March 31, 2023	**Year ended March 31, 2024**	Year ended March 31, 2023
Difference between carrying amount of property, plant and equipment and intangible assets and their tax base	**(242.37)**	(252.47)	**(10.10)**	(6.64)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	**59.90**	50.58	**(9.32)**	(27.29)
Share-based payment	**14.27**	10.94	**(3.33)**	(3.66)
Business and depreciation loss as per income tax computations available for off-set against future taxable income	**383.17**	371.86	**(11.31)**	94.51
ROU assets	**(825.22)**	(765.96)	**59.26**	192.36
Lease liabilities	**1,026.19**	918.38	**(107.81)**	(259.96)
Others	**(41.98)**	(16.72)	**25.26**	47.17
Net deferred tax assets/ (liabilities)*	**373.96**	316.61	**(57.35)**	36.49

*Amounts recognised in statement of profit and loss is ₹ 56.99 Crores and in OCI ₹ 0.36 Crores.

Reconciliation of deferred tax assets/ (liabilities) (net):

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	**316.61**	353.10
Deferred tax (credit) / charge recognised in profit and loss during the year (Refer Note - 38)	**56.99**	(35.95)
Deferred tax (credit) / charge recognised in OCI during the year (Refer Note - 38)	**0.36**	(0.54)
As at the end of the year	**373.96**	316.61

Carry forward business losses in repect of which deferred tax asset has been recognised, expire unutilised based on the year of origination as below:-

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Within 4 years	**-**	-
Beyond 4 years upto 8 years	**268.74**	194.20
Total	**268.74**	194.20

Note:-

(i) Unabsorbed depreciation does not have any expiry period.

(ii) Corporate tax rate considered for arriving at the above amounts is 25.17% (March 31, 2023: 25.17%)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 11
OTHER NON-CURRENT ASSETS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Capital advances	**10.06**	14.29
Prepayments	**13.53**	44.84
Balances with government authorities (other than income tax)	**32.66**	39.29
Other receivables	**1.31**	1.14
Total	**57.56**	99.56

NOTE: 12
INVENTORIES

Accounting Policy

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average cost basis. See note 56 for other accounting policies relevant to inventories.

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
At lower of cost and net realisable value		
Raw materials	**186.09**	222.25
Includes Goods-in-transit ₹ 73.06 Crore (March 31, 2023: ₹ 96.56 Crore)		
Work-in-progress	**20.49**	29.63
Finished goods	**424.08**	374.22
Stock-in-trade	**2,965.79**	3,106.94
Includes Goods-in-transit ₹ 14.49 Crore (March 31, 2023: ₹ 26.77 Crore)		
Stores and spares	**2.16**	2.62
Packing materials	**27.04**	28.37
Total	**3,625.65**	3,764.03

During the year ended March 31, 2024 ₹ 165.00 Crore (March 31, 2023: ₹ 51.27 Crore) is recognised as an expense for inventories carried at net realisable value.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 13
CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees		
Unsecured, considered good	**8.62**	9.00
Loans and advances to related party (Refer Note - 46)*		
- Unsecured, considered good	**255.93**	17.33
Total	**264.55**	26.33

* The Company has provided loans to TG Apparel & Decor Private Limited, Jaypore E-Commerce Private Limited and Indivinity Clothing Retail Private Limited which are outstanding at March 31, 2024. The loans carry an interest rate of 6 month MCLR + 0.25%.

Disclosure as per Regulation 34(3) and 53(f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013:

Details of loans given/ received:

₹ in Crore

Name of Companies	Interest rates	Repayment terms	Outstanding As at March 31, 2024	Outstanding As at March 31, 2023
Jaypore E-Commerce Private Limited	6 month MCLR+0.25%	On demand	**59.32**	15.00
TG Apparel & Decor Private Limited	6 month MCLR+0.25%	On demand	**2.55**	2.33
Indivinity Clothing Retail Private Limited	6 month MCLR+0.25%	On demand	**194.06**	-

₹ in Crore

Name of Companies	Maximum amount outstanding during the year ended March 31, 2024	Maximum amount outstanding during the year ended March 31, 2023
Jaypore E-Commerce Private Limited	**59.32**	15.00
TG Apparel & Decor Private Limited	**2.55**	2.33
Indivinity Clothing Retail Private Limited	**194.06**	-
Aditya Birla Garments Limited	**10.00**	-

NOTE: 14
CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Security deposits		
Unsecured, considered good	**132.52**	92.56
Unsecured, considered doubtful	**7.48**	8.60
Provision for doubtful deposits	**(7.48)**	(8.60)
Total	**132.52**	92.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 15
TRADE RECEIVABLES

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Trade receivables from others	**906.92**	859.43
Trade receivables from related parties (Refer Note - 46)	**3.73**	2.20
	910.65	861.63
Less: Loss Allowances	**(30.60)**	(26.53)
Total	**880.05**	835.10

Break-up for security details:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Secured, considered good	**88.92**	46.55
Unsecured, considered good	**821.73**	815.08
	910.65	861.63

Ageing of Trade Receivables:

₹ in Crore

Particulars	Outstanding as on March 31, 2024 (for following periods from due date of payment) Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	672.35	156.38	36.73	15.80	1.93	-	883.19
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

Particulars	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding as on March 31, 2024 (for following periods from due date of payment)						
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:	-	-	-	-	-	-	-
Disputed	**0.07**	**0.07**	**-**	**0.28**	**0.10**	**7.24**	**7.76**
Undisputed	**-**	**4.36**	**2.42**	**3.77**	**1.05**	**8.10**	**19.70**
(ix) Provision on Trade Receivables assessed on individual basis	-	-	-	-	-	-	**(27.46)**
(x) Expected credit loss	-	-	-	-	-	-	**(3.14)**
Total	**672.42**	**160.81**	**39.15**	**19.85**	**3.08**	**15.34**	**880.05**

₹ in Crore

Particulars	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding as on March 31, 2023 (for following periods from due date of payment)						
(i) Undisputed Trade receivables – considered good	614.38	195.94	25.66	2.18	0.08	-	838.24
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired							-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:	-	-	-	-	-	-	-
Disputed	-	-	-	0.14	0.16	7.38	7.68
Undisputed	0.26	7.02	0.21	0.25	0.58	7.39	15.71
(ix) Provision on Trade Receivables assessed on individual basis							(23.39)
(x) Expected credit loss							(3.14)
Total	614.64	202.96	25.87	2.57	0.82	14.77	835.10

No trade or other receivables is due from directors or other officers of the Company either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer Note - 46.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Trade receivables are generally non-interest bearing and the credit period generally between 30 to 300 days.

Based on the risk profiling for each category of customer, the Company has not evaluated credit risk where the risk is mitigated by collateral. The Company has therefore evaluated credit risk for departmental, depletion, e-commerce b2b, e-commerce b2c, export and trade customers. The Company follows the simplified approach method for computing the expected credit loss. The risks are categorised into high, low and moderate category basis internal and external parameters. Any customer related specific information has been factored over and above the probability of default (PD). Provision matrix takes into account historical credit loss experience adjusted for forward-looking estimates and macro-economic factors. The expected credit loss allowance is based on the ageing of the receivables and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

	Expected credit loss (%)					
	As at March 31, 2024			As at March 31, 2023		
	Departmental stores #	**Depletion key accounts #**	**Trade Channel**	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	**0.00%**	**0.00%**	**0.63%**	0.00%	0.00%	1.03%
0-90 days	**0.00%**	**0.00%**	**0.79%**	0.00%	0.00%	3.12%
91-180 days	**0.00%**	**0.00%**	**0.83%**	0.00%	0.00%	3.44%
181-365 days	**0.00%**	**0.00%**	**0.91%**	0.00%	0.00%	4.10%
1-2 years	**0.00%**	**0.00%**	**0.98%**	0.00%	0.00%	4.32%
2-3 years	**0.00%**	**0.00%**	**1.04%**	0.00%	0.00%	4.41%

Ageing of receivables on which impairment allowance of doubtful debts is applied

₹ in Crore

Not due	**As at March 31, 2024**			As at March 31, 2023		
	Departmental stores #	**Depletion key accounts #**	**Trade Channel**	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	**-**	**-**	**446.39**	-	-	223.67
0-90 days	**-**	**-**	**17.38**	-	-	18.39
91-180 days	**-**	**-**	**15.75**	-	-	6.81
181-365 days	**-**	**-**	**5.93**	-	-	0.41
1-2 years	**-**	**-**	**0.49**	-	-	0.19
2-3 years	**-**	**-**	**0.02**	-	-	0.09
Total	**-**	**-**	**485.96**	-	-	249.56

Impact is considered to be immaterial.

Movement in the expected credit loss allowance

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	**26.53**	24.70
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	**-**	0.44
Specific provision made/ (reversed)	**4.07**	1.39
As at the end of the year	**30.60**	26.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 16
CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
Current accounts	**235.95**	105.70
Deposit accounts (original maturity less than 3 months)	**0.07**	500.00
Balances with credit card companies	**40.93**	16.93
Balances with e-wallet companies	**1.40**	4.18
Cash on hand	**20.38**	12.45
Cheques/ drafts on hand	**5.13**	3.22
Total	**303.86**	642.48

The Company has undrawn committed borrowing facilities available to the extent of ₹ 1,243.00 Crore as at March 31, 2024 (March 31, 2023: ₹ 1,266.00 Crore). Further the Board has approved to raise ₹ 2,000.00 Crore through commercial papers as at March 31, 2024 (March 31, 2023 : ₹ 2,000.00 Crore) whereas the Company has raised ₹ 295.00 Crore as at March 31, 2024 (March 31, 2023 : Nil).

Net debt reconciliation:

As at March 31, 2024

₹ in Crore

	As at March 31, 2023	Cash flows (net)	Non-cash changes		As at March 31, 2024
			Fair value adjustments	Others	
Investing activities					
Cash and cash equivalents	**642.48**	**(338.62)**	**-**	**-**	**303.86**
Current investments	**150.02**	**640.52**	**3.16**	**29.90**	**823.60**
Total (a)	**792.50**	**301.90**	**3.16**	**29.90**	**1,127.46**
Financing activities					
Non-current borrowings	**1,415.41**	**1,002.46**	**-**	**(76.08)**	**2,341.79**
Current borrowings (including current maturities of non-current borrowings)	**614.50**	**675.25**	**-**	**76.07**	**1,365.82**
Lease liabilities*	**3,648.71**	**(885.28)**	**-**	**1,313.61**	**4,077.04**
Total (b)	**5,678.62**	**792.43**	**-**	**1,313.60**	**7,784.65**
Net debt (b-a)					**6,657.19**

As at March 31, 2023

₹ in Crore

	As at March 31, 2022	Cash flows (net)	Non-cash changes		As at March 31, 2023
			Fair value adjustments	Others	
Investing activities					
Cash and cash equivalents	107.81	534.67	-	-	642.48
Current investments	537.42	(409.18)	(2.43)	24.20	150.02
Total (a)	645.23	125.49	(2.43)	24.20	792.50
Financing activities					
Non-current borrowings	757.40	658.48	-	-	1,415.41
Current borrowings (including current maturities of non-current borrowings)	449.97	164.06	-	0.47	614.50
Lease liabilities*	2,615.88	(841.18)	-	1,874.01	3,648.71
Total (b)	3,823.25	(18.64)	-	1,874.48	5,678.62
Net debt (b-a)					4,886.12

* Others represents additions/adjustments to lease liabilities on account of termination.

NOTE: 17
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Earmarked deposits		
Current accounts	**0.01**	0.11
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)	**0.05**	0.43
Total	**0.06**	0.54

NOTE: 18
CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Derivative contracts	**0.38**	0.65
Interest accrued on deposits	**1.80**	0.22
Other receivables	**26.66**	31.10
Lease receivables (from sub-lease arrangements)	**76.48**	38.08
Total	**105.32**	70.05

NOTE: 19
OTHER CURRENT ASSETS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Prepayments	**57.72**	40.68
Advance to suppliers	**179.46**	155.51
Export incentives	**3.45**	0.46
Balances with government authorities (other than income tax)	**482.06**	370.76
Government grant receivables	**1.24**	1.24
Insurance claim receivables	**-**	0.91
Right to return assets	**265.56**	286.44
Other receivables	**17.31**	0.55
Total	**1,006.80**	856.55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 20
EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Equity share capital				
As at the beginning of the year	**2,00,00,00,000**	**2,000.00**	1,00,00,00,000	1,000.00
Increase during the year	-	-	1,00,00,00,000	1,000.00
As at the end of the year	**2,00,00,00,000**	**2,000.00**	2,00,00,00,000	2,000.00

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Preference share capital				
Preference shares of ₹ 10/- each	**1,00,00,000**	**10.00**	1,00,00,000	10.00
Preference shares of ₹ 100/- each	**15,000**	**0.15**	15,000	0.15
As at the end of the year	**1,00,15,000**	**10.15**	1,00,15,000	10.15

Issued equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	**94,89,96,351**	**949.00**	93,85,09,538	938.50
Increase during the year towards:				
Equity shares under Rights Issue	-	-	138	0.01
Equity shares under Preferential Issue [Refer Note - 20(iii)]	**6,58,00,866**	**65.80**	1,02,16,450	10.22
Exercise of Options (Refer Note - 43)	**4,17,929**	**0.42**	2,70,225	0.27
As at the end of the year	**1,01,52,15,146**	**1,015.22**	94,89,96,351	949.00

Subscribed and paid-up equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	**94,87,90,847**	**948.79**	93,83,04,034	938.29
Increase during the year towards:				
Equity shares under Rights Issue		-	138	0.01
Equity shares under Preferential Issue [Refer Note - 20(iii)]	**6,58,00,866**	**65.80**	1,02,16,450	10.22
Exercise of Options (Refer Note - 43)	**4,17,929**	**0.42**	2,70,225	0.27
As at the end of the year	**1,01,50,09,642**	**1,015.01**	94,87,90,847	948.79

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(i) Shares held by Promoters :

	Shares held by Promoters as at March 31, 2024		% Change during the year
Promoter name	**No. of Shares**	**% of total shares**	
Birla Group Holdings Private Limited	**17,15,52,967**	**16.90**	**-1.18%**
IGH Holdings Private Limited	**13,64,72,680**	**13.45**	**-0.94%**
Grasim Industries Limited	**9,75,93,931**	**9.62**	**-0.67%**
Umang Commercial Company Private Limited	**6,50,66,998**	**6.41**	**-0.45%**
Hindalco Industries Limited	**5,02,39,794**	**4.95**	**-0.35%**
Pilani Investment and Industries Corporation Limited	**39,88,866**	**0.39**	**-0.03%**
Mrs. Rajashree Birla	**8,63,696**	**0.09**	**-0.01%**
Birla Industrial Finance (India) Limited	**1,66,508**	**0.02**	**0.00%**
Birla Consultants Limited	**1,66,422**	**0.02**	**0.00%**
ABNL Investment Limited	**77,430**	**0.01**	**0.00%**
Birla Industrial Investments (India) Limited	**34,666**	**0.00**	**0.00%**
Mr. Kumar Mangalam Birla	**33,966**	**0.00**	**0.00%**
Mrs. Neerja Birla	**20,270**	**0.00**	**0.00%**
Mrs. Vasavadatta Bajaj	**19,542**	**0.00**	**0.00%**
Aditya Vikram Kumar Mangalam Birla HUF	**1,780**	**0.00**	**0.00%**
Total	**52,62,99,516**	**51.85**	

	Shares held by Promoters as at March 31, 2023		% Change during the year
Promoter name	No. of Shares	% of total shares	
Birla Group Holdings Private Limited	17,15,52,967	18.08	-0.20%
IGH Holdings Private Limited	13,64,72,680	14.38	-0.16%
Grasim Industries Limited	9,75,93,931	10.29	-0.11%
Umang Commercial Company Private Limited	6,50,66,998	6.86	-0.07%
Hindalco Industries Limited	5,02,39,794	5.30	-0.05%
Pilani Investment and Industries Corporation Limited	39,88,866	0.42	0.00%
Mrs. Rajashree Birla	8,63,696	0.09	0.00%
Birla Industrial Finance (India) Limited	1,66,508	0.02	0.00%
Birla Consultants Limited	1,66,422	0.02	0.00%
ABNL Investment Limited	77,430	0.01	0.00%
Birla Industrial Investments (India) Limited	34,666	0.00	0.00%
Mr. Kumar Mangalam Birla	33,966	0.00	0.00%
Mrs. Neerja Birla	20,270	0.00	0.00%
Mrs. Vasavadatta Bajaj	19,542	0.00	0.00%
Aditya Vikram Kumar Mangalam Birla HUF	1,780	0.00	0.00%
Total	52,62,99,516	55.47	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10/- per share. Each holder of an equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution to all preference shareholders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(iii) Preferential Issue to foreign portfolio investors

a. On May 24, 2022, the Board of Directors of the Company approved a Preferential Issue ("said issue") of 1,02,16,450 fully paid up Equity Shares of face value of ₹ 10 each, for cash, at a price of ₹ 288.75 per Equity Share (including a premium of ₹ 278.75 per Equity Share) and 6,58,00,866 warrants at a price of ₹ 288.75 per warrant ("Warrant Issue Price"), each warrant being convertible into or exchangeable for 1 Equity Share of the Company of face value of ₹ 10 each aggregating to ₹ 2,195 Crore to Caladium Investment Pte. Ltd, a Foreign Portfolio Investor ("Investor") by way of preferential allotment on private placement basis in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 by way of entering into a Share Subscription Agreement, [""SSA"].

b. The Company received the approval of the Shareholders by way of Postal Ballot on June 23, 2022 and of Competition Commission of India on August 30, 2022 and Securities Exchange Board of India on September 7, 2022.

c On September 20, 2022, post completion of the customary closing conditions of SSA, the Board of Directors approved the allotment to the Investor on receipt of consideration aggregating to ~ ₹ 770 Crore towards:

i. 1,02,16,450 fully paid up Equity Shares, of which ₹ 10 is towards face value and ₹ 278.75 towards premium and

ii. 6,58,00,866 warrants, upon receipt of 25% of the Warrant Issue Price (i.e. ₹ 72.1875 per warrant) as warrant subscription money. Balance 75% of the Warrant Issue Price (i.e. ₹ 216.5625 per warrant) shall be payable within 18 months from the allotment date.

d. On March 11, 2024, the Company had approved the allotment of 6,58,00,866 equity shares of face value of ₹ 10/- each at issue price of ₹ 288.75/- per equity share (including a premium of ₹ 278.75 per equity share) aggregating to ₹ ~1,425 Crore, upon receipt of the balance 75% consideration, consequent to the conversion of warrants at a conversion ratio of 1 equity share in lieu of 1 warrant.

(iv) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	**% of paid-up share capital**	No. of shares held	% of paid-up share capital
Birla Group Holdings Private Limited	**17,15,52,967**	**16.90%**	17,15,52,967	18.08%
IGH Holdings Private Limited	**13,64,72,680**	**13.45%**	13,64,72,680	14.38%
Grasim Industries Limited	**9,75,93,931**	**9.62%**	9,75,93,931	10.29%
Flipkart Investments Private Limited	**7,31,70,731**	**7.21%**	7,31,70,731	7.71%
Umang Commercial Company Private Limited	**6,50,66,998**	**6.41%**	6,50,66,998	6.86%
Caladium Investment Pte. Ltd.*	**7,60,17,316**	**7.49%**	-	-
Hindalco Industries Limited*	**-**	**-**	5,02,39,794	5.30%

* % holding is less than 5 %.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(v) There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting year.

(vi) Shares reserved for issue under Employee Stock Option Plan

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer Note - 43.

NOTE: 21
OTHER EQUITY

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Share application money pending allotment		
As at the beginning of the year	**0.01**	-
Exercise price received pending allotment	**0.03**	0.01
As at the end of the year	**0.04**	0.01
Share suspense account		
As at the beginning of the year	**0.02**	0.02
As at the end of the year	**0.02**	0.02
Reserves and surplus		
Securities premium		
As at the beginning of the year	**3,408.07**	3,118.18
Equity shares under Rights Issue	**-**	0.20
Preferential Issue of equity shares on conversion of warrants (net off share issue expenses of ₹ Nil (March 31,2023: ₹ 0.95 Crore) [Refer Note - 20(iii)]	**1,375.65**	283.83
Conversion of warrants (amount transferred to securities premium)	**458.55**	-
Issue of shares upon exercise of options	**9.23**	5.86
As at the end of the year	**5,251.50**	3,408.07
Other equity		
As at the beginning of the year	**-**	-
ESOP of the Subsidiaries issued to the employees	**1.64**	-
As at the end of the year	**1.64**	-
Retained earnings		
As at the beginning of the year	**(1,024.93)**	(1,157.44)
Profit/(Loss) for the year	**(177.73)**	132.52
As at the end of the year	**(1,202.66)**	(1,024.93)
Share options outstanding account		
As at the beginning of the year	**66.34**	60.14
Recognition of Share based payment	**6.85**	18.91
Issue of shares upon exercise of options	**(6.19)**	(12.71)
As at the end of the year	**67.00**	66.34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Treasury shares		
As at the beginning of the year	**(115.00)**	(103.09)
Treasury shares Issued/ (purchased) by ESOP Trust (Net)	**3.69**	(11.91)
As at the end of the year	**(111.31)**	(115.00)
Share Warrants [Refer Note 20 (iii)]		
As at the beginning of the year	**475.00**	-
Conversion of warrants (amount transferred to securities premium)	**(475.00)**	475.00
As at the end of the year	**-**	475.00
Capital reserve		
As at the beginning of the year	**22.70**	21.74
Issue of shares upon exercise of options	**0.19**	0.96
As at the end of the year	**22.89**	22.70
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans		
As at the beginning of the year	**1.12**	1.97
Gains/ (losses) during the year	**(3.76)**	(0.85)
As at the end of the year	**(2.64)**	1.12
Fair value gains/ (losses) on equity instruments		
As at the beginning of the year	**4.77**	2.33
Gains/ (losses) during the year	**2.71**	2.44
As at the end of the year	**7.48**	4.77
Total	**4,033.96**	2,838.10

Other equity

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Share application money pending allotment	**0.04**	0.01
Share suspense account	**0.02**	0.02
Reserves and surplus		
Securities premium	**5,251.50**	3,408.07
Retained earnings	**(1,202.66)**	(1,024.93)
Share options outstanding account	**67.00**	66.34
Treasury shares	**(111.31)**	(115.00)
Capital reserve	**22.89**	22.70
Other equity	**1.64**	-
Share Warrants [Refer Note 20 (iii)]	**-**	475.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans	**(2.64)**	1.12
Fair value gains/ (losses) on equity instruments	**7.48**	4.77
Total	**4,033.96**	2,838.10

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

1. Share suspense account

As per the Scheme of Arrangement, the Non-Resident shareholders of ABNL, holding shares on repatriation basis, are allotted shares upon receiving necessary regulatory approval(s). The amount lying in share suspense account pertains to shares not allotted on account of pending requisite approvals.

2. Securities premium

Securities premium is used to record the premium on issue of shares, and is utilised in accordance with the provisions of the Companies Act, 2013.

3. Retained earnings

Retained earnings comprise of the Company's accumulated undistributed profits/ (losses) after taxes.

4. Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in Standalone Statement of Profit and Loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

5. Treasury shares (Refer Note - 43)

The equity shares of the Company have been acquired from open markets for Employee Stock Option Scheme 2019 and is held by ABFRL Employee Welfare Trust (ESOP Trust) at cost. Trust allots shares to employees at the time of exercise of stock options by the employees.

6. Capital reserve

Capital reserve pertains to the reserve created out of the difference between the share capital issued and the net assets taken over at the time of Scheme of Arrangement and forfeiture of Rights shares.

7. Share Warrants [Refer Note 20 (iii)]

8. Remeasurement gains/ (losses) on defined benefit plans

The cumulative balances of gains/ (losses) arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in remeasurement gains/ (losses) reserve will not be reclassified subsequently to Standalone Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

9. Fair value gains/ (losses) on equity instruments

It represents the cumulative gains/(losses) arising on the fair valuation of equity shares (other than investments in subsidiaries and a Joint venture, which are carried at cost) measured at fair value through other comprehensive income. This fair value gain/ (loss) will not be reclassified subsequently to Standalone Statement of Profit and Loss.

NOTE: 22
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	Effective interest rate % p.a.	Maturity	As at March 31, 2024 ₹ in Crore	As at March 31, 2023 ₹ in Crore
Redeemable non-convertible debentures				
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	-	399.83
Redeemable non-convertible debentures - Series 9 Zero coupon (Unsecured)*	7.97%	January 29, 2026	**498.42**	498.42
Redeemable non-convertible debentures - Series 10 Zero coupon (Unsecured)*	7.71%	September 11, 2030	**743.07**	-
Term loans from banks				
Term Loan from Federal Bank (Secured) [1]	7.95%	March 28, 2028	**499.54**	499.00
Term loan from HDFC Bank (TUF) (Secured) [2]	1 year MCLR + 0.25%	March 15, 2025	-	3.33
Term Loan from Axis Bank (Secured) [4]	8.15%	April 24, 2030	**597.32**	-
Term loan from others				
Other borrowings (Unsecured) [3]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	**2.33**	14.82
Preference shares				
Cumulative redeemable preference shares (Unsecured) [5]	6.00%	October 12, 2024	-	0.01
Cumulative redeemable preference shares (Unsecured) [5]	8.00%	March 26, 2029	**1.11**	-
Total			**2,341.79**	1,415.41

*Net off unamortised charges

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Current maturities of long-term borrowings

	Effective interest rate % p.a.	Maturity	As at March 31, 2024 ₹ in Crore	As at March 31, 2023 ₹ in Crore
Current maturities of long-term borrowings (included in current borrowings)				
Redeemable non-convertible debentures - Series 7 Zero coupon (Unsecured)*	8.75%	May 22, 2023	-	323.51
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	**399.14**	-
Term loan from HDFC Bank (TUF) (Secured) [2]	1 year MCLR + 0.25%	March 15, 2025	**3.33**	3.33
Cumulative redeemable preference shares (Unsecured)[5]	8.00%	March 29, 2024	-	0.50
Other borrowings (Unsecured)[3]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	**12.51**	11.57
Total (included in Current Borrowings)			**414.98**	338.91
*Net off unamortised charges				
Aggregate secured borrowings			**1,100.19**	505.66
Aggregate unsecured borrowings			**1,656.58**	1,248.66

The Company has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings.

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

The Company has registered all the charges with Registrar of Companies within the statutory period.

Details of security and terms of repayment

1 Term loan of ₹ 500 Crores from Federal Bank is secured by way of First pari passu charge on the present and future fixed assets. The loan is repayable on maturity i.e 28th March, 2028.

2 Term loan from HDFC Bank (TUF) secured by way of exclusive charge over movable assets of the Company's plant situated at Bhubaneswar, Odisha. The loan is repayable in 24 equal quarterly instalments commencing from June 15, 2019.

3. Loans amounting to ₹ 10.98 Crore is repayable in 20 equal quarterly instalments commencing from March 2020 and loans amounting to ₹ 3.85 Crore is repayable in 48-60 equal monthly instalment commencing on various dates through March 14, 2025 to October 14, 2027.

4. Term loan of ₹ 600 Crores from Axis Bank is secured by way of First pari passu charge on the present and future fixed assets. The loan is repayable on maturity i.e 24th April, 2030.

Details of Cumulative redeemable preference shares

5. The Company has existing preference shares i.e. 5,00,000 8% Redeemable Cumulative Preference Shares of ₹ 10 each and 500 6% Redeemable Cumulative Preference Shares of ₹ 100 each ("existing

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Preference Shares"), which are due for redemption on March 29, 2024 and October 12, 2024 respectively. In terms of applicable provisions of the Companies Act, 2013, the preference shares can be redeemed either out of profits of the Company which would otherwise be available for dividend or out of the proceeds of the fresh issue of shares made for the purpose of such redemption. The Company did not have distributable profits in terms of Section 123 of the Companies Act, 2013, as it had past accumulated losses.

The Board of Directors at its meeting held on February 14, 2024, approved issuance of Non-Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") on private placement basis subject to the approval of the shareholders of the Company, the proceeds of which is to be utilized towards redemption of the existing Preference Shares.

The Company received the approval of the Shareholders by way of Postal Ballot on March 21, 2024 for Re-classification of Authorised Share Capital and Issue of NCRPS on private placement basis to redeem the existing Preference Shares.

The Stakeholders Relationship Committee of the Board of Directors of the Company has on March 27, 2024 approved the allotment of 11,10,000 8% Non-Cumulative Non-Convertible Redeemable Preference Shares of face value of ₹ 10/- each on private placement basis to Birla Management Centre Services Private Limited.

The existing Preference Shares were redeemed through the proceeds of fresh issuance of 8% Non-Cumulative Non-Convertible Redeemable Preference Shares on March 28, 2024.

TUF - Technology Upgradation Fund.

NOTE: 23
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Derivative Instruments*	**222.97**	185.01
Liability towards license rights	**537.13**	391.06
Total	**760.10**	576.07

*During the year ended March 31, 2021, the Company acquired 51% stake in Sabyasachi Calcutta LLP by entering into an agreement on February 24, 2021. Under the terms of the Agreement, the Company has provided a Put Option to Mr. Sabyasachi Mukherjee to sell his entire holding of 49% to the Company over a period of fourteen years starting from the end of five years from the aforesaid date and thereafter in three tranches, should an initial public offer of the organisation (after conversion to a company) does not take place. Accordingly, the Company has accounted the put option of ₹ 222.97 Crore (March 31, 2023: ₹ 185.01 Crore) at its fair value as a non-current financial liability based on independent valuation performed by the Company's appointed independent valuer.

NOTE: 24
NON-CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation		
Provision for gratuity (Refer Note - 42)	**37.26**	28.18
Total	**37.26**	28.18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 25
OTHER NON-CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Deferred income	**22.39**	20.20
Total	**22.39**	20.20

NOTE: 26
CURRENT - BORROWINGS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand from banks		
Cash credit/ Working capital demand loan (Secured)	**205.36**	100.00
Cash credit/ Working capital demand loan (Unsecured)	**450.00**	175.59
Loans repayable on demand from others		
Commercial paper (Unsecured)	**295.48**	-
Current maturities of long term borrowings (Refer Note - 22)	**414.98**	338.91
Total current borrowings	**1,365.82**	614.50
Aggregate secured borrowings	**208.69**	103.33
Aggregate unsecured borrowings	**1,157.13**	511.17

Details of security

Current borrowings of ₹ 5.36 Crore from HDFC Bank and ₹ 200 Crore from SBI Bank are secured by way of first pari passu charge on the current assets of the Company and second pari passu charge on the movable assets of the Company.

NOTE: 27
TRADE PAYABLES

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	**98.15**	97.35
Total outstanding dues of creditors other than micro enterprises and small enterprises*	**3,464.39**	3,565.34
Total	**3,562.54**	3,662.69

*Includes payables to related parties (Refer Note - 46).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

₹ in Crore

		As at March 31, 2024	As at March 31, 2023
a.	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
	Principal amount due to Micro and Small Enterprises*	**117.57**	124.60
	Interest due on the above	**0.31**	0.16
b.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**138.55**	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	**3.60**	1.43
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year	**3.91**	4.26
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as 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.	**0.32**	2.68

* Includes amount due to creditors for capital supplies/ services amounting to ₹ 19.73 Crore as at March 31, 2024 (March 31, 2023: ₹ 27.25 Crore).

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors.

Ageing of Trade Payables:

₹ in Crore

	Particulars	Outstanding as on March 31, 2024 (for following periods from due date of payment)					
		Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	**85.40**	**12.34**	**0.04**	**0.03**	**0.00**	**97.81**
(ii)	Others	**2,504.46**	**887.41**	**15.02**	**31.15**	**24.17**	**3,462.21**
(iii)	Disputed dues – MSME	**-**	**0.22**	**0.12**	**-**	**-**	**0.34**
(iv)	Disputed dues – Others	**0.23**	**0.54**	**0.03**	**0.25**	**1.13**	**2.18**

	Particulars	Outstanding as on March 31, 2023 (for following periods from due date of payment)					
		Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	81.74	15.38	0.09	0.06	0.04	97.31
(ii)	Others	2,482.34	984.96	23.80	12.18	60.56	3,563.84
(iii)	Disputed dues – MSME	0.00	0.01	-	0.03	-	0.04
(iv)	Disputed dues – Others	0.05	0.35	-	-	1.10	1.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 28
CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	**54.05**	45.26
Creditors for capital supplies/ services (including dues to micro and small enterprises)	**63.34**	121.07
Derivative contracts	**0.28**	4.65
Employee Payable	**163.39**	164.70
Liability towards license rights	**0.21**	94.85
Others	**0.10**	16.14
Total	**281.37**	446.67

NOTE: 29
CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation		
Provision for compensated absences	**87.77**	100.40
Provision for gratuity (Refer Note - 42)	**4.57**	4.23
Stock Appreciation Rights (SAR)	**30.83**	21.99
Provision for pending litigations (Refer Note - 45)	**63.00**	65.60
Total	**186.17**	192.22

Movement of provision for pending litigations during the year:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening balance	**65.60**	66.75
Add: provision made during the year	**1.21**	0.11
Less: provision utilised during the year	**(1.54)**	(0.59)
Less: provision reversed during the year	**(2.27)**	(0.67)
Closing balance	**63.00**	65.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 30
OTHER CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Advances received from customers	**57.16**	24.49
Deferred revenue*	**20.89**	18.61
Other advances received	**0.24**	0.30
Statutory dues (other than income tax)	**70.56**	67.29
Refund liabilities	**488.04**	530.00
Total	**636.89**	640.69

*** Deferred revenue**

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	**18.61**	16.43
Deferred during the year	**80.00**	70.32
Released to the Standalone Statement of Profit and Loss	**(77.72)**	(68.14)
As at the end of the year	**20.89**	18.61

The deferred revenue relates to the accrual and release of customer loyalty points according to the loyalty programme announced by the respective businesses. As at March 31, 2024, the estimated liability towards unredeemed points amounts to ₹ 20.89 Crore (March 31, 2023: ₹ 18.61 Crore).

NOTE: 31
REVENUE FROM OPERATIONS

Accounting Policy

(I) Revenue from contracts with customers

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue from sale of products

Revenue from sales of products is measured at the amount of transaction price (net of returns, customer incentives, discounts, variable consideration and other similar charges offered by the Company) allocated to that performance obligation.

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

Assets and liabilities arising from right to return

The Company has contracts with customers which entitles them an unconditional right to return.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Right to return assets

A right of return gives an entity a contractual right to recover the goods from a customer (right to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Company has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Income from gift voucher

Gift voucher sales are recognised when the vouchers are redeemed, and the goods are sold to the customer.

Loyalty points programme

The Company operates a loyalty programme which allows customers to accumulate points on purchases made in retail stores. The points give rise to a separate performance obligation as it entitles them for redemption as settlement of future purchase transaction price. Consideration received is allocated between the sale of products and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of points is determined by applying statistical techniques based on the historical trends.

Transaction price allocated to reward points is deferred and recognised when points are redeemed or when the points expire. The amount of revenue is based on the value of points redeemed/ expired.

Income from services

Income from services is recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

Export incentives income

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Commission income

In case of sales of goods, where the Company is an agent in the transaction, the difference between the revenue and the cost of the goods sold is disclosed as commission income in other operating income.

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from sale of products		
Sale of products	**12,203.91**	11,612.81
Revenue from redemption of loyalty points (Refer Note - 30)	**77.72**	68.14
Total revenue from sale of products	**12,281.63**	11,680.95

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from rendering of services	**5.52**	1.97
Other operating income		
Scrap sales	**20.12**	14.61
Export incentives	**7.54**	9.44
Licence fees and royalties	**8.03**	7.20
Space on hire	**1.13**	0.54
Commission income	**27.18**	22.15
Total	**12,351.15**	11,736.86

(a) Right to return assets and refund liabilities:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Right to return assets	**265.56**	286.44
Refund liabilities	**488.04**	530.00

(b) Contract balances:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Contract assets		
Trade receivables	**880.05**	835.10
Contract Liabilities		
Advances received from customers	**57.16**	24.49
Deferred revenue	**20.89**	18.61

(c) Reconciliation of revenue as recognised in the Standalone Statement of Profit and Loss with the contracted price:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price	**14,218.56**	13,464.35
Less:		
Sales return	**1,187.75**	1,047.98
Discounts	**658.77**	660.90
Loyalty points	**20.89**	18.61
Revenue as per the Standalone Statement of Profit and Loss	**12,351.15**	11,736.86

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(d) Disclosure of disaggregated revenue recognised in the Standalone Statement of Profit and Loss:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Madura Fashion & Lifestyle		
Revenue from retail operations	**4,755.59**	4,541.77
Revenue from non-retail operations	**3,267.29**	3,084.16
	8,022.88	7,625.93
Pantaloons		
Revenue from retail operations	**4,184.23**	3,972.46
Revenue from non-retail operations	**144.04**	138.47
	4,328.27	4,110.93
Revenue as per the Standalone Statement of Profit and Loss	**12,351.15**	11,736.86

(e) Disclosure of disaggregated revenue recognised in the Standalone Statement of Profit and Loss based on geographical segment:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from customers outside India	**182.27**	170.84
Revenue from customers within India	**12,168.88**	11,566.02
Revenue as per the Standalone Statement of Profit and Loss	**12,351.15**	11,736.86

NOTE: 32
OTHER INCOME

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Profit on sale of property, plant and equipment	**-**	0.53
Interest income	**31.92**	10.57
Net gain on investment in mutual funds (including on redemption)	**33.06**	21.78
Fair value gain on financial instruments at FVTPL	**72.86**	44.62
Gain on retirement of right-of-use assets (Refer Note - 44a)	**35.82**	18.78
Miscellaneous income	**40.65**	13.88
Total	**214.31**	110.16

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 33
COST OF MATERIALS CONSUMED

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Materials consumed		
Inventories at the beginning of the year	**222.25**	286.41
Add: Purchases	**1,127.21**	1,035.44
	1,349.46	1,321.85
Less: Inventories at the end of the year	**186.09**	222.26
Total	**1,163.37**	1,099.59
(b) Purchase of stock-in-trade		
Purchase of stock-in-trade	**4,483.89**	5,401.11
Total	**4,483.89**	5,401.11
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening inventories		
Finished goods	**374.22**	270.08
Stock-in-trade	**3,106.94**	2,116.23
Work-in-progress	**29.63**	33.18
	3,510.79	2,419.49
Less:		
Closing inventories		
Finished goods	**424.08**	374.22
Stock-in-trade	**2,965.79**	3,106.94
Work-in-progress	**20.49**	29.63
	3,410.36	3,510.79
(Increase)/Decrease in inventories	**100.43**	(1,091.30)

NOTE: 34
EMPLOYEE BENEFITS EXPENSE

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	**1,182.71**	1,144.53
Contribution to provident and other funds (Refer Note - 42)	**84.21**	70.78
Share-based payment to employees (Refer Note - 43)	**15.28**	29.69
Gratuity expense (Refer Note - 42)	**19.88**	18.42
Staff welfare expenses	**63.76**	74.64
Total	**1,365.84**	1,338.06

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 35
FINANCE COSTS

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on borrowings	**339.19**	132.52
Interest expense on lease liabilities (Refer Note - 44a)	**345.40**	264.56
Other borrowing costs	**2.52**	0.84
Interest on unwinding of other financial liabilities	**54.24**	26.31
Total	**741.35**	424.23

NOTE: 36
DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note - 3a)	**287.86**	230.12
Depreciation on right-of-use assets (Refer Note - 4a & 44a)	**1,008.57**	857.78
Amortisation on intangible assets (Refer Note - 5)	**67.26**	26.56
Total	**1,363.69**	1,114.46

NOTE: 37
OTHER EXPENSES

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spares	**7.18**	7.14
Power and fuel	**16.39**	15.63
Electricity charges	**207.22**	159.53
Repairs and maintenance		
Buildings	**0.59**	-
Plant and machinery	**13.44**	12.94
Others	**305.09**	244.42
Insurance	**14.53**	13.50
Rates and taxes	**20.56**	18.15
Processing charges	**73.77**	82.60
Commission to selling agents	**173.58**	178.44
Brokerage and discounts	**1.37**	1.03
Advertisement and sales promotion	**447.23**	537.41
Transportation and handling charges	**198.04**	211.60
Royalty expenses	**28.58**	25.05
Legal and professional	**157.74**	139.69

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Bad debts written off	**1.27**	0.08
Allowances for bad and doubtful debts	**4.07**	1.36
Provision for bad and doubtful deposits and advances	**-**	1.29
Printing and stationery	**14.50**	13.81
Travelling and conveyance	**110.91**	114.46
Communication	**4.88**	5.11
Loss on sale/ discard of property, plant and equipment	**1.87**	-
Bank and credit card charges	**55.09**	55.45
Payment to auditors (Refer details below)	**2.40**	2.15
Postage expenses	**6.57**	4.98
Foreign exchange loss (net)	**10.01**	11.50
Information technology	**205.50**	189.07
Outsourcing, housekeeping and security	**460.45**	390.55
Corporate Social Responsibility (CSR) (Refer Note - 41)	**4.06**	3.50
Directors' fees	**0.62**	0.75
Miscellaneous	**98.48**	68.15
Total	**2,645.99**	2,509.34

Payment to auditors:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
For audit fees (including Limited Review fees)	**1.48**	1.51
For tax audit fees	**0.20**	0.20
For other services	**0.58**	0.34
For reimbursement of expenses	**0.14**	0.10
Total	**2.40**	2.15

NOTE: 38
INCOME TAX EXPENSE

The major components of income tax (income)/ expense are:

In Standalone Statement of Profit and Loss:

Profit or loss section

₹ in Crore

		Year ended March 31, 2024	Year ended March 31, 2023
Current income tax			
Current income tax charge		**-**	-
Current tax relating to earlier years		**-**	(2.22)
	(A)	**-**	(2.22)
Deferred tax charge / (credit)			
Relating to origination and reversal of temporary differences		**(56.99)**	35.95
	(B)	**(56.99)**	35.95
Total	**(A+B)**	**(56.99)**	33.73

In Other Comprehensive Income (OCI)

Deferred tax related to items recognised in OCI during the year

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax charge/ (credit) on:		
Net (gains)/ losses on re-measurement of defined benefit plans	**(1.27)**	(0.28)
Net (gains)/ losses on fair value of equity instruments	**0.91**	0.82
Total	**(0.36)**	0.54

Reconciliation of tax (income)/ expense and the accounting profit/ (loss) multiplied by India's domestic tax rate

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Accounting Profit/(Loss) before income tax	**(234.72)**	166.25
Tax expense/ (income) at statutory income tax rate of 25.17% (March 31, 2023: 25.17%)	**(59.08)**	41.85
Expenses not allowed under the Income tax Act:		
Corporate Social Responsibility	**1.02**	0.88
Expenses disallowed for tax purposes	**0.92**	0.28
Current tax relating to earlier years	**-**	(2.22)
Others	**0.15**	(7.06)
Income tax expenses/ (income) as per Statement of Profit and Loss Account	**(56.99)**	33.73

NOTE: 39
EARNINGS PER SHARE (EPS)

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

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

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

		Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) for calculation of EPS	**(A)**	**(177.73)**	132.52
Weighted average number of equity shares for calculation of Basic EPS	**(B)**	**96,43,37,897**	94,77,34,352
Profit / (Loss) per share - basic (₹)	**(A/B)**	**(1.84)**	1.40
Weighted average number of equity shares outstanding		**96,43,37,897**	94,77,34,352
Weighted average number of potential equity shares*		**13,77,819**	25,44,903
Weighted average number of equity shares for calculation of Diluted EPS		**96,43,37,897**	95,02,79,256
Diluted EPS (₹)	**(C)**	**(1.84)**	1.39
Nominal value of shares (₹)		**10.00**	10.00

Treasury shares are adjusted in computing the weighted average number of equity shares outstanding during the year in calculation of EPS.

* Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not anti-dilutive. Vested unexcercised stock options have been considered in the calculation of Basic EPS where the excercise price of such options are insignificant. The details relating to stock options are given in Note - 43.

* The stock options are anti-dilutive and hence have been ignored.

NOTE - 40
LARGE CORPORATE DISCLOSURE

The Company is a Large Corporate as per the SEBI circular number SEBI/HO/DDHS/P/CIR/2021/613 dated April 13, 2022. Below is disclosure required as per the said circular:

Initial Disclosure: ₹ in Crore

Particulars	**Details**
Name of the Company	Aditya Birla Fashion and Retail Limited
CIN	L18101MH2007PLC233901
Outstanding borrowing of Company as on 31st March 2024	2,750 Crore
Highest credit rating during the previous FY along with name of the Credit Rating Agency	CRISIL AA+ ICRA AA+ India Ratings & Research Private Limited - AA+
Name of the Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

Details of the current block ₹ in Crore

Particulars	**Details**
3-year block period	FY 2021-22 FY 2022-23, FY 2023 - 24
Incremental borrowing done in FY 2023-24 (a)	1,025.00
Mandatory borrowing to be done through debt securities in FY 2023-24 (b) = (25% of a)	256.25
Actual borrowing done through debt securities in FY 2023-24 (c)	750.00
Shortfall in the borrowing through debt securities, if any, for FY 2022-23 carried forward to FY 2023-24 (d)	Nil

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

Particulars	**Details**
Quantum of (d), which has been met from (c) (e)	Nil
Shortfall, if any, in the mandatory borrowing through debt securities for FY 2023-24 {after adjusting for any shortfall in borrowing for FY 2022-23 which was carried forward to FY 2023-24} (f)= (b)-[(c)-(e)]	Nil
Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	Nil

NOTE - 41
DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON

Details of actual CSR expenditure incurred: ₹ in Crore

		Year ended March 31, 2024	Year ended March 31, 2023
i)	Amount required to be spent by the company during the year	**-**	-
ii)	Amount of expenditure incurred	**4.06**	3.50
iii)	Shortfall at the end of the financial year	**-**	-
iv)	Total of previous years shortfall	**-**	-
v)	Reason for shortfall	**NA**	NA
vi)	Nature of CSR activities	CSR activities are mainly focused towards Education, Health and Sanitation, Water, Digitisation, Sustainable livelihood, Institutional Building and Social Causes.	
vii)	Details of related party transaction (contribution to a trust controlled by the company)	**4.06**	3.50
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	**NA**	NA

Note: The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off against the amounts required to spent in the future year. There are no ongoing projects as at March 31, 2024 (March 31, 2023: Nil).

NOTE - 42
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company operates gratuity plan through a Trust wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service as per the Payment of Gratuity Act, 1972. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The benefits are payable on termination of service or retirement, whichever is earlier. The benefits vests after five years of continuous service. A part of the gratuity plan is funded and another part is unfunded and managed within the Company, hence the liability has been bifurcated into funded and unfunded.

The Company has contributed to the Insurer Managed Fund (managed by Life Insurance Corporation of India), details of which is available in the table of Investment pattern of plan assets.

The following tables summarise the components of net benefit expense recognised in the Standalone Statement of Profit and Loss and Standalone Balance Sheet for the respective plans:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Unfunded defined benefit plan

Net benefit expense recognised through the Standalone Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	**5.32**	5.41
Interest cost on defined benefit obligation	**2.36**	1.83
Total	**7.68**	7.24

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	**32.14**	26.36
Current service cost	**5.32**	5.41
Interest cost on defined benefit obligation	**2.36**	1.83
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	**0.62**	(1.29)
Experience adjustments	**(0.50)**	3.96
Actuarial (gain)/ loss recognised in OCI	**0.12**	2.67
Benefits paid	**(4.18)**	(3.39)
Liabilities assumed/ (settled)*	**(0.54)**	(0.74)
Closing defined benefit obligation	**35.22**	32.14

*On account of inter-company transfer.

Funded defined benefit plan

Net benefit expense recognised through the Standalone Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	**12.39**	11.38
Interest cost on defined benefit obligation	**6.16**	5.29
Interest income on plan assets	**(6.35)**	(5.49)
	12.20	11.18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Changes in the defined benefit obligation and fair value of plan assets are as follows:

(i) Changes in the present value of the Defined Benefit Obligations (DBO)

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	**85.28**	76.70
Current service cost	**12.39**	11.38
Interest cost on defined benefit obligation	**6.16**	5.29
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	**1.82**	(3.70)
Experience adjustments	**2.58**	2.11
Actuarial (gain)/ loss recognised in OCI	**4.40**	(1.59)
Benefits paid	**(7.66)**	(6.57)
Liabilities assumed/ (settled)*	**(2.80)**	0.06
Closing defined benefit obligation	**97.77**	85.28

*On account of inter-company transfer.

(ii) Change in fair value of plan assets

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening fair value of the plan assets	**85.01**	79.56
Contributions by the employer	**0.31**	-
Interest income on plan assets	**6.35**	5.49
Actuarial gain/ (loss) recognised in OCI		
Actual returns on plan assets excluding amounts included in net interest	**(0.51)**	(0.04)
Closing fair value of the plan assets	**91.16**	85.01

Amounts recognised in the Standalone Balance Sheet

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Present value of the defined benefit obligation at the end of the year:		
Funded	**97.77**	85.28
Fair value of plan assets	**91.16**	85.01
Net liability/ (asset)	**6.61**	0.27
Net liability is classified as follows:		
Current	**-**	-
Non-current	**6.61**	0.27
Net liability - Funded	**6.61**	0.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Present value of the defined benefit obligation at the end of the year:		
Unfunded	**35.22**	32.14
Liability	**35.22**	32.14
Net liability is classified as follows:		
Current	**4.57**	4.23
Non-current	**30.65**	27.91
Liability - Unfunded	**35.22**	32.14

The principal assumptions used in determining gratuity (funded and unfunded) defined benefit obligations for the Company are shown below:

	As at March 31, 2024	As at March 31, 2023
Discount rate		
Funded plan	**7.20%**	7.45%
Unfunded plan	**7.20%**	7.45%
Salary escalation rate		
Funded plan		
Management	**8.00%**	8.00%
Staff	**7.00%**	7.00%
Workers	**5.00%**	5.00%
Unfunded plan		
Stores	**7.00%**	7.00%
HO and Zones	**8.00%**	8.00%

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumptions is as follows:

	As at March 31, 2024		As at March 31, 2023	
Sensitivity level				
Discount rate	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/(Decrease) in DBO (₹ in Crore)				
Funded plan	**(3.60)**	**3.84**	(3.14)	3.35
Unfunded plan	**(1.21)**	**1.29**	(1.09)	1.16
Salary escalation rate	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/(Decrease) in DBO (₹ in Crore)				
Funded plan	**3.84**	**(3.62)**	3.35	(3.17)
Unfunded plan	**1.21**	**(1.15)**	1.10	(1.06)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

There has been no change from the previous year in the method and assumptions used in preparing the sensitivity analysis.

The maturity profile of the defined benefit obligation are as follows:

₹ in Crore

	March 31, 2024	March 31, 2023
Within the next 12 months (next annual reporting period)	**17.35**	13.65
Between 2 and 5 years	**54.18**	49.43
Between 6 and 10 years	**63.37**	55.78
Beyond 10 years	**126.06**	106.58
Total	**260.96**	225.44

The Company is expected to contribute ₹ 20.83 Crore to the gratuity fund during the year ended March 31, 2025.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 to 8 years (March 31, 2023: 7 to 8 years).

Risk exposure

Through its defined benefit plans, Company is exposed to number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans. These are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimise risk to an acceptable level.
Inflation Risk	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life Expectancy	The pension plan provides benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Defined contribution plans

Amount recognised as an expense and included in Note - 34 as "Contribution to provident and other funds"

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Government Provident Fund	**63.98**	51.96
Contribution to Superannuation Fund	**1.30**	1.17
Contribution to Employee Pension Scheme (EPS)	**6.66**	7.37
Contribution to Employee State Insurance (ESI)	**9.85**	9.06
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	**0.69**	0.67
Contribution to Labour Welfare Fund (LWF)	**0.16**	0.15
Contribution to National Pension Scheme (NPS)	**1.57**	0.40
Total	**84.21**	70.78

Note:

1. In respect of the Honorable Supreme Court ruling in February 2019 on Provident Fund applicability on allowances, the Company has evaluated the impact and basis the clarity emerged , Provident Fund contribution has been aligned in computation of salary as per the Judgement.
2. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.

NOTE- 43
SHARE-BASED PAYMENT

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Expense arising from equity-settled share-based payment transactions (net of cross charge)	**6.58**	18.91
Expense arising from cash-settled share-based payment transactions	**8.70**	10.78
Total	**15.28**	29.69

a. Employee Stock Option Plans (Options and RSUs)

I. Employee Stock Option Scheme - 2013

During the year ended March 31, 2014, i.e. on July 22, 2013, the ESOP Compensation Committee of the Board of Directors of the Company (merged with Nomination and Remuneration Committee w.e.f. November 04, 2014) ("Committee") and the Board of Directors ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Employee Stock Option Scheme - 2013 ("Scheme 2013") for issue of Stock Options in the form of Options ("Options") and/ or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its subsidiary companies, subject to the approval of the shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Sixth Annual General Meeting of the Company, held on August 23, 2013, approved the introduction of the Scheme 2013 and authorised the Board/ Committee to finalise and implement the Scheme 2013.

Accordingly, under the said Scheme 2013, vide its resolution dated October 25, 2013, the Committee commenced granting of options.

i) Details of the grants under the Scheme 2013

	Tranche 1
	Options
No. of Options/ RSUs	830,382
Method of accounting	Fair value
Vesting plan	Graded vesting - 25% every year
Exercise period	5 years from the date of vesting
Grant date	October 25, 2013
Grant/ exercise price (₹ per share)	102.10
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 104.10 / NSE - 103.55
Method of settlement	Equity

ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2024		As at March 31, 2023	
	No. of Options	Weighted average exercise price (₹ per share)	No. of Options	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	-	-	7,526	102.10
Granted during the financial year	-	-	-	-
Exercised during the financial year*	-	-	(7,526)	102.10
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-

* The weighted average share price at the date of exercise of these Options was ₹ 300.34.

The weighted average remaining contractual life for the Options outstanding as at March 31, 2024, is Nil (March 31, 2023: Nil) and for RSUs outstanding as at March 31, 2024, is Nil (March 31, 2023: Nil).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options
	Tranche 1
Expected dividend yield (%)	Nil
Expected volatility (%)	45.93
Risk-free interest rate (%)	8.58
Weighted average fair value per Option/ RSU (₹)	52.96
Model used	Black-Scholes model

II. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017

During the year ended March 31, 2018, i.e. on July 25, 2017, the Nomination and Remuneration Committee of the Board of Directors of the Company ("NRC") and the Board of Directors ("Board") approved the introduction of a Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its subsidiary companies, subject to the approval of the Shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Tenth Annual General Meeting of the Company, held on August 23, 2017, approved the introduction of the Scheme 2017 and authorised the Board/ NRC to finalise and implement the Scheme 2017.

Accordingly, under the said Scheme 2017, vide its resolution dated September 8, 2017, the Committee commenced granting of options.

i) Details of the grants under Scheme 2017

	Options			RSUs		
	Tranche 1	Tranche 3	Tranche 4	Tranche 1	Tranche 3	Tranche 4
No. of Options/ RSUs	37,38,254	2,88,122	90,039	13,04,558	1,17,144	30,349
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 08, 2017	February 02, 2018	April 18, 2018	September 08, 2017	February 02, 2018	April 18, 2018
Grant/ exercise price (₹ per share)	178.30	163.60	150.80	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 176.40 NSE - 176.50	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10	BSE - 176.40 NSE - 176.50	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2024			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**12,48,314**	**178.30**	**261,001**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(3,44,017)	178.30	(27,275)	10.00
Lapsed during the financial year	(47,426)	178.30	-	-
Outstanding at the end of the financial year	**8,56,871**	**178.30**	**2,33,726**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**8,56,871**	**178.30**	**2,33,726**	**10.00**
Tranche 3				
Outstanding at the beginning of the financial year	**27,011**	**163.60**	**12,140**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(9,004)	163.60	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**18,007**	**163.60**	**12,140**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**18,007**	**163.60**	**12,140**	**10.00**
Tranche 4				
Outstanding at the beginning of the financial year	**45,019**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(30,349)	10.00
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**45,019**	**150.80**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**45,019**	**150.80**	**-**	**-**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 217.35.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2023			
	No. of Options	**Weighted average exercise price (₹ per share)**	**No. of RSUs**	**Weighted average exercise price (₹ per share)**
Tranche 1				
Outstanding at the beginning of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	(1,30,828)	178.30	(71,625)	10.00
Lapsed during the financial year	(18,908)	178.30	(7,284)	10.00
Outstanding at the end of the financial year	**12,48,314**	**178.30**	**2,61,001**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**12,48,314**	**178.30**	**2,61,001**	**10.00**
Tranche 3				
Outstanding at the beginning of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	(45,020)	163.60	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**27,011**	**163.60**	**12,140**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**27,011**	**163.60**	**12,140**	**10.00**
Tranche 4				
Outstanding at the beginning of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	(22,510)	150.80	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**45,019**	**150.80**	**30,349**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**45,019**	**150.80**	**30,349**	**10.00**

^^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 279.66.

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2024, is 2 years (March 31, 2023: 2 years) and for RSUs outstanding as at March 31, 2024, is 1 year (March 31, 2023: 3 years).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options			RSUs		
	Tranche 1	**Tranche 3**	**Tranche 4**	**Tranche 1**	**Tranche 3**	**Tranche 4**
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	36.57	35.32	35.28	36.57	35.32	35.28
Risk-free interest rate (%)	6.70	7.43	7.43	6.77	7.54	7.54
Weighted average fair value per Option/ RSU (₹)	77.04	71.56	65.93	171.41	156.99	144.20
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model

III. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019

During the year ended March 31, 2020, on July 26, 2019, the Nomination and Remuneration Committee and the Board of Directors ("Board"), approved introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019") through trust route, for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its subsidiary companies. Based on the loan granted by the Company, the Trust held 48,84,139 equity shares as at March 31, 2023. During the year ended March 31, 2024, the Trust has not purchased any equity shares to back the grants made under the Scheme 2019. As on March 31, 2024, the Trust holds 47,18,017 equity shares. 1,66,122 equity shares were exercised during the year.

Accordingly, under the said Scheme 2019, vide its resolution dated December 2, 2019, the Committee commenced granting of options.

i) Details of the grants under Scheme 2019

	Options			RSUs	
	Tranche 1	**Tranche 2**	**Tranche 3**	**Tranche 1**	**Tranche 2**
No. of Options/ RSUs	33,42,876	1,16,360	14,17,684	11,18,385	32,161
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 1st year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	December 02, 2019	December 28, 2020	January 21, 2021	December 02, 2019	December 28, 2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
Grant/ exercise price (₹ per share)	225.25	164.10	173.55	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80	BSE - 173.05 NSE - 173.85	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80
Method of settlement	Equity	Equity	Equity	Equity	Equity

	Options		RSUs	
	Tranche 4	Tranche 5	Tranche 4	Tranche 5
No. of Options/ RSUs	5,99,997	2,05,224	1,78,574	54,563
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	August 05, 2022	September 20,2022	August 05, 2022	September 20,2022
Grant/ exercise price (₹ per share)	275.10	330.75	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55
Method of settlement	Equity	Equity	Equity	Equity

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2024			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**20,29,929**	**225.25**	**6,65,756**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(1,12,394)	10.00
Lapsed during the financial year	(98,634)	225.25	-	-
Outstanding at the end of the financial year	**19,31,295**	**225.25**	**5,53,362**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**19,31,295**	**225.25**	**5,53,362**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**79,998**	**164.10**	**28,141**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(24,121)	10.00
Lapsed during the financial year	**(14,544)**	**164.10**	(4,020)	10.00
Outstanding at the end of the financial year	**65,454**	**164.10**	**-**	**-**
Unvested at the end of the financial year	**21,818**	**164.10**	**-**	**-**
Exercisable at the end of the financial year	**43,636**	**164.10**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	**10,31,111**	**173.55**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(51,248)	173.55	-	-
Lapsed during the financial year	(8,121)	173.55	-	-
Outstanding at the end of the financial year	**9,71,742**	**173.55**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**9,71,742**	**173.55**	**-**	**-**
Tranche 4				
Outstanding at the beginning of the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	(29,851)	275.10	(16,667)	10.00
Outstanding at the end of the financial year	**5,70,146**	**275.10**	**1,61,907**	**10.00**
Unvested at the end of the financial year	**3,70,147**	**275.10**	**1,61,907**	**10.00**
Exercisable at the end of the financial year	**1,99,999**	**275.10**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 5				
Outstanding at the beginning of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**
Unvested at the end of the financial year	**1,36,816**	**330.75**	**54,563**	**10.00**
Exercisable at the end of the financial year	**68,408**	**330.75**	**-**	**-**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 212.94.

Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2023			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**21,30,030**	**225.25**	**9,66,830**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	(47,374)	225.25	(2,60,371)	10.00
Lapsed during the financial year	(52,727)	225.25	(40,703)	10.00
Outstanding at the end of the financial year	**20,29,929**	**225.25**	**6,65,756**	**10.00**
Unvested at the end of the financial year	**7,18,177**	**225.25**	**-**	**-**
Exercisable at the end of the financial year	**13,11,752**	**225.25**	**6,65,756**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**1,12,724**	**164.10**	**32,161**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	(21,818)	164.10	-	-
Lapsed during the financial year	(10,908)	164.10	(4,020)	10.00
Outstanding at the end of the financial year	**79,998**	**164.10**	**28,141**	**10.00**
Unvested at the end of the financial year	**50,908**	**164.10**	**28,141**	**10.00**
Exercisable at the end of the financial year	**29,090**	**164.10**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2023			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 3				
Outstanding at the beginning of the financial year	**11,23,098**	**173.55**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year	(89,411)	173.55	-	-
Lapsed during the financial year	(2,576)	173.55	-	-
Outstanding at the end of the financial year	**10,31,111**	**173.55**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**10,31,111**	**173.55**	**-**	**-**
Tranche 4				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	5,99,997	275.10	1,78,574	10.00
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Tranche 5				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	2,05,224	330.75	54,563	10.00
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2024 is 4 years (March 31, 2023: 5 years) and for RSUs outstanding as at March 31, 2024 is 4 years (March 31, 2023: 5 years).

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	32.88	36.16	36.02	32.88	36.16
Risk-free interest rate (%)	6.66	5.62	5.62	6.76	6.19
Weighted average fair value per Option/ RSU (₹)	112.00	84.39	76.78	216.18	158.10
Model used	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	Options		RSUs	
	Tranche 4	Tranche 5	Tranche 4	Tranche 5
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	38.63	38.73	39.38	39.62
Risk-free interest rate (%)	7.17	7.26	7.23	7.27
Weighted average fair value per Option/ RSU (₹)	147.78	178.42	269.49	325.16
Model used	Binomial model	Binomial model	Binomial model	Binomial model

b. Stock Appreciation Rights (SARs)

The SAR compensation cost is amortised on a straight-line basis over the total vesting period of the SARs. Accordingly, ₹ 8.70 Crore (March 31, 2023: ₹ 10.78 Crore) has been taken to the Standalone Statement of Profit and Loss.

I. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019

On February 04, 2019, the Nomination and Remuneration Committee and the Board of Directors of the Company, at their respective meetings had approved the “Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019” (“SARs Scheme 2019”), to grant SARs in the form of “Option SARs” and “RSU SARs”, from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

i) The details of the Plan are as below:

	SARs		
	Option SARs		
	Tranche 1	Tranche 2	Tranche 4
No. of SARs	61,226	17,92,686	2,04,546
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	May 16, 2019 and September 08, 2019	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	November 03, 2021
Grant price (₹ per share)	178.30	206.35	288.10
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	Cash

	SARs			
	Option SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
No. of SARs	10,81,344	13,434	5,970	14,546
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Graded vesting - 50% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 05,2022	September 20, 2022	November 15, 2022	December 01, 2022
Grant price (₹ per share)	275.10	330.75	314.6	225.25
Market price on the date of granting of SARs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 312.55 NSE - 312.60	BSE - 316.10 NSE - 316.00
Method of settlement	Cash	Cash	Cash	Cash

	SARs		
	Option SARs		
	Tranche 9	Tranche 10	Tranche 11
No. of SARs	32,273	7,273	29,851
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	December 02, 2023	December 02, 2023	Graded vesting - 50% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 04,2023	December 02, 2023	February 15, 2024
Grant price (₹ per share)	225.25	225.25	275.10
Market price on the date of granting of SARs (₹ per share)	BSE - 221.15 NSE - 220.95	BSE - 231.35 NSE - 231.40	BSE - 243.20 NSE - 243.40
Method of settlement	Cash	Cash	Cash

	SARs			
	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of SARs	6,880	6,38,700	1,005	56,533
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	September 08, 2020	August 18, 2024	December 02, 2022	November 03, 2024
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	August 18, 2021	November 03, 2021
Grant price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	BSE - 205.80 NSE - 205.90	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	Cash	Cash

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	SARs			
	RSU SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
No. of SARs	6,42,634	6,746	1,587	10,553
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	August 01,2025	September 19, 2025	November 15, 2025	December 02, 2022
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 05,2022	September 20, 2022	November 15, 2022	December 01, 2022
Grant price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 312.55 NSE - 312.60	BSE - 316.10 NSE - 316.00
Method of settlement	Cash	Cash	Cash	Cash

	SARs
	RSU SARs
	Tranche 11
No. of SARs	16,667
Method of accounting	Fair value
Vesting plan	August 05, 2025
Exercise period	3 years from the date of vesting
Grant date	February 15, 2024
Grant price (₹ per share)	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 243.20 NSE - 243.40
Method of settlement	Cash

ii) Movement of SARs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, SARs during the year:

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 1				
Option SARs				
Outstanding at the beginning of the financial year	-	-	43,218	178.30
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(43,218)	178.30
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-
RSU SARs				
Outstanding at the beginning of the financial year	-	-	4,856	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(4,856)	10.00
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-
Tranche 2				
Option SARs				
Outstanding at the beginning of the financial year	15,73,717	206.35	17,17,239	206.35
Granted during the financial year	-	-	-	-
Exercised during the financial year	(26,361)	206.35	(89,582)	206.35
Lapsed during the financial year	(49,392)	206.35	(53,940)	206.35
Outstanding at the end of the financial year	14,97,964	206.35	15,73,717	206.35
Unvested at the end of the financial year	5,21,805	206.35	11,03,007	206.35
Exercisable at the end of the financial year	9,76,159	206.35	4,70,710	206.35
RSU SARs				
Outstanding at the beginning of the financial year	5,86,131	10.00	6,10,307	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(32,664)	10.00	(24,176)	10.00
Outstanding at the end of the financial year	5,53,467	10.00	5,86,131	10.00
Unvested at the end of the financial year	5,53,467	10.00	5,86,131	10.00
Exercisable at the end of the financial year	-	-	-	-
Tranche 3				
RSU SARs				
Outstanding at the beginning of the financial year	1,005	10.00	1,005	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	1,005	10.00	1,005	10.00
Unvested at the end of the financial year	1,005	10.00	1,005	10.00
Exercisable at the end of the financial year	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 4				
Option SARs				
Outstanding at the beginning of the financial year	**2,04,546**	**288.10**	**2,04,546**	**288.10**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,04,546**	**288.10**	**2,04,546**	**288.10**
Unvested at the end of the financial year	**68,182**	**288.10**	**2,04,546**	**288.10**
Exercisable at the end of the financial year	**1,36,364**	**288.10**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**56,533**	**10.00**	**56,533**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**56,533**	**10.00**	**56,533**	**10.00**
Unvested at the end of the financial year	**56,533**	**10.00**	**56,533**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 5				
Option SARs				
Outstanding at the beginning of the financial year	**10,75,374**	**275.10**	**-**	**-**
Granted during the financial year	-	-	10,81,344	275.10
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(98,880)	275.10	(5,970)	275.10
Outstanding at the end of the financial year	**9,76,494**	**275.10**	**10,75,374**	**275.10**
Unvested at the end of the financial year	**6,50,995**	**275.10**	**10,75,374**	**275.10**
Exercisable at the end of the financial year	**3,25,499**	**275.10**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**6,35,095**	**10.00**	**-**	**-**
Granted during the financial year	-	-	6,42,634	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(65,969)	10.00	(7,539)	10.00
Outstanding at the end of the financial year	**5,69,126**	**10.00**	**6,35,095**	**10.00**
Unvested at the end of the financial year	**5,69,126**	**10.00**	**6,35,095**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 6				
Option SARs				
Outstanding at the beginning of the financial year	**13,434**	**330.75**	**-**	**-**
Granted during the financial year	-	-	13,434	330.75
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**13,434**	**330.75**	**13,434**	**330.75**
Unvested at the end of the financial year	**8,956**	**330.75**	**13,434**	**330.75**
Exercisable at the end of the financial year	**4,478**	**330.75**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**6,746**	**10.00**	**-**	**-**
Granted during the financial year	-	-	6,746	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**6,746**	**10.00**	**6,746**	**10.00**
Unvested at the end of the financial year	**6,746**	**10.00**	**6,746**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 7				
Option SARs				
Outstanding at the beginning of the financial year	**5,970**	**314.60**	**-**	**-**
Granted during the financial year	-	-	5,970	314.60
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**5,970**	**314.60**	**5,970**	**314.60**
Unvested at the end of the financial year	**3,980**	**314.60**	**5,970**	**314.60**
Exercisable at the end of the financial year	**1,990**	**314.60**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**1,587**	**10.00**	**-**	**-**
Granted during the financial year	-	-	1,587	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**1,587**	**10.00**	**1,587**	**10.00**
Unvested at the end of the financial year	**1,587**	**10.00**	**1,587**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	**Weighted average exercise price (₹ per share)**	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 8				
Option SARs				
Outstanding at the beginning of the financial year	**14,546**	**225.25**	**-**	**-**
Granted during the financial year	-	-	14,546	225.25
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**14,546**	**225.25**	**14,546**	**225.25**
Unvested at the end of the financial year	**-**	**-**	**7,273**	**225.25**
Exercisable at the end of the financial year	**14,546**	**225.25**	**7,273**	**225.25**
RSU SARs				
Outstanding at the beginning of the financial year	**10,553**	**10.00**	**-**	**-**
Granted during the financial year	-	-	10,553	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**10,553**	**10.00**	**10,553**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**10,553**	**10.00**
Exercisable at the end of the financial year	**10,553**	**10.00**	**-**	**-**
Tranche 9				
Option SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	32,273	225.25	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**32,273**	**225.25**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**32,273**	**225.25**	**-**	**-**
Tranche 10				
Option SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	7,273	225.25	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**7,273**	**225.25**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**7,273**	**225.25**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	**Weighted average exercise price (₹ per share)**	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 11				
Option SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	29,851	275.10	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**29,851**	**275.10**	**-**	**-**
Unvested at the end of the financial year	**29,851**	**275.10**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	16,667	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**16,667**	**10.00**	**-**	**-**
Unvested at the end of the financial year	**16,667**	**10.00**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 226.15.

The weighted average remaining contractual life for SARs options outstanding as at March 31, 2024 is 3 years (March 31, 2023 : 4 years) and for RSUs outstanding as at March 31, 2024, is 4 years (March 31, 2023: 5 years).

iii) The following table lists the inputs to the model used for SARs as on grant date:

	Option SARs		
	Tranche 1	**Tranche 2**	**Tranche 4**
Expected dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	32.53	35.72	36.01
Risk-free interest rate (%)	5.88	7.47	7.48
Weighted average fair value per SAR (₹)	27.52	70.84	47.65
Model used	Binomial model	Binomial model	Binomial model

	Option SARs			
	Tranche 5	**Tranche 6**	**Tranche 7**	**Tranche 8**
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	37.92	37.96	38.22	36.13
Risk-free interest rate (%)	7.48	7.48	7.48	7.48
Weighted average fair value per SAR (₹)	62.22	49.86	52.90	61.44
Model used	Binomial model	Binomial model	Binomial model	Binomial model

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	Option SARs		
	Tranche 9	Tranche 10	Tranche 11
Expected dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	36.48	34.79	35.95
Risk-free interest rate (%)	7.48	7.40	7.41
Weighted average fair value per SAR (₹)	72.58	81.27	81.08
Model used	Binomial model	Binomial model	Binomial model

	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	31.74	36.46	36.46	36.90
Risk-free interest rate (%)	6.24	6.16	6.16	6.08
Weighted average fair value per SAR (₹)	144.94	206.98	207.40	199.61
Model used	Binomial model	Binomial model	Binomial model	Binomial model

	RSU SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	37.14	36.94	37.03	36.78
Risk-free interest rate (%)	7.10	7.25	7.43	7.07
Weighted average fair value per SAR (₹)	195.88	192.12	187.88	207.10
Model used	Binomial model	Binomial model	Binomial model	Binomial model

	Option SARs
	Tranche 11
Expected dividend yield (%)	Nil
Expected volatility (%)	36.44
Risk-free interest rate (%)	7.40
Weighted average fair value per SAR (₹)	226.63
Model used	Binomial model

The expected life of the Share Options, RSUs and SARs is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Share Options, RSUs and SARs is indicative of future trends, which may not necessarily be the actual outcome.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 44
COMMITMENTS AND CONTINGENCIES

a) Leases

Lease commitments as lessee

The Company has entered into agreements for taking on lease certain land/residential/ office/ store premises, warehouses, factories, property, plant and equipment on lease and licence basis. The lease term is for periods ranging from 3 to 21 years, with escalation clauses in the lease agreements. Consistent with Industry practice, the Company has contracts which have fixed rentals or variable rentals based on a percentage of sales in the stores, or a combination of both.

Expenses/ Income recognised in the Standalone Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Other income		
Gain on retirement of right-of-use assets	**35.82**	18.78
Rent		
Expense relating to short-term leases	**48.83**	18.90
Expense relating to leases of low value assets	**-**	-
Variable rent*	**886.79**	866.55
Rent concession	**-**	(0.17)
Finance cost		
Interest expense on lease liabilities	**345.40**	264.56
Depreciation and amortisation expenses		
Depreciation on right-of-use assets	**1,008.57**	857.78
Other expenses		
Processing charges	**23.11**	26.44
Sublease payments received (not shown separately in the Standalone Statement of Profit and Loss)	**1.79**	1.10

* The variable rent varies basis percentage of Net Sales Value (NSV) at the lease premises.

Contractual maturities of lease liabilities

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Within one year	**1,212.77**	1,134.47
After one year but not more than five years	**2,946.23**	2,888.35
More than five years	**488.82**	249.72
Total	**4,647.82**	4,272.54

The initial non-cancellable period of the lease agreement pertaining to stores are upto 3 years, beyond which there is an option for the lessee to continue the lease, which the Company expects to continue for a period of 2 to 3 years after the initial non-cancellable period, accordingly 5 – 6 years

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

has been considered as the lease term. Post such period, the Company has the option to exit the lease by giving a notice period and the Company assesses its intention to continue considering location and other economic factors associated with the lease arrangement.

Total cash outflow for leases for the year ended March 31, 2024 is ₹ 2,169.95 Crore (March 31, 2023: ₹ 1,935.89 Crore).

The Company entered into a sale and leaseback transaction in respect of certain assets such as furniture and fixtures, office equipment etc., in line with its capital expenditure strategy. The assets were sold at fair values with no gains/ losses. Sale proceeds of ₹ Nil (March 31, 2023: ₹ 0.76 Crore) were realised upon sale of such assets. The lease arrangement is for a period of 4-5 years. The same has been recorded as a right-of-use assets with corresponding lease liabilities.

Lease commitments for leases not considered in measurement of lease liabilities

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Lease commitment for short-term leases	**1.59**	2.94
Lease commitment for leases of low value assets	**-**	-
Total	**1.59**	2.94

Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual store, upto 100% of lease payment are on the basis of variable payment terms. Variable payment terms are used for a variety of reasons, including minimising the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur.

₹ in Crore

Particulars	March 31, 2024		March 31, 2023	
Increase/ (Decrease) in sales	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Rent	**44.34**	**(44.34)**	43.33	(43.33)

b) **Capital commitments**

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**76.70**	153.70
Total	**76.70**	153.70

c) **Other commitments**

As at March 31, 2024, the Company has committed to provide financial support to TG Apparel & Décor Private Limited, Jaypore E-Commerce Private Limited, Indivinity Clothing Retail Private Limited and Aditya Birla Garments Limited to enable them to meet their commitments within a period of next 12 months.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 45
CONTINGENT LIABILITIES NOT PROVIDED FOR

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts		
Commercial taxes	**6.13**	12.22
Excise duty	**0.50**	0.50
Customs duty	**4.62**	2.21
Textile committee cess	**0.75**	0.75
Others*	**22.13**	15.76
Total	**34.13**	31.44

* Pertains to claims made by third parties, pending settlement which are considered not tenable.

The Company's pending litigations comprise of claims against the Company primarily for excise duty, comprising various cases demanding duty on reversal of CENVAT credit on sale of capital goods and for commercial taxes, comprising various cases in respect of short fall in submission of Forms F, H, I and C, disallowance of input credit, etc.

The Company has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its standalone financial statements where financial outflow is not probable. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Company has a provision of ₹ 63.00 Crore as at March 31, 2024 (March 31, 2023: ₹ 65.60 Crore) (Refer Note - 29).

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts. The Company has made provision as required under the accounting standards for material foreseeable losses on derivative contracts as at March 31, 2024.

NOTE - 46
RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:

Names of related parties

Subsidiaries

Jaypore E-Commerce Private Limited (Wholly-owned subsidiary)

TG Apparel & Decor Private Limited (Wholly-owned subsidiary)

Finesse International Design Private Limited

Sabyasachi Calcutta LLP

Sabyasachi Inc.(A wholly-owned subsidiary of Sabyasachi Calcutta LLP)

Indivinity Clothing Retail Private Limited

Aditya Birla Digital Fashion Ventures Limited with effect from April 11, 2022

House of Masaba Lifestyle Private Limited - with effect from June 01, 2022

Aditya Birla Garments Limited- with effect from June 15, 2022

Pratyaya E-Commerce Private Limited - with effect from July 22, 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Imperial Online Services Private Limited- with effect from August 12, 2022

Awesomefab Shopping Private Limited- with effect from August 24, 2022

Bewakoof Brands Private Limited- with effect from February 15, 2023

Next Tree Products Private Limited- with effect from February 15, 2023

TCNS Clothing Co. Limited- with effect from September 26, 2023

Styleverse Lifestyle Private Limited- with effect from October 30, 2023

Jaypore Fashions Inc- with effect from May 31, 2023

Joint Venture

Goodview Fashion Private Limited

Other related parties in which directors are interested

Aditya Birla Fashion and Retail Jan Kalyan Trust

Vyas Giannetti Creative Private Limited

Aditya Birla Management Corporation Private Limited

Indiginus Learning Private Limited

Post-employment benefit plans

Aditya Birla Fashion and Retail Limited - Employees Group Superannuation Scheme Trust

Aditya Birla Fashion and Retail Limited - Employees Group Gratuity Fund Trust

Key Management Personnel ("KMP")

Mr. Kumar Mangalam Birla - Chairman and Non-Executive Director

Mr. Himanshu Kapania - Vice Chairman and Non-Executive Director upto January 27, 2023

Mr. Ashish Dikshit - Managing Director

Mr. Vishak Kumar - Whole-time Director

Ms. Sangeeta Tanwani - Whole-time Director

Mr. Nish Bhutani - Independent Director

Ms. Preeti Vyas - Independent Director

Mr. Sunirmal Talukdar - Independent Director

Ms. Sukanya Kripalu - Independent Director

Mr. Yogesh Chaudhary - Independent Director

Mr. Arun Kumar Adhikari - Independent Director

Mr. Vikram Dondu Rao - Independent Director with effect from May 18, 2022

Mr. Pankaj Sood - Non-Executive Nominee Director with effect from September 20, 2022

Ms. Ananyashree Birla - Non-Executive Director with effect from January 30, 2023

Mr. Aryaman Birla - Non-Executive Director with effect from January 30, 2023

Mr. Jagdish Bajaj - Chief Financial Officer

Ms. Geetika Anand - Company Secretary till November 30, 2022

Mr. Anil Malik - Company Secretary with effect from December 01, 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

₹ in Crore

	Year ended March 31, 2024			Year ended March 31, 2023		
	Subsidiaries, Joint Venture and Associate	**KMP and Relative of KMP**	**Other related parties**	Subsidiaries, Joint Venture and Associate	KMP and Relative of KMP	Other related parties
Sale of goods	**5.48**	**-**	**0.63**	5.41	-	0.64
Interest income	**12.78**	**-**	**-**	2.19	-	-
Reimbursement of expenses Recovered from	**24.78**	**-**	**-**	28.25	-	-
Purchase of goods	**44.65**	**-**	**-**	1.03	-	-
Reimbursement of expenses paid to	**-**	**-**	**52.23**	-	-	36.72
Consultancy/Designing services	**-**	**-**	**0.01**	-	-	0.07
Production services given	**5.62**	**-**	**-**	2.85	-	-
Job work services taken	**7.64**	**-**	**-**	-	-	-
Contribution to trusts	**-**	**-**	**6.02**	-	-	5.08
Purchase of capital item	**0.00**	**-**	**-**	-	-	-
Advertisment income (Space on hire)	**0.11**	**-**	**-**	-	-	-
Loans given	**267.60**	**-**	**-**	106.79	-	-
Repayment of Loans	**29.00**	**-**	**-**	91.54	-	-
Transfer of Post-employment liabilities	**1.84**	**-**	**-**	-	-	-
Receipt of Security deposits	**-**	**-**	**-**	-	-	-
Security deposits given	**-**	**-**	**-**	0.87	-	-
Sale of Fixed assets/CWIP	**0.23**	**-**	**-**	1.27	-	-
Investment in equity shares/preference share**	**2,125.68**	**-**	**-**	511.70	-	-
Investment made in limited liability partnership firm	**-**	**-**	**-**	51.00	-	-
Remuneration paid to KMP*	**-**	**36.78**	**-**	-	39.28	-

* Includes director sitting fees

** Includes amount given in right issue but shares not alloted on balance sheet date (Refer Note 9)

Balances outstanding

₹ in Crore

	As at March 31, 2024			As at March 31, 2023		
	Subsidiaries, Joint Venture and Associate	**KMP and Relative of KMP**	**Other related parties**	Subsidiaries, Joint Venture and Associate	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	**50.02**	**-**	**8.79**	0.62	-	5.25
Amounts owed by related parties	**5.51**	**-**	**-**	2.14	-	-
Deposits/ Loans receivable	**255.93**	**-**	**5.64**	17.33	-	5.64

The above amounts are classified as loans receivables, security deposit receivable, trade receivables, inter corporate deposit receivable and trade payables (Refer Notes - 7, 8, 15, 18 and 27 respectively).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Disclosure as per Regulation 34(3) and 53(f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Disclosure of transactions with the entity belonging to the promoter/ promoter group holding 10% or more shareholding in the Company

Transactions during the financial year

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Grasim Industries Limited		
Reimbursement of expenses recovered from	**2.12**	2.11
Purchase of goods/materials	**13.01**	59.34
Rental Income	**0.03**	0.16
Sale of goods/gift vouchers	**0.05**	-

Balances outstanding

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Grasim Industries Limited		
Amounts owed to entity	**-**	27.91
Amounts owed by entity	**-**	0.62

No amounts in respect of the related parties have been written off/ back during the year.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. Deposits to wholly-owned subsidiaries are unsecured, interest bearing and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key Managerial Personnel (KMP) of the Company

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	**28.44**	27.88
Post-employment benefits	**1.51**	2.13
Share-based payment	**6.83**	9.27
Total	**36.78**	39.28

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key managerial personnel.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

KMPs interests in the Employee Stock Options, RSUs and SARs

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2024 Number outstanding	As at March 31, 2023 Number outstanding
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
Options - Tranche 1	September 08, 2017	September 07, 2026	178.30	**3,00,128**	4,12,677
Options - Tranche 4	April 18, 2018	April 17, 2027	150.80	**45,019**	45,019
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
Options - Tranche 1	December 02, 2019	December 01, 2028	225.25	**7,07,728**	7,07,728
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	**4,03,274**	4,03,274
Options - Tranche 4	August 05, 2022	August 03, 2030	275.10	**3,05,970**	3,05,970
Options - Tranche 5	September 20, 2022	September 18, 2030	330.75	**2,05,224**	2,05,224
Total				**19,67,343**	20,79,892
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
RSUs - Tranche 1	September 08, 2017	September 07, 2025	10.00	**91,048**	91,048
RSUs - Tranche 4	April 18, 2018	April 17, 2026	10.00	**-**	30,349
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
RSUs - Tranche 1	December 02, 2019	December 01, 2027	10.00	**1,88,442**	2,13,568
RSUs - Tranche 4	August 05, 2022	August 03, 2030	10.00	**81,349**	81,349
RSUs - Tranche 5	September 20, 2022	September 18, 2030	10.00	**54,563**	54,563
Total				**4,15,402**	4,70,877
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
Options - Tranche 2	August 18, 2021	August 17, 2027	206.35	**2,90,919**	2,90,919
Options - Tranche 4	November 03, 2021	November 03, 2027	288.10	**2,04,546**	2,04,546
Options - Tranche 5	August 05, 2022	August 03, 2028	275.10	**21,456**	21,456
Options - Tranche 8	December 01, 2022	December 01, 2026	225.25	**14,546**	14,546
Total				**5,31,467**	5,31,467
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
RSUs - Tranche 2	August 18, 2021	August 17, 2027	10.00	**92,964**	92,964
RSUs - Tranche 4	November 03, 2021	November 03, 2027	10.00	**56,533**	56,533
RSUS - Tranche 5	August 05, 2022	August 03, 2028	10.00	**5,704**	5,704
RSUS - Tranche 8	December 01, 2022	December 01, 2025	10.00	**10,553**	10,553
Total				**165,754**	165,754

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 47
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2024 and March 31, 2023 are as follows:

As at March 31, 2024

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 6c)	823.60	21.03	-	844.63	823.60	-	21.03
Loans (Refer Notes - 7 and 13)	-	-	265.00	265.00	-	-	-
Security deposits (Refer Notes - 8 and 14)	-	-	540.07	540.07	-	-	-
Trade receivables (Refer Note - 15)	-	-	880.05	880.05	-	-	-
Cash and cash equivalents (Refer Note - 16)	-	-	303.86	303.86	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	0.06	0.06	-	-	-
Other financial assets (Refer Notes - 9 and 18)	-	-	505.33	505.33	-	-	-
Derivative contracts (Refer Note - 18)	0.38	-	-	0.38	0.38	-	-
Derivative Instruments (Refer Note - 9)	218.35	-	-	218.35	-	-	218.35
Total	**1,042.33**	**21.03**	**2,494.37**	**3,557.73**	**823.98**	**-**	**239.38**
Financial liabilities							
Non-current borrowings (Refer Note - 22)	-	-	2,341.79	2,341.79	-	-	-
Current borrowings (Refer Note - 26)	-	-	1,365.82	1,365.82	-	-	-
Deposits	-	-	531.37	531.37	-	-	-
Trade payables (Refer Note - 27)	-	-	3,562.54	3,562.54	-	-	-
Other financial liabilities (Refer Notes - 23 and 28)	-	-	818.22	818.22	-	-	-
Derivative contracts (Refer Note - 28)	0.28	-	-	0.28	0.28	-	-
Derivative Instruments (Refer Note - 23)	222.97	-	-	222.97	-	-	222.97
Total	**223.25**	**-**	**8,619.74**	**8,842.99**	**0.28**	**-**	**222.97**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

As at March 31, 2023

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 6c)	150.02	10.57	-	160.59	150.02	-	10.57
Loans (Refer Notes - 7 and 13)	-	-	27.48	27.48	-	-	-
Security deposits (Refer Notes - 8 and 14)	-	-	492.66	492.66	-	-	-
Trade receivables (Refer Note - 15)	-	-	835.10	835.10	-	-	-
Cash and cash equivalents (Refer Note - 16)	-	-	642.48	642.48	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	0.54	0.54	-	-	-
Other financial assets (Refer Notes - 9 and 18)	-	-	302.32	302.32	-	-	-
Derivative contracts (Refer Note - 18)	0.65	-	-	0.65	0.65	-	-
Derivative contracts (Refer Notes - 9)	191.34	-	-	191.34	-	-	191.34
Total	**342.01**	**10.57**	**2,300.58**	**2,653.16**	**150.67**	**-**	**201.91**

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial liabilities							
Non-current borrowings (Refer Note - 22)	-	-	1,415.41	1,415.41	-	-	-
Current borrowings (Refer Note - 26)	-	-	614.50	614.50	-	-	-
Deposits	-	-	440.99	440.99	-	-	-
Trade payables (Refer Note - 27)	-	-	3,662.69	3,662.69	-	-	-
Other financial liabilities (Refer Notes - 23 and 28)	-	-	833.08	833.08	-	-	-
Derivative contracts (Refer Note - 28)	4.65	-	-	4.65	4.65	-	-
Derivative Instruments (Refer Note - 23)	185.01	-	-	185.01	-	-	185.01
Total	**189.66**	**-**	**6,966.67**	**7,156.33**	**4.65**	**-**	**185.01**

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The investments made in subsidiaries and joint venture as at March 31, 2024 is ₹ 3,416.18 Crore (March 31, 2023: ₹ 1,390.50 Crore) and are measured at cost.

Key inputs for level 1 and 3 fair valuation techniques

a) Derivative contracts:

   i) Forward contracts: Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Company (level 1)

b) Derivative Instruments:

   i) Option contracts: Fair value of option contracts is determined basis valuation performed by independent valuer appointed by the Company (level 3)

c) Investment:

   i) Unquoted equity instruments: Valuation has been done by considering the net worth of the company to arrive at the fair value (level 3)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

ii) Quoted investments: Valuation has been done based on market value of the investment i.e. fair value (level 1)

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

Financial instruments measured at fair value

₹ in Crore

Particulars	Fair Value as at March 31, 2024	Significant unobservable inputs	Fair Value as at March 31, 2024		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Call Option	218.35	Risk adjusted discount rate	225.95	207.22	Increase in discount rate by 0.50% would decrease the fair value by ₹ 7.60 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 11.13 Crore
		EBITDA margin projection	208.79	220.65	Increase in margin by 0.50% would decrease the fair value by ₹ 9.56 Crore and decrease in margin by 0.50% would increase the fair value by ₹ 2.30 Crore
		Revenue projection	201.96	235.06	Increase in revenue by 0.50% would decrease the fair value by ₹ 16.39 Crore and decrease in revenue by 0.50% would increase the fair value by ₹ 16.71 Crore
Put Option	222.97	Risk adjusted discount rate	209.86	236.93	Increase in discount rate by 0.50% would decrease the fair value by ₹ 13.11 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 13.96 Crore
		EBITDA margin projection	232.15	214.88	Increase in margin by 0.50% would increase the fair value by ₹ 9.18 Crore and decrease in margin by 0.50% would decrease the fair value by ₹ 8.09 Crore
		Revenue projection	245.71	203.36	Increase in revenue by 0.50% would increase the fair value by ₹ 22.74 Crore and decrease in revenue by 0.50% would decrease the fair value by ₹ 19.61 Crore

Particulars	Fair Value as at March 31, 2023	Significant unobservable inputs	Fair Value as at March 31, 2023		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Call Option	191.32	Risk adjusted discount rate	194.47	186.28	Increase in discount rate by 0.50% would decrease the fair value by ₹ 3.15 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 5.04 Crore
		EBITDA margin projection	190.01	195.86	Increase in margin by 0.50% would decrease the fair value by ₹ 1.31 Crore and decrease in margin by 0.50% would increase the fair value by ₹ 4.54 Crore
		Revenue projection	188.70	193.24	Increase in revenue by 0.50% would decrease the fair value by ₹ 2.62 Crore and decrease in revenue by 0.50% would increase the fair value by ₹ 1.92 Crore
Put Option	185.01	Risk adjusted discount rate	172.50	197.00	Increase in discount rate by 0.50% would decrease the fair value by ₹ 12.51 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 11.99 Crore
		EBITDA margin projection	187.70	183.20	Increase in margin by 0.50% would increase the fair value by ₹ 2.69 Crore and decrease in margin by 0.50% would decrease the fair value by ₹ 1.81 Crore
		Revenue projection	186.50	182.00	Increase in revenue by 0.50% would increase the fair value by ₹ 1.49 Crore and decrease in revenue by 0.50% would decrease the fair value by ₹ 3.01 Crore

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

B. Risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

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.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant.

The sensitivity of the relevant 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 March 31, 2024 and March 31, 2023.

i) Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2024, approximately 93% of the Company's borrowings are at a fixed rate of interest (March 31, 2023: 93%).

Interest rate sensitivity

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

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Basis points (%)	**(+/-) 0.50%**	(+/-) 0.50%
Increase/ decrease in Profit/ loss before tax	**3.29**	0.66
Increase/ decrease in Profit/ loss after tax	**2.46**	0.49

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in the prior years.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

ii) 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency.

The Company manages foreign currency risk by hedging its transactions using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months. As at March 31, 2024, the Company has hedged Nil (March 31, 2023: Nil) of its receivables in foreign currency and 109% (March 31, 2023: 97%) of its payables in foreign currency.

The following table provide the details of forward contracts outstanding at the Standalone Balance Sheet date:

As at March 31, 2024

	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	**USD**	**3.91**	**326.88**

As at March 31, 2023

	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	USD	4.77	397.09

The details of unhedged foreign currency exposure as at the Standalone Balance Sheet date are as follows:

As at March 31, 2024

	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	**EURO**	**0.05**	**4.47**
	USD	**0.03**	**2.85**
	GBP	**0.10**	**10.50**
	HKD	**-**	**-**
	AED	**0.01**	**0.14**
	AUD	**0.00**	**0.01**
Trade receivables	**USD**	**0.28**	**23.75**
	EURO	**0.07**	**6.23**
	GBP	**0.07**	**7.71**
	HKD	**0.02**	**0.18**
Bank balances	**CNY**	**0.03**	**0.30**
	BDT	**0.22**	**0.16**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

As at March 31, 2023

	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	EURO	0.09	8.48
	GBP	0.07	7.36
Trade receivables	USD	0.18	14.93
	EURO	0.16	14.69
	GBP	0.09	9.58
	HKD	0.06	0.63
Bank balances	CNY	0.02	0.27
	BDT	0.33	0.25

* The amount has been rounded off in Crore.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Company's Profit/ loss before tax is due to changes in the foreign currency rate is as below. The Company's exposure to foreign currency changes for all other currencies is not material.

	As at March 31, 2024	As at March 31, 2023
Basis points (%)	**(+/-) 0.50%**	(+/-) 0.50%
Increase/ decrease in Profit/ loss before tax	**0.10**	0.57
Increase/ decrease in Profit/ loss after tax	**0.08**	0.43

b) Credit risk

Credit risk is the risk that 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. 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 and within credit limits assigned to each counterparty.

The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Standalone Statement of Profit and Loss.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and security deposits).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2024, the Company has 30 customers (March 31, 2023: 19 customers) that owed the Company more than ₹ 5.00 Crore each and account for approximately 80% (March 31, 2023: 88%) of all the receivables outstanding. There are 150 customers (March 31, 2023: 105 customers) with balances greater than ₹ 0.50 Crore each and account for approximately 12% (March 31, 2023: 11%) of the total amounts receivable.

An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on losses from historical data.

The Company's maximum exposure to credit risk for the components of the Standalone Balance Sheet as at March 31, 2024 and March 31, 2023, is the carrying amount as provided in Note - 15.

c) Liquidity risk

The Company monitors its risk of shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. Approximately, 37% of the Company's debt will mature in less than one year (March 31, 2023: 30%) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to various sources of funding.

The below tables summarises the maturity profile of the Company's financial liabilities based on contractual payments.

As at March 31, 2024

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	**1,503.67**	**2,443.24**	**300.50**	**4,247.41**
Cumulative redeemable preference shares	**-**	**1.11**	**-**	**1.11**
Lease liabilities	**1,212.77**	**2,946.23**	**488.82**	**4,647.82**
Other financial liabilities	**333.05**	**477.44**	**960.41**	**1,770.90**
Deposits	**261.02**	**270.35**	**-**	**531.37**
Trade payables	**3,562.54**	**-**	**-**	**3,562.54**
Total	**6,873.05**	**6,138.37**	**1,749.73**	**14,761.15**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

As at March 31, 2023

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	751.72	1,675.33	-	2,427.05
Cumulative redeemable preference shares	0.50	0.01	-	0.51
Lease liabilities	1,134.47	2,888.35	249.72	4,272.54
Other financial liabilities	439.63	187.10	1,169.63	1,796.36
Deposits	189.89	251.10	-	440.99
Trade payables	3,662.69	-	-	3,662.69
Total	6,178.90	5,001.89	1,419.35	12,600.14

*Includes interest

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.

The Company is leader in apparels in the country and has a diversified portfolio of brands.

d) Price risk

The Company invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

NOTE - 48
CAPITAL MANAGEMENT

The Company's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Company is to borrow funds through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The following table summarises the capital of the Company (debts excludes lease liabilities):

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Short-term debts (including current maturities of long-term borrowings)	**1,365.82**	614.50
Long-term debts	**2,341.79**	1,415.41
Total borrowings	**3,707.61**	2,029.91
Equity	**5,048.97**	3,786.89

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.

During the year, the Company has not defaulted on any loans payable, and there have been no breach of any financial covenants attached to the borrowings.

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

NOTE - 49
ACQUISTION OF REEBOK INDIA BUSINESS

On February 28, 2022, Aditya Birla Fashion and Retail Limited entered into a commercial agreement with Authentic Brands Group LLC and has obtained exclusive rights to distribute Reebok footwear and apparel in India, Bangladesh, Bhutan, Maldives, Nepal and Sri-Lanka. The agreement became effective from October 1, 2022 upon signing of the Local Asset Deal Agreement.

As part of the commercial agreement, the Company is required to pay royalty for sale of Reebok footwear and apparel in the aforesaid territories including a minimum contractual royalty payable over the 20-year life of the agreement. The Company has recognised under "Licence Rights", the distribution rights for the Reebok products at the present value of the minimum royalty payable amounting to Rs.497 crores with a corresponding financial liability. Distribution right has been amortised over the term of commercial agreement.

NOTE - 50
SETTING UP OF SUBSIDIARIES

a) On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C') business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means. Thus on April 11, 2022 Aditya Birla Digital Fashion Ventures Limited a wholly owned subsidiary of the Company was set up to carry on the "D2C" business.

b) Aditya Birla Garments Limited a manufacturing plant set up under the Production Linked Incentive (PLI) scheme was incorporated as a wholly owned subsidiary of the Company with effect from June 15, 2022.

NOTE - 51
ACQUISTION OF HOUSE OF MASABA LIFESTYLE PRIVATE LIMITED ("HMLPL")

On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent set out in the definitive agreements and statutory approvals, HMLPL became a subsidiary of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 52
ACQUISITION OF TCNS CLOTHING COMPANY LIMITED

On May 5, 2023, the Board of Directors of the Company approved acquisition of TCNS Clothing Co. Ltd. ("TCNS"), subject to requisite regulatory approvals. On August 31, 2023, the Company completed the acquisition of 1,87,12,577 equity shares constituting 29% of the Expanded Share Capital of TCNS (as defined in the letter of offer for the Open Offer) pursuant to the open offer. On September 26, 2023, the Company completed the acquisition of 1,41,95,748 equity shares constituting 22% of the Expanded Share Capital of TCNS pursuant to the Share Purchase Agreement dated May 5, 2023 ("SPA").

Pursuant to the completion of the Open Offer and acquisition of shares as specified in the SPA, the Company acquired 51% of the Expanded Share Capital, thereby acquired control over TCNS. The Company has also become Promoter of TCNS w.e.f. September 26, 2023.

The Company has received No Objection from BSE Limited and National Stock Exchange of India Limited vide letters dated March 14, 2024 and March 15, 2024 respectively for the amalgamation of TCNS Clothing Co. Limited ("TCNS") with the Company. The Company and TCNS have filed Joint Company Application on March 15, 2024. with Hon'ble National Company Law Tribunal ("NCLT") for further directions. Pursuant to the direction of NCLT, meeting of the equity shareholders of the Company and TCNS is scheduled to be held on June 05, 2024.

NOTE - 53
DEMERGER OF MADURA FASHION & LIFESTYLE BUSINESS ("MFL BUSINESS")

The Board at its meeting held on April 19, 2024, has subject to necessary approvals, considered and approved demerger of MFL business under a Scheme of Arrangement among Aditya Birla Fashion and Retail Limited ('Demerged Company') and Aditya Birla Lifestyle Brands Limited ('Resulting Company'), wholly owned subsidiary of the Company and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). The Scheme, inter alia, provides for demerger, transfer and vesting of the MFL Business from the Demerged Company into the Resulting Company on a going concern basis, and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof. The demerger will be implemented through an NCLT scheme of arrangement and upon its completion, all shareholders of ABFRL will have identical shareholdings in both the companies.The Scheme has been filed with BSE and National Stock Exchange for their No Objection. This has been considered as a non-adjusting event after reporting period as per Ind AS 110 and accordingly, no impact is considered in the standalone financial statements.

NOTE - 54
RATIO DISCLOSURES

	As at March 31, 2024	As at March 31, 2023	% Change	Reasons for variance more than 25%
Current ratio (times)[1]	**1.13**	1.13	-0.10%	Not applicable
Debt equity ratio (times)[2]	**0.44**	0.28	56.10%	Increase in debt as a proportion to the total equity, as compared to previous year.
Debt service coverage ratio (times)[3]	**0.16**	0.52	-69.23%	Decrease in Earnings before interest and tax as compared to previous year.
Return On Equity (%)[4]	**-4.02%**	3.97%	-201.15%	Company has incurred loss during the current year as compared to the profit after tax earned during the previous year.
Inventory turnover (times)[5]	**3.34**	3.62	-7.73%	Not applicable
Debtors turnover (times)[6]	**14.40**	14.77	-2.51%	Not applicable
Trade Payables turnover (times)[7]	**1.55**	1.84	-15.76%	Not applicable

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024	As at March 31, 2023	% Change	Reasons for variance more than 25%
Net capital turnover (times)[8]	**7.46**	13.04	-42.80%	Increase in Average working Capital resulted as compared to previous year
Net profit margin (%)[9]	**-1.44%**	1.13%	-227.43%	Increase in finance cost and depreciation resulted in loss for the year
Return On Average Capital Employed (%)[10]	**4.54%**	7.30%	-37.83%	Decrease in Earnings before interest and tax as compared to previous year
Return On Investment (%)[11]	**2.95%**	4.36%	-32.34%	Decrease in Earnings before interest and tax as compared to previous year

Ratios have been computed as follows:

1. Current ratio = Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)
2. Debt equity ratio = Debt / Equity Debt = Borrowings (excluding Lease Liabilities accounted as per Ind AS 116) - Cash and Bank Balance (includes fixed deposits) - Liquid Investments Equity = Equity share capital + Other equity (excluding Ind AS 116)
3. Debt service coverage ratio = Earnings before interest* and tax / [Finance cost* + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]
4. Return on equity ratio = Profit after tax / Average of opening and closing Net Worth
5. Inventory turnover = Revenue from Operations for the period / Average of opening and closing Inventories
6. Debtors turnover = Revenue from Operations for the period / Average of opening and closing Trade Receivables
7. Trade payables turnover = Total Purchases / Average of opening and closing Trade Payables
8. Net capital turnover = Revenue from Operations for the period / Average of opening and closing Working Capital
9. Net profit margin = Profit After Tax / Revenue from Operations
10. Return on Average Capital Employed = Earnings before interest and tax / Average of opening and closing Capital Employed
11. Return on Investment = Earnings before interest and tax / Average of opening and closing Total Assets

* Finance cost/ interest comprises of Interest expense on borrowings and excludes interest expense on lease liabilities and interest charge on fair value of financial instruments.

NOTE - 55
SEGMENT INFORMATION

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the Consolidated Financial Statements of the Company and therefore no separate disclosure on segment information is given in these Standalone Financial Statements.

NOTE - 56
SUMMARY OF OTHER ACCOUNTING POLICIES

(a) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents assets, liabilities, income and expenses which relate to the Company as a whole and are not allocated to the segments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Inter-segment transfers

The Company generally accounts for inter-segment sales at arm's length basis in a manner similar to transactions with third parties.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income, expense and other common assets and liabilities which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(b) Fair value measurements and hierarchy

The Company measures financial instruments, such as investments (other than equity investments in subsidiaries and joint ventures) and derivatives at fair value at each Standalone Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability; or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(c) Foreign currencies

Transactions and balances:

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Standalone Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Standalone Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Standalone Statement of Profit and Loss are also reclassified in OCI or the Standalone Statement of Profit and Loss, respectively).

(d) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with:

- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- When the grant relates to an asset, it is recognised as income in Statement of Profit and Loss in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, at a below-market rate of interest, the effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised and measured at fair value, and the government grant is measured as the difference between the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Standalone Statement of Profit and Loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

(f) Taxes

Current tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 in India.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised 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 a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

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 a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

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 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.

Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

The Company had adopted the new tax regime in the Financial Year 2019-20 under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Current tax and deferred tax relating to items recognised outside the Standalone Statement of Profit and Loss are recognised outside the Standalone Statement of Profit and Loss (either in OCI or in equity). Current tax and deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(g) Property, plant and equipment

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes borrowing costs for long-term construction projects, if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Standalone Statement of Profit and Loss, during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any.

Based on managements' assessment, items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date the asset is ready to use or useful life of class of asset to which these assets belong.

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount. These are included in the Standalone Statement of Profit and Loss within other gains/ losses.

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.

(h) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Standalone Statement of Profit and Loss, in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite life are amortised over the 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 and changes if any, made on prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Standalone Statement of Profit and Loss.

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

Gains or losses arising from de-recognition 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 Standalone Statement of Profit and Loss when the asset is de-recognised.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(i) Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised in Standalone statement of profit and loss as incurred.

At the acquisition date, the identiûable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

At the acquisition date, goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment annually as at reporting date. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(j) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Standalone Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGUs) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rates, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Standalone Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

A cash-generating unit to which goodwill has been allocated is tested for impairment annually as at reporting date. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Standalone Statement of Profit and Loss.

Reversal of impairment losses except on goodwill is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(k) Financial instruments

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.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables which do not contain significant financing component are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Standalone Statement of Profit and Loss are recognised immediately in the Standalone Statement of Profit and 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 are recognised on the trade date.

All recognized financial assets, are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For trade receivables, the company applies the simplified approach required by Ind AS 109, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

(a) Non-derivative financial assets

(i) Financial assets at amortised cost

Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

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

Effective Interest Rate (EIR) method:

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. 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 effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in the Standalone Statement of Profit and Loss and is included in the 'Other income' line item.

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Financial assets included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the Standalone Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Standalone Statement of Profit and Loss.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (refer above) are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Standalone Statement of Profit and Loss. The net gain or loss recognised in the Standalone Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Call options over shares in the acquired subsidiary is initially recognised as a financial asset at fair value, with subsequent changes in fair value recognised in the standalone statement of profit and loss.

(iv) Equity investments

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investment in Subsidiaries and Joint Venture are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries and Joint Venture at cost. All other equity investments are measured at fair value as per Ind AS 109. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company has an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Standalone Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Impairment of financial assets:

The Company applies simplified approach of expected credit loss model for recognising impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Expected credit loss 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 effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the Standalone Balance Sheet.

The Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries and joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiaries and joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiaries and joint venture and its carrying value, and then recognises the impairment loss in the standalone statement of profit and loss.

(b) Non-derivative financial liabilities

(i) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(1) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Standalone Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(2) Compound financial instruments:

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

(3) Financial liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading, if:

- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the Standalone Statement of Profit and Loss.

The Put Option and/or Call option on the Non-Controlling Interest ("NCI") of subsidiary is initially measured at the fair value. The subsequent changes in fair value is recognised in the Standalone Statement of Profit and Loss.

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the Standalone Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in the Standalone Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in the Standalone Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in other comprehensive income under other equity and are not subsequently reclassified to the Standalone Statement of Profit and Loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in the Standalone Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

(ii) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Standalone Statement of Profit and Loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Standalone Statement of Profit and Loss as 'Finance costs'.

(iii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Standalone Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Standalone Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Standalone Statement of Profit and Loss.

De-recognition of financial assets and financial liabilities

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Standalone Statement of Profit and Loss.

On de-recognition of a financial asset other than in its entirety (for example: when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Standalone Statement of Profit and Loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Company de-recognises financial liabilities only when the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Standalone Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Standalone Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(l) Derivative financial instruments

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Standalone Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the Standalone Statement of Profit and Loss when the hedge item affects the Standalone Statement of Profit and 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.

(m) Inventories

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods 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 cost 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.

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates.

(n) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Standalone Statement of Profit and Loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (Refer Note – 45).

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(o) Interest Income

Interest income on all debt instruments is measured at amortised cost. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the Standalone Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(p) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(b) Defined contribution plan

The Company makes defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the Standalone Statement of Profit and Loss, on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The Company operates gratuity plan through a Trust wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service as per the Payment of Gratuity Act, 1972. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The benefit vests after five years of continuous service and the same is payable on termination of service or retirement, whichever is earlier. A part of the gratuity plan is funded (maintained by an independent insurance company) and another part is unfunded and managed within the Company, hence the liability has been bifurcated into funded and unfunded. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Standalone Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the Standalone Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Standalone Statement of Profit and Loss.

(d) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation in the Standalone Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The Company presents the entire leave as a current liability in the Standalone Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

(q) Share-based payment

Employees of the Company receive remuneration in the form of equity-settled instruments and stock appreciation rights for rendering services over a defined vesting period. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Standalone Statement of Profit and Loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share options outstanding account.

No expense is recognised for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

For cash-settled share-based payment, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability using a binomial method. At the end of each reporting period until the liability is settled and at the date of settlement, the fair value of the liability is re-measured, with any changes in the fair value recognised in 'Employee benefits expense' in the Standalone Statement of Profit and Loss for the year.

The Company has created an "ABFRL Employee Welfare Trust"(ESOP Trust) and uses it as a vehicle for distributing shares to employees under the Employee Stock Option Scheme 2019 or any subsequent Stock Option Scheme. The trust purchase shares of the Company from the market, for issuing shares to employees. The Company treats trust as its extension and shares held by trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the standalone statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve. Share options exercised during the reporting period are settled with treasury shares.

(r) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends. The weighted average number of equity shares

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

outstanding during the period is adjusted for treasury shares and events such as bonus issue, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(s) Cash and cash equivalents

Cash and cash equivalents in the Standalone Balance Sheet and for the purpose of the Standalone Statement of Cash Flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

NOTE - 57
ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(v) WILFUL DEFAULTER

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year. (Refer Note 52 and 53)

(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any funds 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 on behalf of the ultimate beneficiaries.

(viii) UNDISCLOSED INCOME

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS) AND INTANGIBLE ASSETS

The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) and Intangible assets during the current or previous year. The Company did not have any Investment Property during the current or previous year.

(xi) REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Fashion and Retail Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Aditya Birla Fashion and Retail Limited (hereinafter referred to as the "Holding Company") which includes the financial statements of ABFRL Employee Welfare Trust and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (refer Note 49 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2024, and consolidated total comprehensive loss (comprising of loss and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill (Refer Note 5 to the consolidated financial statements) The Group has recognised goodwill of ₹ 3,200.99 crores as at March 31, 2024. The goodwill was acquired in business combinations recorded in the current and previous years and was allocated to Cash Generating Units (CGU) identified by the Group. In accordance with Ind AS 36, *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment annually. Management has performed impairment assessment for each of the CGUs to which goodwill has been allocated by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU, which is higher of its value in use and fair value less costs of disposal. Impairment assessment of goodwill requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill is considered to be a key audit matter.	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Holding Company's controls to assess impairment of goodwill on an annual basis. • Evaluated whether the CGUs were determined and the goodwill allocation was performed in accordance with requirements of Ind AS 36 and our knowledge of the Group's operations. • Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount of the CGU. • Evaluated the objectivity, competency and independence of the management expert engaged by the Holding Company. • Assessed the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis and evaluated the consistency of the cashflow projections with the budgets approved by the Board of Directors of the Holding Company, Board of Directors of the subsidiary companies and Partners of a Limited Liability Partnership (LLP) (accounted as a subsidiary). • Evaluated the sensitivity analysis performed by management on the growth rates and discount rates to determine whether reasonable changes in these key assumptions would result in the carrying amounts of individual CGUs to exceed their recoverable amounts. • Involved auditor's expert to assist in evaluating the impairment assessment including certain assumptions used. • Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements. Based on procedures above, management's impairment assessment of goodwill appears to be reasonable.
Provision for Inventory obsolescence (Refer Notes 12 and 2.5(d) to the consolidated financial statements) The Group held inventories of ₹ 4,505.34 crores as at March 31, 2024. In accordance with Ind AS 2, *Inventories*, inventories are carried at lower of cost or net realizable value. The Group operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for inventory obsolescence. • Evaluated the methodology used by the management to determine the provision for inventory obsolescence and determined whether the method is consistent with that applied in the prior year. • Assessed whether the changes in the methodology (if any) are reasonable and consistent with our understanding of the changes in the business.

Key audit matter	How our audit addressed the key audit matter
Management has a policy to recognize provisions for inventory considering assessment of future trends and the Group's past experience related to its ability to liquidate the aged inventory. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimates.	• Evaluated the ageing report including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Group's policy. • Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provision for inventory obsolescence.
Provisions for discount and sales returns (Refer Note 2.5(e) to the Consolidated Financial Statements) The Group has recognised provisions for unsettled discounts and sales returns amounting to ₹ 470.12 crores and ₹ 551.41 crores respectively, at March 31, 2024. Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer. Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts. The estimate of sales returns and discounts depends on contract terms, forecasts of sales volumes and past history of quantum of returns. The expected returns and discounts that have not yet been settled with the customers are estimated and accrued. Determination of provisions for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for discounts and sales returns. • Evaluated the periodic account reconciliations prepared by the management during the year. • Evaluated the management estimates and judgements in determining the provision for discounts and sales returns and assessed whether the same is consistent with the prior year. • Evaluated the contract terms for a sample of customer contracts to assess the reasonableness of the provision for discounts and returns and determine whether the same is in line with terms of the contract. • Verified credits notes issued to customers on a sample basis and assessed the validity of claims with the underlying documents and appropriate approvals. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provisions for discount and sales returns.

Key audit matter	How our audit addressed the key audit matter
Assessment of Purchase Price Allocation (PPA) on acquisition of TCNS Clothing Co. Limited in accordance with Ind AS 103 'Business Combinations' (Refer Note 47(a)(i) to the consolidated financial statements) On September 26, 2023, the Group completed the acquisition of TCNS Clothing Co. Limited, pursuant to the acquisition plan, for a consideration of ₹ 1,626.19 crores. The Group determined the acquisition to be a business combination in accordance with Ind AS 103 'Business Combinations', which requires the identified assets and liabilities to be recognised at fair value on the date of acquisition. The Group's Management determined that the fair values of the net identifiable assets acquired was ₹ 1,534.76 crores; and appointed independent external professional valuers (management's expert) to perform the valuation of certain assets namely brands aggregating to ₹ 1,495 crores. Such valuation was performed as part of the PPA exercise. Consequently, the Group has recognized goodwill of ₹ 827.17 crores attributable to this business combination. Significant assumptions and estimates have been used by the Management and the professional valuers in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction and thus we considered this area to be a key audit matter.	Our audit procedures included the following: • Obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Group's key controls over the accounting for business combinations. • Traced the value of the consideration transferred to the Share Purchase Agreement and approval of the Board of Directors. • Assessed the Group's determination of the fair value of the assets and liabilities having regard to the completeness of assets identified and liabilities assumed and the reasonableness of underlying assumptions in their respective valuations. • Verified the management's computation of goodwill. • Involved auditor's valuation expert ("auditor's expert") to test the PPA report including the work performed by the management's expert to assess reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date. • Assessed and corroborated the adequacy and appropriateness of the disclosures made in the consolidated financial statements. Based on above procedures, we noted that the PPA performed by the Management is in accordance with Ind AS 103 'Business Combinations'.

5. The following Key Audit Matters were included in the audit report dated May 21, 2024, containing an unmodified audit opinion on the consolidated financial statements of Sabyasachi Calcutta LLP, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants reproduced by us as under:

Key Audit Matter	How the work of the Component auditor addressed the key audit matter
Impairment assessment of indefinite life intangible asset Sabyasachi Calcutta LLP has an intangible asset being 'Brand' amounting to ₹ 623.26 crores at March 31, 2024 which was recognized in a prior year on reconstitution of the Limited Liability Partnership. Sabyasachi Calcutta LLP's management has engaged independent valuation expert to perform impairment assessment of brand using the value in use method in accordance with Ind AS 36 – Impairment of Assets for financial reporting purposes. Impairment assessment of brand with indefinite useful life is considered as a key audit matter since it requires estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates which are subject to judgement and subjectivity and might be affected by changes in economic conditions.	The audit procedures included the following: • Assessed the reasonableness of the cash flow projections by evaluating the Sabyasachi Calcutta LLP's management assumptions and estimates used in the impairment analysis and evaluated the consistency of cashflow projections with the budgets approved by the Partners of the LLP. • Assessed that the methodology used by Sabyasachi Calcutta LLP's management to estimate the value in use of the brand is consistent with accounting standards and is in line with the valuation standards applicable in India. • Involved auditor's expert to assess the methodologies used by Sabyasachi Calcutta LLP's management to determine the value in use of the Brand. • Evaluated the Sabyasachi Calcutta LLP management's determination that no re-estimation of the useful life of the brand is considered necessary at the year end. • Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements of Sabyasachi Calcutta LLP. Based on procedures above, Sabyasachi Calcutta LLP management's impairment assessment of the brand appears to be reasonable.
Provision for inventory obsolescence Sabyasachi Calcutta LLP held inventories of ₹ 241.67 crores at March 31, 2024. In accordance with Ind AS 2 – Inventories, inventories are carried at lower of cost or net realisable value Sabyasachi Calcutta LLP operates in a fast-changing fashion market where there is a risk of inventory (mainly apparels and accessories segment) falling out of fashion and proving difficult to be sold taking into consideration the fact that the Brand does not sell its products at a discount. Management has a policy to recognize provisions for Inventory considering assessment of future trends and the Sabyasachi Calcutta LLP's past experience related to its ability to liquidate the aged inventory. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimates.	The audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Sabyasachi Calcutta LLP's controls to assess the adequacy of provision for inventory obsolescence. • Evaluated the methodology used by the Sabyasachi Calcutta LLP's management to determine the provision for inventory obsolescence and determined whether the method is consistent with that applied in the prior year. • Assessed whether the changes in the methodology (if any) are reasonable and consistent with our understanding of the changes in the business. • Evaluated the ageing report / workings shared by the Sabyasachi Calcutta LLP including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Sabyasachi Calcutta LLP's policy. • Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis. • Evaluated the adequacy of the disclosures made in the consolidated financial statements of Sabyasachi Calcutta LLP. Based on procedures above, auditor of Sabyasachi Calcutta LLP did not identify any material exceptions in recognition and measurement of provision for inventory obsolescence.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

   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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group and its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies, trustees of a trust and Partners of a LLP included in the Group and Board of Directors of its joint venture 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies, trustees of a trust and Partners of a LLP included in the Group and Board of Directors of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies, trustees of a trust and Partners of a LLP included in the Group and Board of Directors of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibilities for the audit of the consolidated financial statements

10. 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.

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

    a) 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.

    b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    d) 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 and its joint venture 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 and its joint venture to cease to continue as a going concern.

    e) 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.

    f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture 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 other entities included in the consolidated financial statements, which have been audited by 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.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. 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.

14. 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

15. We did not audit the financial statements of 8 subsidiaries (including step down subsidiaries), whose financial statements reflect total assets of ₹ 1,469.21 crores and net assets of ₹ 947.30 crores as at March 31, 2024, total revenue of ₹ 725.20 crores, total net (loss) after tax of ₹ (10.26 crores), total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ (10.69 crores) and net cash inflows amounting to ₹ 24.35 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 insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

    Our opinion on the consolidated financial statements, 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

16. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B", a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year and the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and a joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 17(b) above on reporting under Section 143(3)(b) and paragraph 17(h)(vi) below on reporting under Rule 11 (g) of the Rules.

    (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

    (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, 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, if any, of pending litigations on the consolidated financial position of the Group and its joint venture. (Refer Notes 30 and 46 to the consolidated financial statements).

ii. The Group and its joint venture were not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group has made a provision as required under the accounting standards for material foreseeable losses, if any, on derivative contracts as at March 31, 2024. The joint venture did not have any derivative contracts as at March 31, 2024.

iii. During the year ended March 31, 2024, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and a joint venture incorporated in India.

iv. (a) The respective Managements of the Holding Company and its subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, any of such subsidiaries or the joint venture 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 Holding Company or any of such subsidiaries or the joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (b) The respective Managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries or joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, any of such subsidiaries or joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and joint venture 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) contain any material misstatement.

v. The Holding Company, its subsidiary companies and joint venture, has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Group and its joint venture have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of performing our procedures, other than the below mentioned instances where audit trail was not maintained the question of our commenting does not arise, we and the respective auditors of the above referred subsidiaries, did not notice any instance of the audit trail feature being tampered with:

a) In respect of 2 subsidiary companies (including a step-down subsidiary) incorporated in India, the feature of recording audit trail (edit log) facility was not available.

b) In respect of the Holding company and 6 subsidiary companies (including a step-down subsidiary) incorporated in India, accounting software has the feature of recording audit trail (edit log), except for certain type of masters, changes made through specific access at application level and for direct database changes. Accordingly, we are unable to comment whether the audit trail feature of the aforesaid software were enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

c) In respect of the Holding company, 2 subsidiary companies and a joint venture incorporated in India, certain accounting software are maintained by third party service providers and due to absence of or insufficient information in the service auditors' report, we are unable to comment whether the audit trail feature of the aforesaid software were enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

18. The Holding Company, its Subsidiary Company and a Joint Venture, which are Companies incorporated in India, have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLV7132

Place: Mumbai
Date: May 28, 2024

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 17(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Fashion and Retail Limited on the Consolidated Financial Statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to consolidated financial statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of Aditya Birla Fashion and Retail Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its joint venture, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to Sabyasachi Calcutta LLP, a subsidiary of the Holding Company and Jaypore Fashions Inc. and Sabyasachi Inc., step down subsidiaries of the Holding Company, since these are not required to comply with the requirements of the provisions of the Companies Act, 2013.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, and a joint venture, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors 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 Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to 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 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 holding 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 5 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

   Our opinion is not modified in respect of this matter.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLV7132

Place: Mumbai
Date: May 28, 2024

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of Aditya Birla Fashion and Retail Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2024

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1	Aditya Birla Fashion and Retail Limited	L18101MH2007PLC233901	Holding Company of the Group	May 28, 2024	(i)(c)
2	Aditya Birla Digital Fashion Ventures Limited	U74999MH2022PLC380326	Subsidiary	May 21, 2024	(iii)(e)
3	TCNS Clothing Co. Limited	L99999DL1997PLC090978	Subsidiary	May 16, 2024	(ii)(b)

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLV7132

Place: Mumbai
Date: May 28, 2024

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

₹ in Crore

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3a	**1,337.46**	1,009.13
(b) Capital work-in-progress	3b	**171.07**	145.68
(c) Right-of-use assets	4a	**4,306.76**	3,623.44
(d) Investment property	4c	**3.62**	3.66
(e) Goodwill	5	**3,200.99**	2,329.70
(f) Other intangible assets	5	**3,017.72**	1,393.46
(g) Intangible assets under development	5a	**-**	58.02
(h) Financial assets			
(i) Investment in joint venture	6a	**83.09**	73.58
(ii) Other investments	6b	**21.03**	10.57
(iii) Loans	7	**0.45**	1.15
(iv) Security deposits	8	**499.73**	434.31
(v) Other financial assets	9	**323.10**	244.86
(i) Deferred tax assets	10	**657.20**	408.50
(j) Non-current tax assets (net)		**25.94**	6.42
(k) Other non-current assets	11	**70.69**	128.75
Total - Non-current assets		**13,718.85**	9,871.23
II Current assets			
(a) Inventories	12	**4,505.34**	4,214.38
(b) Financial assets			
(i) Current investments	13	**880.71**	182.43
(ii) Loans	14	**10.55**	10.04
(iii) Security deposits	15	**137.95**	97.09
(iv) Trade receivables	16	**1,278.81**	886.44
(v) Cash and cash equivalents	17	**454.03**	692.69
(vi) Bank balance other than Cash and cash equivalents	18	**8.36**	8.37
(vii) Other financial assets	19	**105.03**	71.23
(c) Other current assets	20	**1,311.43**	1,007.38
Total - Current assets		**8,692.21**	7,170.05
TOTAL - ASSETS		**22,411.06**	17,041.28

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

₹ in Crore

	Notes	As at March 31, 2024	As at March 31, 2023
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	21	**1,015.01**	948.79
(b) Other equity	22	**3,018.77**	2,394.50
Equity attributable to owners of the Company		**4,033.78**	3,343.29
(c) Non-controlling interest	22	**687.23**	2.71
Total - Equity		**4,721.01**	3,346.00
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	**2,511.56**	1,507.62
(ii) Lease liabilities	4b	**4,087.66**	3,346.23
(iii) Deposits		**280.16**	253.22
(iv) Other financial liabilities	24	**1,446.77**	1,117.09
(b) Deferred tax liabilities	10	**660.93**	251.68
(c) Provisions	25	**73.95**	46.13
(d) Other non-current liabilities	26	**27.56**	20.20
Total - Non-current liabilities		**9,088.59**	6,542.17
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	**1,693.62**	797.90
(ii) Lease liabilities	4b	**1,158.56**	921.11
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	28	**323.90**	120.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	28	**3,811.76**	3,725.49
(iv) Deposits		**276.98**	189.91
(v) Other financial liabilities	29	**374.38**	497.00
(b) Liabilities for current tax (net)		**3.21**	0.41
(c) Provisions	30	**199.26**	198.90
(d) Other current liabilities	31	**759.79**	701.76
Total - Current liabilities		**8,601.46**	7,153.11
TOTAL - EQUITY AND LIABILITIES		**22,411.06**	17,041.28
Basis of preparation	2		

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
I Revenue from operations	32	**13,995.86**	12,417.90
II Other income	33	**237.58**	116.46
III Total income (I + II)		**14,233.44**	12,534.36
IV Expenses			
(a) Cost of materials consumed	34a	**1,459.65**	1,245.88
(b) Purchase of stock-in-trade	34b	**4,627.23**	5,546.76
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	34c	**180.35**	(1,240.66)
(d) Employee benefits expense	35	**1,826.25**	1,563.36
(e) Finance costs	36	**876.61**	472.36
(f) Depreciation and amortisation expense	37	**1,655.23**	1,226.96
(g) Rent expense	45a	**970.48**	897.02
(h) Other expenses	38	**3,479.29**	2,911.96
Total expenses		**15,075.09**	12,623.64
V Profit/(Loss) before Share in Profit/ (Loss) of Joint Venture and Tax (III - IV)		**(841.65)**	(89.28)
VI Add: Share in Profit / (Loss) of Joint Venture		**12.75**	6.84
VII Profit/(Loss) before tax (V+ VI)		**(828.90)**	(82.44)
VIII Income tax expense			
(a) Current tax	39	**35.11**	15.92
(b) Current tax relating to earlier years		**0.09**	(2.22)
(c) Deferred tax	39	**(128.19)**	(36.67)
		(92.99)	(22.97)
IX Profit/(Loss) for the year (VII - VIII)		**(735.91)**	(59.47)
X Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		**(6.78)**	(0.68)
Income tax effect on above		**1.76**	0.14
(b) Fair value gains/ (losses) on equity instruments		**3.62**	3.26
Income tax effect on above		**(0.91)**	(0.82)
Items that will be reclassified to profit or loss			
(a) Exchange differences on translation of foreign operations		**0.29**	0.05
Income tax effect on above		**-**	-
(b) Effective Portion of Cashflow Hedge		**(0.12)**	0.75
Income tax effect on above		**0.04**	(0.26)
Total other comprehensive income/ (loss) for the year		**(2.10)**	2.44
XI Total comprehensive income/ (loss) for the year (IX + X)		**(738.01)**	(57.03)
XII Profit/(Loss) attributable to			
- Owners of the Company		**(628.02)**	(36.00)
- Non-controlling interest		**(107.89)**	(23.47)
		(735.91)	(59.47)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
XIII Other comprehensive income/ (loss) attributable to			
- Owners of the Company		**(1.59)**	2.36
- Non-controlling interest		**(0.51)**	0.08
		(2.10)	2.44
XIV Total comprehensive income/ (loss) attributable to			
- Owners of the Company		**(629.61)**	(33.64)
- Non-controlling interest		**(108.40)**	(23.39)
		(738.01)	(57.03)
XV Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2023 : ₹ 10)]	40		
Basic (₹)		**(6.52)**	(0.38)
Diluted (₹)		**(6.51)**	(0.38)
Basis of preparation	2		

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

a. Equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	**₹ in Crore**	No. of shares	₹ in Crore
Equity shares of ₹ 10 each issued				
As at the beginning of the year	**94,89,96,351**	**949.00**	93,85,09,538	938.50
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii)]	**6,58,00,866**	**65.80**	1,02,16,588	10.23
Exercise of Options (Refer Note - 44)	**417,929**	**0.42**	2,70,225	0.27
As at the end of the year	**1,01,52,15,146**	**10,15.22**	94,89,96,351	949.00

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	**₹ in Crore**	No. of shares	₹ in Crore
Equity shares of ₹ 10 each subscribed and fully paid				
As at the beginning of the year	**94,87,90,847**	**948.79**	93,83,04,034	938.29
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii)]	**65,800,866**	**65.80**	1,02,16,588	10.23
Exercise of Options (Refer Note - 44)	**417,929**	**0.42**	2,70,225	0.27
As at the end of the year	**1,01,50,09,642**	**1,015.01**	94,87,90,847	948.79

b. Other equity

₹ in Crore

	Share application money pending allotment (Refer Note - 22)	Share suspense account (Refer Note - 22)	Reserves and surplus					Share warrants (Refer Note - 22)	Other equity	Other comprehensive income				Equity attributable to owners of the Company	Non-controlling interest (Refer Note-22)	Total other equity
			Securities premium (Refer Note - 22)	Retained earnings (Refer Note - 22)	Share options outstanding account (Refer Note - 22)	Treasury shares (Refer Note - 22)	Capital reserve (Refer Note - 22)			Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Effective portion of cashflow hedge	Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Foreign currency translation reserve (Refer Note-22)			
As at April 01, 2022	**-**	**0.02**	**3,118.18**	**(1,265.39)**	**60.06**	**(103.09)**	**21.74**	**-**	**-**	**1.11**	**-**	**2.34**	**0.06**	**1,835.03**	**15.20**	**1,850.23**
Profit for the year	-	-	-	(35.99)	-	-	-	-	-	-	-	-	-	(35.99)	(23.47)	(59.46)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(0.36)	0.25	2.44	0.03	2.36	0.08	2.44
Recognition of Share based payment expenses	-	-	-	-	20.01	-	-	-	-	-	-	-	-	20.01	-	20.01
Share forfeiture/ (issued) during the year	-	-	-	-	-	-	0.00	-	-	-	-	-	-	0.00	-	0.00
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii)]	-	-	284.02	-	-	-	-	-	-	-	-	-	-	284.02	-	284.02
Non-controlling interest recognised on April 01, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	421.15	421.15
Non-controlling interest recognised pursuant to business combinations during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73.89	73.89
Additional contribution by Non-controlling shareholders/partners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71.80	71.80

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Share application money pending allotment (Refer Note - 22)	Share suspense account (Refer Note - 22)	Reserves and surplus					Share warrants (Refer Note - 22)	Other equity	Other comprehensive income				Equity attributable to owners of the Company	Non-controlling interest (Refer Note-22)	Total other equity
			Securities premium (Refer Note - 22)	Retained earnings (Refer Note - 22)	Share options outstanding account (Refer Note - 22)	Treasury shares (Refer Note - 22)	Capital reserve (Refer Note - 22)			Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Effective portion of cashflow hedge	Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Foreign currency translation reserve (Refer Note-22)			
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest [Refer Note - 24]	-	-	-	(175.87)	-	-	-	-	-	-	-	-	-	(175.87)	175.87	-
Non-controlling interest derecognised on March 31, 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(724.08)	(724.08)
Money received against share warrants	-	-	-	-	-	-	-	475.00	-	-	-	-	-	475.00	-	475.00
Exercise price received pending allotment	0.01	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	-	(11.91)	-	-	-	-	-	-	-	(11.91)	-	(11.91)
Issue of shares upon exercise of options	-	-	5.86	-	(12.71)	-	0.96	-	-	-	-	-	-	(5.89)	-	(5.89)
Others	-	-	-	7.73	-	-	-	-	-	-	-	-	-	7.73	(7.73)	-
As at March 31, 2023	**0.01**	**0.02**	**3,408.06**	**(1,469.51)**	**67.36**	**(115.00)**	**22.70**	**475.00**	**-**	**0.75**	**0.25**	**4.78**	**0.09**	**2,394.50**	**2.71**	**2,397.21**
As at April 01, 2023	**0.01**	**0.02**	**3,408.06**	**(1,469.51)**	**67.36**	**(115.00)**	**22.70**	**475.00**	**-**	**0.75**	**0.25**	**4.78**	**0.09**	**2,394.50**	**2.71**	**2,397.21**
Loss for the year	-	-	-	(628.02)	-	-	-	-	-	-	-	-	-	(628.02)	(107.89)	(735.91)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(4.41)	(0.04)	2.71	0.15	(1.59)	(0.51)	(2.10)
Recognition of Share based payment expenses	-	-	-	-	18.10	-	-	-	-	-	-	-	-	18.10	-	18.10
Preferential Issue of equity shares on conversion of warrants [Refer Note - 21(iii)]	-	-	1,375.65	-	-	-	-	-	-	-	-	-	-	1,375.65	-	1,375.65
Conversion of warrants (amount transferred to securities premium) [Refer Note - 21(iii)]	-	-	458.55	-	-	-	-	(475.00)	-	-	-	-	-	(16.45)	-	(16.45)
Non-controlling interest recognised on April 01, 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	724.08	724.08
Non-controlling interest recognised pursuant to business combinations during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	846.60	846.60
Acquisition of NCI share	-	-	-	(7.59)	-	-	-	-	(2.99)	-	-	-	-	(10.58)	7.59	(2.99)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Share application money pending allotment (Refer Note - 22)	Share suspense account (Refer Note - 22)	Reserves and surplus: Securities premium (Refer Note - 22)	Reserves and surplus: Retained earnings (Refer Note - 22)	Reserves and surplus: Share options outstanding account (Refer Note - 22)	Reserves and surplus: Treasury shares (Refer Note - 22)	Reserves and surplus: Capital reserve (Refer Note - 22)	Share warrants (Refer Note - 22)	Other equity	Other comprehensive income: Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Other comprehensive income: Effective portion of cashflow hedge	Other comprehensive income: Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Other comprehensive income: Foreign currency translation reserve (Refer Note-22)	Equity attributable to owners of the Company	Non-controlling interest (Refer Note-22)	Total other equity
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest [Refer Note - 24]	-	-	-	(119.79)	-	-	-	-	-	-	-	-	-	(119.79)	119.79	-
Non-controlling interest derecognised on March 31, 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(907.44)	(907.44)
Exercise price received pending allotment	0.03	-	-	-	-	-	-	-	-	-	-	-	-	0.03	-	0.03
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	-	3.69	-	-	-	-	-	-	-	3.69	-	3.69
Issue of shares upon exercise of options	-	-	9.23	-	(6.19)	-	0.19	-	-	-	-	-	-	3.23	2.30	5.53
As at March 31, 2024	**0.04**	**0.02**	**5,251.50**	**(2,224.91)**	**79.27**	**(111.31)**	**22.89**	**-**	**(2.99)**	**(3.66)**	**0.21**	**7.49**	**0.24**	**3,018.77**	**687.23**	**3,706.00**

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)

Place: Mumbai
Date : May 28, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities			
Profit/(Loss) before tax		**(828.90)**	(82.44)
Adjustments for:			
Depreciation and amortisation expense	37	**1,655.23**	1,226.96
Finance costs	36	**876.61**	472.36
Gain on retirement of right-of-use assets	33	**(50.07)**	(19.75)
Rent concession on lease rentals	45a	**-**	(0.22)
(Profit)/ Loss on sale/ discard of property, plant and equipment		**4.48**	0.13
Share-based payment to employees	35	**25.35**	31.29
Interest income	33	**(26.26)**	(10.21)
Liabilities no longer required written back		**(9.17)**	(2.48)
Net gain on sale of current investments	33	**(36.79)**	(23.26)
Net Unrealised exchange (gain)/ loss		**13.20**	(0.99)
Expense/ (income) on financial assets/ liabilities that is designated as fair value through profit or loss		**(73.74)**	(42.39)
Provision for doubtful debts, deposits and advances	38	**12.17**	3.33
Bad debts written off		**2.37**	-
Share of (profit)/ loss of Joint Venture		**(12.75)**	(6.84)
Operating profit before working capital changes		**1,551.73**	1,545.49
Changes in working capital:			
(Increase)/ decrease in trade receivables		**(174.42)**	(107.64)
(Increase)/ decrease in inventories		**230.86**	(1,223.92)
(Increase)/ decrease in other assets		**(133.03)**	(247.20)
Increase/ (decrease) in trade payables		**(62.35)**	361.83
Increase/ (decrease) in provisions		**(8.78)**	15.28
Increase/ (decrease) in other liabilities		**(19.53)**	289.82
Cash generated from operations		**1,384.48**	633.66
Income taxes paid (net of refund)		**(43.08)**	2.54
Net cash flows from/ (used) in operating activities		**1,341.40**	636.20
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		**(747.03)**	(681.32)
Consideration paid for acquisition of subsidiaries (net of cash acquired)		**(1,608.51)**	(175.71)
Purchase of equity investments		**(6.82)**	-
Purchase of current investments		**(19,002.83)**	(12,791.69)
Proceeds from sale of property, plant and equipment and intangible assets		**5.90**	10.54
Proceeds from sale/ maturity of current investments		**18,341.34**	13,240.71
Interest received		**26.32**	10.24
Net cash flows from/ (used) in investing activities		**(2,991.63)**	(387.23)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from financing activities			
Proceeds from issue of equity shares		**7.30**	3.55
Proceeds from Rights Issue (net off share issue expenses)		**-**	0.22
Proceeds from Preferential Issue (net off share issue expenses)	21(iii)	**1,425.00**	769.05
Treasury shares issued/ (purchased) by ESOP Trust		**3.69**	(11.91)
Proceeds from non-current borrowings (net off charges)		**1,484.87**	1,085.68
Proceeds/ (repayments) from current borrowings (net)		**655.82**	365.07
Repayment of non-current borrowings		**(353.37)**	(462.50)
Repayment of lease liabilities		**(995.54)**	(891.01)
Interest paid		**(816.20)**	(532.65)
Net cash flows from/ (used) in financing activities		**1,411.57**	325.50
Net increase/ (decrease) in cash and cash equivalents		**(238.66)**	574.47
Cash and cash equivalents at the beginning of the year		**692.69**	118.22
Cash and cash equivalents at the end of the year	17	**454.03**	692.69
Components of Cash and cash equivalents			
Balances with banks - on current accounts		**383.60**	153.61
Balances with banks - on deposit accounts (original maturity less than 3 months)		**0.09**	501.49
Balances with credit card companies		**40.98**	16.95
Balances with e-wallet companies		**2.21**	4.38
Cash on hand		**22.01**	13.04
Cheques/ drafts on hand		**5.14**	3.22
Total Cash and cash equivalents		**454.03**	692.69

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. CORPORATE INFORMATION

Aditya Birla Fashion and Retail Limited (“the Company” or “the Holding Company”), a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Piramal Agastya Corporate Park, Building ‘A’, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400070.

The Company, its subsidiaries (together referred to as the “Group”) and its joint venture are engaged in the business of manufacturing and retailing of branded apparels/accessories and runs a chain of apparels and accessories retail stores in India.

The consolidated financial statements, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors in their meeting held on May 28, 2024.

2. BASIS OF PREPARATION

2.1 Compliance with Ind AS and historical cost convention

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 the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

2.2 Functional and Presentation Currency:

The functional currency of the Group, its subsidiaries and its joint venture is determined on the basis of the primary economic environment in which it operates. The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. (₹ 1 Crore is equal to ₹ 10 Million)

2.3 Principles of consolidation

The consolidated financial statements (CFS) comprise the financial statements of the Company and its Subsidiaries and Joint Venture. Subsidiaries are entities controlled by the Group. The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on “Consolidated Financial Statements” (Ind AS 110) and “Investment in Associates and Joint Ventures” (Ind AS 28) notified under Section 133 of the Companies Act, 2013. The Group controls an investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- 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.

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.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary and joint venture, the subsidiary and joint venture prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary and joint venture, unless it is impracticable to do so.

<u>Consolidation procedures for subsidiaries:</u>

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Equity Accounted Investees:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains resulting from the transaction between the Group and joint venture are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

When the Group's share of losses of joint venture equals or exceeds its interest in that joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the Consolidated Statement of Profit and Loss separately.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2.4 Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in 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 equivalents 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 treated as current when:

- It is expected to be settled in 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.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.5 Critical Accounting Judgments, Estimates And Assumptions

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Group's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next three years and next 2 years have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note – 5b.

(b) Share-based payment

The Group uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Consolidated Statement of Profit and Loss. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 44.

(c) Taxes

Deferred tax assets are recognised for unused tax losses 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.

As at March 31, 2024, the Group has ₹ 2,311.9 Crore (March 31, 2023: ₹ 1,798.28 Crore) of tax losses carried forward as per tax law. These losses pertain to unabsorbed business loss as at March 31, 2024 of ₹ 934.95 Crore (March 31, 2023 of ₹ 491.92 Crore) which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2024 of ₹ 1,376.95 Crore (March 31, 2023 of ₹ 1,306.35 Crore) which do not have any expiry period. Further details on taxes are disclosed in Notes - 10 and 39.

(d) Provision on inventories

The Group has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non-core (fashion) and sub-categorised into finished goods and raw materials. The Group provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

(e) Provision for discount and sales return

The Group provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Group reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(f) Leases

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

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(g) Valuation of Non - controlling interest Put Option

The fair value of financial liability (put option) arising from acquisition agreements, has been determined at present value of consideration payable, using appropriate valuation model. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of the put option. Such valuation includes assumptions such as discount rate, future cashflow and EBITDA estimates. Such assumptions are reviewed at each reporting date.

(h) Going concern

Management has considered the cash and cash equivalents and current investments at March 31, 2024, committed undrawn borrowing facilities available and also evaluated the future cash flow projections for a period of 12 months from the balance sheet date. Based on the said assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the Group's ability to continue as a going concern, hence the consolidated financial statements have been prepared on a going concern basis.

2.6 New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

Disclosure of accounting policies amendments to Ind AS 1

Definition of accounting estimates amendments to Ind AS 8

Deferred tax related to assets and liabilities arising from a single transaction amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 3a

PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Freehold land is carried at historical cost. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis upto the month preceding the month of deletions/ disposals. The management believes that the estimated useful lives below reflect fair approximation of the period over which the assets are likely to be used.

(a) Assets where useful life is same as Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Factory buildings	Freehold buildings	30 years
Fences, wells, tube wells	Freehold buildings	5 years
Borewells (pipes, tubes and other fittings)	Freehold buildings	5 years
Plant and machinery (other than retail stores)	Plant and equipment	15 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 years

(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	4 – 6 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 – 6 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	3 - 4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	5 - 7 years
Office electrical equipment	Office equipment	5 years	3 - 7 years
Air conditioner (Other than retail stores)	Office equipment	5 years	15 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	4 - 5 years

Useful life of assets different from that prescribed in Schedule II has been estimated by the management, supported by technical assessment.

Leasehold assets

Assets	Estimated useful life
Leasehold improvements at stores	Lease term or management's estimate of useful life, whichever is shorter
Leasehold improvements other than stores	

See note 55 for other accounting policies relevant to property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

	Freehold land*	Freehold buildings*	Plant and equipment	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
As at April 01, 2022	5.92	43.36	259.45	383.74	133.41	535.57	149.09	10.06	**1,520.60**
Additions	-	0.53	64.89	200.22	54.84	252.88	46.26	12.71	**632.33**
Addition pursuant to business combination (Refer Note - 47a)	1.04	-	9.08	0.82	0.37	1.58	1.21	0.09	**14.19**
Disposals	1.04	-	31.66	27.83	8.55	48.38	4.57	3.53	**125.56**
As at March 31, 2023	**5.92**	**43.89**	**301.76**	**556.95**	**180.07**	**741.65**	**191.99**	**19.33**	**2,041.56**
Additions	-	22.65	67.71	166.30	36.73	269.25	47.39	28.68	**638.71**
Addition pursuant to business combination (Refer Note - 47a)	-	-	1.47	39.35	2.11	19.01	8.16	1.14	**71.24**
Disposals	-	-	38.08	44.61	20.29	158.46	11.72	4.54	**277.70**
As at March 31, 2024	**5.92**	**66.54**	**332.86**	**717.99**	**198.62**	**871.45**	**235.82**	**44.61**	**2,473.81**
Depreciation									
As at April 01, 2022	-	7.24	119.67	213.10	96.60	369.74	78.05	5.00	**889.40**
Depreciation for the year (Refer Note - 37)	-	1.58	49.86	69.58	18.65	102.19	11.82	3.19	**256.87**
Disposals	-	-	29.25	25.43	7.29	45.06	3.76	3.05	**113.84**
As at March 31, 2023	**-**	**8.82**	**140.28**	**257.25**	**107.96**	**426.87**	**86.11**	**5.14**	**1,032.43**
Depreciation for the year (Refer Note - 37)	-	1.53	28.30	112.04	33.07	151.48	27.89	7.56	**361.87**
Disposals	-	-	34.94	38.04	20.00	152.66	9.17	3.14	**257.95**
As at March 31, 2024	**-**	**10.35**	**133.64**	**331.25**	**121.03**	**425.69**	**104.83**	**9.56**	**1,136.35**
Net carrying value as at:									
March 31, 2024	**5.92**	**56.19**	**199.22**	**386.74**	**77.59**	**445.76**	**130.99**	**35.05**	**1,337.46**
March 31, 2023	**5.92**	**35.07**	**161.48**	**299.70**	**72.11**	**314.78**	**105.88**	**14.19**	**1,009.13**

Net carrying value

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	**1,337.46**	1,009.13
Total	**1,337.46**	1,009.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 3b
CAPITAL WORK-IN-PROGRESS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress	**171.07**	145.68
Total	**171.07**	145.68

Ageing of Capital work-in-progress as on March 31, 2024 ₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	**170.05**	**1.02**	**-**	**-**	**171.07**
(ii) Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**

Ageing of Capital work-in-progress as on March 31, 2023 ₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	120.38	13.71	11.59	-	145.68
(ii) Projects temporarily suspended	-	-	-	-	-

There are no projects as on the reporting periods where costs have been exceeded cost as compared to its original plan or where completion is overdue.

NOTE: 4
RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting Policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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 assess whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Where the Group is the lessee

Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for short-term leases which are less than 12 months and leases of low value assets. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the lease commencement date to the end of the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortised cost using the effective interest method.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification arising due to change in the lease term, change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero and there is a further reduction in movement of the lease liability.

The Group presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Consolidated Balance Sheet.

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(a) RIGHT-OF-USE ASSETS

₹ in Crore

	Land	Buildings*	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost							
As at April 01, 2022	**10.69**	**4,339.75**	**21.33**	**3.90**	**96.59**	**6.22**	**4,478.48**
Additions	0.91	2,144.61	-	-	9.50	0.36	**2,155.38**
Addition pursuant to business combination (Refer Note - 47a)	-	9.37	-	-	-	-	**9.37**
Termination	-	450.91	-	-	-	-	**450.91**
As at March 31, 2023	**11.60**	**6,042.82**	**21.33**	**3.90**	**106.09**	**6.58**	**6,192.32**
Additions	-	1,672.22	-	-	5.46	-	**1,677.68**
Addition pursuant to business combination (Refer Note - 47a)	-	494.38	-	-	-	-	**494.38**
Termination	-	738.03	-	-	-	0.16	**738.19**
As at March 31, 2024	**11.60**	**7,471.39**	**21.33**	**3.90**	**111.55**	**6.42**	**7,626.19**
Depreciation							
As at April 01, 2022	**0.65**	**1,921.45**	**5.83**	**0.81**	**25.72**	**1.09**	**1,955.55**
Depreciation for the year (Refer Note - 37)	0.14	898.09	4.28	0.79	23.27	1.28	**927.85**
Termination	-	314.52	-	-	-	-	**314.52**
As at March 31, 2023	**0.79**	**2,505.02**	**10.11**	**1.60**	**48.99**	**2.37**	**2,568.88**
Depreciation for the year (Refer Note - 37)#	0.16	1,148.51	4.28	0.79	22.57	1.28	**1,177.59**
Termination	-	427.04	-	-	-	-	**427.04**
As at March 31, 2024	**0.95**	**3,226.49**	**14.39**	**2.39**	**71.56**	**3.65**	**3,319.43**
Net carrying value as at:							
As at March 31, 2024	**10.65**	**4,244.90**	**6.94**	**1.51**	**39.99**	**2.77**	**4,306.76**
As at March 31, 2023	**10.81**	**3,537.80**	**11.22**	**2.30**	**57.10**	**4.21**	**3,623.44**

Depreciation for the year excludes ₹ 11.97 crore which has been transferred to Capital work-in progress for property under construction.

Net carrying value

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Right-of-use assets	**4,306.76**	3,623.44
Total	**4,306.76**	3,623.44

(b) LEASE LIABILITIES

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening balance	**4,267.34**	2,868.09
Additions*	**1,756.21**	2,318.78
Addition pursuant to business combination	**554.04**	9.34
Retirements	**(377.58)**	(125.73)
Interest expense on lease liabilities#	**445.96**	302.83
Rent concession	**-**	(0.22)
Payments	**(1,399.75)**	(1,105.75)
Closing balance	**5,246.22**	4,267.34

*Includes liabilties towards net investment in sub-lease amounting to ₹ 397.45 Crore (March 31, 2023: ₹ 281.92 Crore).

Interest expense on lease liabilities excludes ₹ 12.58 crore which has been transferred to Capital work-in progress for property under construction.

Current	**1,158.56**	921.11
Non-current	**4,087.66**	3,346.23

For maturity analysis of lease liabilities, refer Note - 45a.

(c) INVESTMENT PROPERTY

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Freehold Land and Structure	**3.62**	3.66
Total	**3.62**	3.66
Fair value of investment property	**10.08**	**11.00**

The above fair value has been arrived on the basis of assessable market value of the above property as per rate specified by Directorate of Registration and Stamp Revenue, Government of West Bengal and ready reckoner site refered for Thane muncipal corporation.

Estimation of fair value: The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 5
GOODWILL AND OTHER INTANGIBLE ASSETS

Accounting Policy

Intangible assets are stated at cost less accumulated amortisation and impairment.

Amortisation methods and periods

A summary of amortisation policies applied to the Group's intangible assets is as below:

Intangible assets	Useful life	Amortisation method used
Computer software	3 - 4 years	Amortised on straight-line basis
Brands/ trademarks	10 years to indefinite	Amortised on straight-line basis, except where the Brand/Trademark is considered to have indefinite life
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement
Non-Compete	7 years	Amortised on straight-line basis

See note 55 for other accounting policies relevant to Intangible Assets

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer software	Technical know-how	Franchisee rights	Non-Compete right	Total
Cost							
As at April 01, 2022	**2,209.20**	**687.09**	**102.31**	**1.84**	**33.81**	**3.00**	**3,037.25**
Additions	-	1.19	12.63	-	515.34	-	**529.16**
Addition pursuant to business combination (Refer Note - 47a)	120.50	212.40	0.27	-	-	-	**333.17**
Disposals	-	-	0.58	-	-	-	**0.58**
As at March 31, 2023	**2,329.70**	**900.68**	**114.63**	**1.84**	**549.15**	**3.00**	**3,899.00**
Additions	-	2.59	90.70	-	43.53	-	**136.82**
Addition/Adjustment pursuant to business combination (Refer Note - 47a)	871.29	1,613.60	1.60	-	-	-	**2,486.49**
Disposals	-	-	0.91	-	-	-	**0.91**
As at March 31, 2024	**3,200.99**	**2,516.87**	**206.02**	**1.84**	**592.68**	**3.00**	**6,521.40**
Amortisation							
As at April 01, 2022	**-**	**33.61**	**85.77**	**1.48**	**12.91**	**0.29**	**134.06**
Amortisation for the year (Refer Note - 37)	-	16.48	10.56	-	15.20	-	**42.24**
Disposals	-	-	0.46	-	-	-	**0.46**
As at March 31, 2023	**-**	**50.09**	**95.87**	**1.48**	**28.11**	**0.29**	**175.84**
Amortisation for the year (Refer Note - 37)	-	61.27	33.03	-	33.44	-	**127.74**
Disposals	-	-	0.89	-	-	-	**0.89**
As at March 31, 2024	**-**	**111.36**	**128.01**	**1.48**	**61.55**	**0.29**	**302.69**
Net carrying value as at:							
March 31, 2024	**3,200.99**	**2,405.51**	**78.01**	**0.36**	**531.13**	**2.71**	**6,218.71**
March 31, 2023	**2,329.70**	**850.59**	**18.76**	**0.36**	**521.04**	**2.71**	**3,723.16**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Net carrying value

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Goodwill	**3,200.99**	2,329.70
Other intangible assets	**3,017.72**	1,393.46
Total	**6,218.71**	3,723.16

NOTE: 5
(a) INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	**-**	58.02
Total	**-**	58.02

INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing of Intangible assets under development as on March 31, 2024

₹ in Crore

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-

Ageing of Intangible assets under development as on March 31, 2023

₹ in Crore

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	57.67	0.35	-	-	58.02
(ii) Projects temporarily suspended	-	-	-	-	-

NOTE: 5
(b) IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through various business combinations have been allocated to the nine Cash-Generating Units (CGUs) as below:

1. Pantaloons CGU
2. Madura Fashion & Lifestyle CGU
3. Forever 21 CGU
4. Jaypore CGU
5. Finesse CGU
6. Sabyasachi CGU
7. HMLPL CGU
8. TMRW CGU
9. TCNS CGU

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Pantaloons CGU

During the year ended March 31, 2013, the Company acquired Pantaloons format business ('Pantaloons business') from Future Retail Limited ("FRL"), which consisted of fashion retail business operating under the brand name "Pantaloons". Pantaloons is a leading large format fashion retailer engaged in retailing of apparel and accessories. The business thus acquired is Pantaloons CGU.

Madura Fashion & Lifestyle CGU

Pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors ("Composite Scheme"), Madura Undertaking of ABNL and MGL Retail Undertaking of MGLRCL ("demerged undertakings") were transferred to the Company on a going concern basis, w.e.f. April 01, 2015.

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England, and MGL Retail Undertaking is primarily engaged in promoting lifestyle brands and having licences to retail various international brands like Armani Collezioni, Hugo Boss, Versace Collection and many more under one roof, 'The Collective'.

Forever 21 CGU

Effective July 01, 2016, the Company acquired exclusive franchise rights for the Indian market of Forever 21 business comprising of operating retail stores in India for the sale of clothing, artificial jewellery, accessories and related merchandise under the brand name "Forever 21" ("F21"), and is considered as a separate CGU.

Jaypore CGU

Effective July 02, 2019, the Company entered in a Share Purchase Agreement(s) with Jaypore E-Commerce Private Limited ("Jaypore") and TG Apparel & Decor Private Limited ("TG Apparel") which sells ethnic fashion merchandise under its own brand "Jaypore" and of other third-party brands through stores and on-line channels. Consequent to the above, Jaypore, Jaypore Inc., USA (an overseas wholly-owned subsidiary of Jaypore) and TG Apparel become wholly-owned subsidiaries of the Company. These Companies together are considered as a separate CGU "Jaypore CGU".

Finesse CGU

Effective July 26, 2019, the Company entered into a strategic partnership with India's leading designers "Shantanu & Nikhil" by way of acquisition of 51% stake in 'Finesse International Design Private Limited' ("Finesse"), which is primarily engaged in the business of occasional and ceremonial contemporary apparel for men and women under the brand name 'Shantanu & Nikhil'. Finesse became the subsidiary of the Company and is considered as a separate CGU "Finesse CGU". Further the company acquired additional stake of 4.81% effective from December 28, 2023.

Sabyasachi CGU

Effective February 24, 2021, the Company entered into Agreement with Sabyasachi Calcutta LLP [formerly M/s. Sabyasachi Couture, a partnership firm ("Sabyasachi") with a profit share of 51% to the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Company, which is engaged in the business of manufacturing, distribution and sale of designer apparel, accessories and jewellery under its own brand 'Sabyasachi' (the "Brand" or "Brand – 'Sabyasachi'"). Sabyasachi is India's largest and most influential luxury designer brands with strong Indian roots and global appeal. The Brand straddles categories such as apparel, accessories and jewellery and has a strong franchisee network in India, US, UK, and the Middle East. Considering the terms of the Agreement, Sabyasachi Calcutta LLP became the subsidiary of the Company and is considered as a separate CGU "Sabyasachi CGU".

HMLPL CGU

On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, HMLPL became a subsidiary of the Company and is considered as a separate CGU "HMLPL CGU".

TMRW CGU

On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C') business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means. Thus, w.e.f. April 11, 2022 Aditya Birla Digital Fashion Ventures Limited ("ABDFVL") a wholly owned subsidiary of the Company was set up to carry on the "D2C" business and is considered as a separate CGU "ABDFVL CGU".

Awesome Fab Shopping Pvt Ltd, Imperial Online Services Private Limited, Pratyaya E-Commerce Pvt Ltd, NautiNati, Bewakoof Brands Private Limited and Styleverse lifesyle private Limited form part of ABDFVL CGU.

TCNS CGU

On May 5, 2023, the Board of Directors of the Company approved acquisition of TCNS Clothing Co. Ltd. (" TCNS"), subject to requisite regulatory approvals. On August 31, 2023, the Company completed the acquisition of 1,87,12,577 equity shares constituting 29% of the Expanded Share Capital of TCNS (as defined in the letter of offer for the Open Offer) pursuant to the open offer. On September 26, 2023, the Company completed the acquisition of 1,41,95,748 equity shares constituting 22% of the Expanded Share Capital of TCNS pursuant to the Share Purchase Agreement dated May 5, 2023 ("SPA"). On September 26, 2023, pursuant to the completion of the Open Offer and acquisition of shares as specified in the SPA, the Company acquired 51% of the Expanded Share Capital, TCNS became a subsidiary of the Company and is considered as a separate CGU "TCNS CGU".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Carrying amounts of Goodwill allocated to each of the CGUs are as below:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Pantaloons CGU	**1,167.55**	1,167.55
Madura Fashion & Lifestyle CGU	**627.67**	627.67
Forever 21 CGU	**64.38**	64.38
Jaypore CGU	**88.44**	88.44
Finesse CGU	**35.02**	35.02
Sabyasachi CGU	**226.14**	226.14
HMLPL CGU	**45.24**	45.24
TMRW CGU		
Awesome Fab Shopping Private Limited	**7.48**	7.48
Imperial Online Services Private Limited	**6.82**	6.82
Pratyaya E-Commerce Private Limited	**3.64**	3.64
NautiNati	**4.35**	4.35
Bewakoof Brands Private Limited	**72.47**	52.97
Styleverse lifesyle private Limited	**24.62**	-
TCNS CGU	**827.17**	-
Total	**3,200.99**	2,329.70

Disclosures with respect to Goodwill allocated to the CGUs

Value in use calculation of CGUs

The recoverable amount of the CGUs as at March 31, 2024, has been determined based on value in use using cash flow projections from financial budgets approved by senior management covering a three years period ended March 31, 2027 and cash flow projections for financial years 2028 and 2029 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. The Group has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2029. The post-tax discount rate is applied to discounted cash flow projections. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.

Key assumptions used for value in use calculations

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both cost of debt and equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings of the respective CGU. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

Growth rate estimates:

Rates are based on published industry research. Growth rate is based on the Group's projection of business and growth of the industry in which the Group is operating. The growth rate is in line with the long-term growth rate of the industry except for Forever 21 CGU, . The growth rate of these CGUs considers the Group's plan to launch new stores/ expected same store growth, digital e-commerce and change in merchandise.

No reasonable possible change in key assumptions is likely to result in the recoverable amount of the CGUs being less than their carrying amount.

	Terminal growth rate		**Discount rate**	
	As at March 31, 2024	As at March 31, 2023	**As at March 31, 2024**	As at March 31, 2023
Pantaloons CGU	**5.00%**	5.00%	12.00%	13.00%
Madura Fashion & Lifestyle CGU	**5.00%**	5.00%	12.00%	13.00%
Forever 21 CGU	**5.00%**	5.00%	16.00%	16.00%
Jaypore CGU	**5.00%**	5.00%	16.50%	16.00%
Finesse CGU	**5.00%**	5.00%	14.50%	14.50%
Sabyasachi CGU	**5.00%**	5.00%	12.50%	17.70%
HMLPL CGU	**5.00%**	5.00%	14.50%	14.50%
Awesome Fab Shopping Private Limited CGU	**5.00%**	5.00%	17.50%	18.50%
Imperial Online Services Private Limited CGU	**5.00%**	5.00%	17.50%	17.50%
Pratyaya E-Commerce Private Limited CGU	**5.00%**	5.00%	18.00%	21.50%
NautiNati CGU	**5.00%**	5.00%	19.00%	24.80%
Bewakoof Brands Private Limited CGU	**5.00%**	5.00%	17.00%	18.20%
Styleverse lifesyle private Limited CGU	**5.00%**	NA	16.00%	NA
TCNS CGU	**5.00%**	NA	14.00%	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 6

(a) INVESTMENT IN JOINT VENTURE

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Joint Venture (Refer Note - 47b)		
Share in Net Assets	**38.13**	38.13
Goodwill	**29.05**	29.05
Equity Investment in Joint Venture - at cost	**67.18**	67.18
Share in profit / (loss) after tax (including other comprehensive income) of Joint Venture	**15.91**	6.40
Total	**83.09**	73.58

(b) OTHER INVESTMENTS: (Carried at fair value through other comprehensive income)

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Unquoted equity instruments		
7,000 (March 31, 2023: 7,000) fully paid equity shares of ₹ 10/- each of Birla Management Centre Services Limited*	**14.19**	10.56
68,25,000 (March 31, 2023: NIL) fully paid equity shares of ₹ 10/- each of CLI Footwear and Accessories Private Limited#	**6.83**	-
10,000 (March 31, 2023: 10,000) fully paid up equity shares of ₹ 10/- each of Retailers Association of India	**0.01**	0.01
Total	**21.03**	10.57

* Increase is on account of fair valuation.

On August 04, 2023, the Board of Directors approved to incorporate a new company in partnership with Christian Louboutin SAS ("CL"). On September 12, 2023, the Company has incorporated a new company viz. CLI Footwear and Accessories Private Limited ("CLI") in partnership with Christian Louboutin SAS ("CL SAS"). CLI is a 50%-50% partnership between the Company and CL SAS. CLI is incorporated by the Company in partnership with CL SAS in India to carry out the business of distribution and sale of CL SAS's products in India. The Company has entered into shareholders agreement which provides CLI with a call option to buy the Company's 50% equity interest at any time during the agreement period at the fair value. The Company has evaluated the impact of such call option and concluded that the Company does not have a significant influence over CLI despite the Company having 3 nominee directors on the board. Accordingly, the Management has disclosed the amount invested in CLI as equity investments carried at fair value through other comprehensive income.

Aggregate book value of unquoted investments	**104.12**	84.15
Aggregate amount of impairment in value of investments	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 7

NON-CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees		
Unsecured, considered good	**0.45**	1.15
Total	**0.45**	1.15

NOTE: 8

NON-CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Security deposits		
Deposits to related party - unsecured, considered good (Refer Note - 48)	**5.64**	5.64
Unsecured, considered good	**494.09**	428.67
Unsecured, considered doubtful	**6.01**	1.60
Provision for doubtful deposits	**(6.01)**	(1.60)
Total	**499.73**	434.31

NOTE: 9

NON-CURRENT FINANCIAL ASSETS - OTHERS

Accounting Policy

(I) Financial instruments

(i) Classification of financial assets at amortised cost

The group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, loans and security deposits.

(ii) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVTOCI) comprise equity securities (unlisted) which are not held for trading, and for which the Company has irrevocably elected at initial recognition to recognise changes in fair value through OCI rather than profit or loss. These are strategic investments and the Company considers this classification to be more relevant.

(iii) Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVTPL):

- debt investments (bonds, debentures and mutual funds) that do not qualify for measurement at either amortised cost or FVTOCI,
- equity investments that are held for trading, and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI, and
- Investments in financial instruments issued by subsidiaries, associate and joint venture, whose contractual terms are not wholly equity in nature.

Derivatives

The Put and Call options on the Non-Controlling Interest ("NCI") in a subsidiary or to acquire equity interest held by the venture partners in a joint venture are initially measured at fair value. The subsequent changes in fair value is recognised in the Standalone Statement of Profit and Loss.

See note 55 for other accounting policies relevant to Financial instruments.

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Net investment in sublease	**320.97**	243.84
Other bank balance		
Bank deposits with more than 12 months maturity from the Balance Sheet date	**2.05**	0.30
Derivative Instruments	**0.08**	0.72
Total	**323.10**	244.86

NOTE: 10
DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

Reflected in the Consolidated Balance Sheet as follows:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	**657.20**	408.50
Deferred tax liabilities	**660.93**	251.68

Deferred tax assets/ (liabilities) relates to the following:

₹ in Crore

	Consolidated Balance Sheet		Consolidated Statement of Profit and Loss and OCI	
	As at March 31, 2024	As at March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Difference between carrying amount of property, plant and equipment and intangible assets and their tax base	**(222.31)**	(248.45)	**(26.14)**	(8.24)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	**67.92**	49.51	**(18.41)**	(24.75)
Share-based payment	**14.27**	11.08	**(3.19)**	(3.81)
Business and depreciation loss as per income tax computations available for off-set against future taxable income	**510.82**	458.73	**(52.09)**	33.52
Business combinations impact	**104.66**	(15.06)	**-**	-
ROU assets	**(1,084.01)**	(912.02)	**171.99**	277.00
Lease liabilities	**1,320.47**	1,074.09	**(246.38)**	(352.19)
Others	**(54.62)**	(9.38)	**45.14**	42.74
Net deferred tax assets/ (liabilities)*	**657.20**	408.50	**(129.08)**	**(35.73)**

* Amounts recognised in Consolidated profit and loss is ₹ 128.19 Crores and in OCI ₹ 0.89 Crores.

Deferred tax liabilities		
Deferred tax pursuant to business combination	**660.93**	251.68
Deferred tax liabilities (Net)	**660.93**	251.68

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.

Reconciliation of deferred tax assets/ (liabilities) (net):

₹ in Crore

	Deferred tax assets (net)		Deferred tax liabilities (net)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	**408.50**	380.46	**(251.68)**	(211.94)
Deferred tax pursuant to business combinations (Refer Note - 47a)	**116.47**	(7.69)	**(406.14)**	(39.74)
Deferred tax (credit)/ charge recognised in profit and loss	**113.51**	36.67	**14.58**	-
Deferred tax (credit)/ charge recognised in OCI during the year (Refer Note - 39)	**0.89**	(0.94)	**-**	-
Others	**17.83**	-	**(17.69)**	-
As at the end of the year	**657.20**	408.50	**(660.93)**	(251.68)

Carry forward business losses in repect of which deferred tax asset has been recognised, expire unutilised based on the year of origination as below:-

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Within 4 years	**63.72**	-
Beyond 4 years upto 8 years	**888.81**	491.92
Total	**952.53**	491.92

Note:- Unabsorbed depreciation does not have any expiry period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 11
OTHER NON-CURRENT ASSETS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Capital advances	**17.08**	37.46
Prepayments	**19.61**	50.86
Balances with government authorities (other than income tax)	**32.68**	39.29
Other receivables	**1.32**	1.14
Total	**70.69**	128.75

NOTE: 12
INVENTORIES

Accounting Policy

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average cost basis.

See note 55 for other accounting policies relevant to inventories.

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Inventories		
At lower of cost and net realisable value		
Raw materials	**269.11**	274.47
Includes Goods-in-transit ₹ 73.68 Crore (March 31, 2023: ₹ 97.71 Crore)		
Work-in-progress	**104.85**	72.73
Finished goods	**947.17**	452.17
Includes Goods-in-transit ₹ 39.94 Crore (March 31, 2023: ₹ 1.17 Crore)		
Stock-in-trade	**3,110.39**	3,332.63
Includes Goods-in-transit ₹ 15.65 Crore (March 31, 2023: ₹ 29.52 Crore)		
Stores and spares	**41.18**	48.31
Packing materials	**32.64**	34.07
Total	**4,505.34**	4,214.38

During the year ended March 31, 2024, ₹ 303.21 Crore (March 31, 2023: ₹ 56.52 Crore) is recognised as an expense for inventories carried at net realisable value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 13
CURRENT INVESTMENTS (Carried at fair value through profit and loss (FVTPL))

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Quoted investments		
Aditya Birla Sun Life Overnight Fund - Growth- Regular Plan (March 31, 2024: 9,02,398.391 units, March 31, 2023: 4,14,626.568 units)	**116.13**	50.01
Axis Overnight Fund - Regular Growth(O) (March 31, 2024: 79,445.829 units, March 31, 2023: 4,22,822.210 units)	**10.03**	50.01
Axis Liquid Fund - Regular Growth(CFGP) (March 31, 2024: 2,78,457.533 units, March 31, 2023: Nil units)	**74.19**	-
HDFC Liquid Fund - Regular Plan - Growth (March 31, 2024: 371332.151 units, March 31, 2023: Nil units)	**174.45**	-
ICICI Prudential Overnight Fund Growth (March 31, 2024: 7,79,427.512 units, March 31, 2023: Nil units)	**100.11**	-
SBI Liquid Fund Regular Growth (March 31, 2024: 4,02,153.776 units, March 31, 2023: Nil units)	**150.63**	-
UTI Liquid Fund (Formerly UTI Liquid Cash Plan) - Regular Plan - Growth (March 31, 2024: 1,54,571.948 units, March 31, 2023: Nil units)	**60.70**	-
UTI Overnight Fund - Regular Plan - Growth (March 31, 2024: 30,928.897 units, March 31, 2023: Nil units)	**10.03**	-
Kotak Liquid Fund Regular Plan Growth (March 31, 2024: 3,11,589.225 units, March 31, 2023: Nil units)	**150.81**	-
Aditya Birla Sun Life Overnight Fund - Growth- Direct Plan (March 31, 2024: Nil Units, March 31, 2023: 322.298 units)	**-**	0.04
Aditya Birla Sun Life Liquid Fund - Growth- Regular Plan (March 31, 2024: 8,72,088.519 units, March 31, 2023: 348,379.588 units)	**33.63**	12.53
Aditya Birla Sun Life Overnight Fund - Growth- Regular Plan (March 31, 2024: Nil units, March 31, 2023: 70,986.05 units)	**-**	8.57
Axis Liquid Fund - Regular Growth(CF-GP) (March 31, 2024: Nil units, March 31, 2023: 25,579.438 units)	**-**	6.35
ICICI Mutual fund - Pru Liquid Direct Growth (March 31, 2024: Nil units, March 31, 2023: 1.88 units)	**-**	0.00
ICICI Mutual Funds - Money Market Direct Growth (March 31, 2024: Nil units, March 31, 2023: 4.25 units)	**-**	0.00
HDFC Mutual fund - Liquid Direct Growth (March 31, 2024: Nil units, March 31, 2023: 27.93 units)	**-**	0.01
Kotak Money Market Fund (March 31, 2024: Nil units, March 31, 2023: 98.03 units)	**-**	0.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Kotak Overnight Fund Growth - Regular Plan (March 31, 2024: Nil units, March 31, 2023: 4,19,792.177 units)	**-**	50.00
SBI Mutual fund - Corporate Bond Fund Regular Plan Growth (March 31, 2024: Nil units, March 31, 2023: 3,467,634.26 units)	**-**	4.62
SBI Mutual fund - Liquid Direct Growth (March 31, 2024: Nil unit, March 31, 2023: 0.82 units)	**-**	0.00
SBI Liquid Fund Regular Growth (March 31, 2024: Nil units, March 31, 2023: 701.692 units)	**-**	0.25
Total	**880.71**	182.43
Aggregate book value of quoted investments	**880.71**	182.43
Aggregate market value of quoted investments	**880.71**	182.43

NOTE: 14
CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees		
Unsecured, considered good	**10.55**	10.04
Total	**10.55**	10.04

NOTE: 15
CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Security deposits		
Unsecured, considered good	**137.95**	97.09
Unsecured, considered doubtful	**7.48**	8.61
Provision for doubtful deposits	**(7.48)**	(8.61)
Total	**137.95**	97.09

NOTE: 16
TRADE RECEIVABLES

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business and reflect the Group's unconditional right to consideration (that is, payment is due only on the passage of time).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Trade receivables from others	**1,342.50**	914.55
Less: Loss Allowances	**(63.69)**	(28.11)
Total	**1,278.81**	886.44

Break-up for security details:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Secured, considered good	**88.92**	46.55
Unsecured, considered good	**1,253.58**	868.00
Total	**1,342.50**	914.55

Ageing of Trade Receivables:

₹ in Crore

Particulars	**Outstanding as on March 31, 2024 (for following periods from due date of payments)**						
	Not Due	**0 - 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade Receivables – considered good	675.51	535.70	52.59	17.85	1.93	-	1,283.58
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired	-	9.79	0.25	11.00	5.89	4.53	31.46
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:	-	-	-	-	-	-	-
Disputed	0.07	0.07	-	0.28	0.10	7.24	7.76
Undisputed	-	4.36	2.42	3.77	1.05	8.10	19.70
(ix) Provision on Trade Receivables assessed on individual basis							(38.08)
(x) Expected credit loss							(25.61)
Total	**675.58**	**549.92**	**55.26**	**32.90**	**8.97**	**19.87**	**1,278.81**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

Particulars		Outstanding as on March 31,2023 (for following periods from due date of payments)						
		Not Due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables – considered good	630.42	229.56	26.95	2.20	0.45	0.00	889.58
(ii)	Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii)	Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii)	Trade Receivables assessed for credit risk on individual basis:	-	-	-	-	-	-	-
	Disputed	-	-	-	0.14	0.16	7.38	7.69
	Undisputed	0.26	7.45	0.42	0.30	1.02	7.82	17.28
(ix)	Provision on Trade Receivables assessed on individual basis							(24.97)
(x)	Expected credit loss							(3.14)
Total		**630.68**	**237.02**	**27.37**	**2.64**	**1.63**	**15.21**	**886.44**

No trade or other receivables is due from directors or other officers of the Group either severally or jointly with any other person.

For terms and conditions relating to related party receivables, refer Note - 48.

Trade receivables are generally non-interest bearing and the credit period generally between 30 to 300 days.

Based on the risk profiling for each category of customer, the Group has not evaluated credit risk where the risk is mitigated by collateral. The Group has therefore evaluated credit risk for departmental, depletion, e-commerce b2b, e-commerce b2c, export and trade customers. The Group follows the simplified approach method for computing the expected credit loss. The risks are categorised into high, low and moderate category basis internal and external parameters. Any customer related specific information has been factored over and above the probability of default (PD). Provision matrix takes into account historical credit loss experience adjusted for forward-looking estimates and macro-economic

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

factors. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

	Expected credit loss (%)					
	As at March 31, 2024			As at March 31, 2023		
	Departmental stores #	**Depletion key accounts #**	**Trade Channel**	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	**0.00%**	**0.00%**	**0.63%**	0.00%	0.00%	1.03%
0-90 days	**0.00%**	**0.00%**	**5.67%**	0.00%	0.00%	3.12%
91-180 days	**0.00%**	**0.00%**	**5.30%**	0.00%	0.00%	3.44%
181-365 days	**0.00%**	**0.00%**	**2.18%**	0.00%	0.00%	4.10%
1-2 years	**0.00%**	**0.00%**	**80.58%**	0.00%	0.00%	4.32%
2-3 years	**0.00%**	**0.00%**	**99.67%**	0.00%	0.00%	4.41%
More than 3 years	**0.00%**	**0.00%**	**100.00%**	0.00%	0.00%	0.00%

Ageing of receivables on which impairment allowance of doubtful debts is applied

₹ in Crore

	As at March 31, 2024			As at March 31, 2023		
	Departmental stores#	**Depletion key accounts#**	**Trade Channel**	Departmental stores#	Depletion key accounts#	Trade Channel
Not due	**-**	**-**	**446.39**	-	-	223.67
0-90 days	**-**	**-**	**111.03**	-	-	18.39
91-180 days	**-**	**-**	**71.00**	-	-	6.81
181-365 days	**-**	**-**	**13.92**	-	-	0.41
1-2 years	**-**	**-**	**2.50**	-	-	0.19
2-3 years	**-**	**-**	**5.91**	-	-	0.09
More than 3 years	**-**	**-**	**4.53**	-	-	-
Total	**-**	**-**	**655.28**	-	-	249.56

Impact is considered to be immaterial.

Movement in the expected credit loss allowance

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	**28.11**	24.89
Addition pursuant to business combination	**27.02**	-
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	**2.37**	0.44
Specific provision (reversed)/ made	**6.19**	2.78
As at the end of the year	**63.69**	28.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 17
CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
Current accounts	**383.60**	153.61
Deposit accounts (original maturity less than 3 months)	**0.09**	501.49
Balances with credit card companies	**40.98**	16.95
Balances with e-wallet companies	**2.21**	4.38
Cash on hand	**22.01**	13.04
Cheques/ drafts on hand	**5.14**	3.22
Total	**454.03**	692.69

The Group has undrawn committed borrowing facility available to the extent of ₹ 1,499.13 Crore as at March 31, 2024 (March 31, 2023: ₹ 1,377.82 Crore). Further the Board of the holding company has approved to raise ₹ 2,000 Crore through commercial papers as at March 31, 2024 (March 31, 2023 : ₹ 2,000.00 Crore) whereas the group has raised ₹ 295 Crore as at March 31, 2024 (March 31, 2023 : Nil).

Details of non-cash transactions from investing activities and Changes in liabilities arising from financing activities:

As at March 31, 2024

₹ in Crore

	As at March 31, 2023	Pursuant to business combinations	Cash flows (net)	Non-cash changes		As at March 31, 2024
				Fair value adjustments	Others	
Investing activities						
Cash and cash equivalents	692.69	-	(238.66)	-	-	454.03
Current investments	182.43	-	661.49	4.33	32.46	880.71
Total (a)	**875.12**	**-**	**422.83**	**4.33**	**32.46**	**1,334.74**
Financing activities						
Non-current borrowings	1,507.62	-	1,131.51	-	(127.57)	2,511.56
Current borrowings (including current maturities of non-current borrowings)	797.90	112.33	655.82	-	127.57	1,693.62
Lease liabilities*	4,267.34	554.04	(995.54)	-	1,420.38	5,246.22
Total (b)	**6,572.86**	**666.37**	**791.79**	**-**	**1,420.38**	**9,451.40**
Net Debt (b-a)						**8,116.66**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

As at March 31, 2023

₹ in Crore

	As at March 31, 2022	Pursuant to business combinations	Cash flows (net)	Non-cash changes		As at March 31, 2023
				Fair value adjustments	Others	
Investing activities						
Cash and cash equivalents	118.22	-	574.47	-	-	692.69
Current investments	608.14	0.05	(449.02)	(1.41)	24.67	182.43
Total (a)	726.36	0.05	125.45	(1.41)	24.67	875.12
Financing activities						
Non-current borrowings	777.97	11.61	718.04	-	0.00	1,507.62
Current borrowings (including current maturities of non-current borrowings)	454.36	73.33	270.21	-	0.00	797.90
Lease liabilities*	2,868.09	9.34	(891.01)	-	2,280.92	4,267.34
Total (b)	4,100.42	94.28	97.24	-	2,280.92	6,572.86
Net Debt (b-a)						5,697.74

* Others represents additions/adjustments to lease liabilities on account of termination.

NOTE: 18
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Earmarked deposits		
Current accounts	**0.46**	0.11
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)*#	**7.90**	8.26
Total	**8.36**	8.37

* Bank balance other than cash and cash equivalents are held as margin money under lien to banks for assuring guarantees.

Bank deposits amounting to ₹ 4.95 Crore (March 31, 2023 ₹ 2.78 Crore) of Sabyasachi Calcutta LLP (a subsidiary of the Company) are held as margin money under lien to banks for assuring guarantees, term loan and against term loan/working capital facilities and bank deposits amounting to ₹ 2.66 Crore (March 31, 2023 ₹ 4.81 Crore) of Aditya Birla Digital Fashion Ventures Limited (a subsidiary of the Company) are held as lien by banks against term loan from bank, bank guarantees and credit card.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 19
CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Net investment in sublease	**76.48**	38.08
Derivative contracts	**0.38**	0.65
Interest accrued on deposits	**0.08**	0.14
Other receivables	**28.09**	32.36
Total	**105.03**	71.23

NOTE: 20
OTHER CURRENT ASSETS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Capital advances	**0.03**	0.05
Prepayments	**66.66**	45.28
Advance to suppliers	**203.54**	177.37
Export incentives	**3.52**	0.58
Balances with government authorities (other than income tax)	**722.23**	491.95
Government grant receivables	**1.24**	1.24
Insurance claim receivables	**-**	0.91
Right to return assets	**296.61**	288.21
Other receivables	**17.60**	1.79
Total	**1,311.43**	1,007.38

NOTE: 21
EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Equity share capital				
As at the beginning of the year	**2,00,00,00,000**	**2,000.00**	1,00,00,00,000	1,000.00
Increase during the year	**-**	**-**	1,00,00,00,000	1,000.00
As at the end of the year	**2,00,00,00,000**	**2,000.00**	2,00,00,00,000	2,000.00
Preference share capital				
Preference shares of ₹ 10/- each	**1,00,00,000**	**10.00**	1,00,00,000	10.00
Preference shares of ₹ 100/- each	**15,000**	**0.15**	15,000	0.15
As at the end of the year	**1,00,15,000**	**10.15**	1,00,15,000	10.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Issued equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	**94,89,96,351**	**949.00**	93,85,09,538	938.50
Increase during the year towards:				
Equity shares under Rights Issue	**-**	**-**	138	0.01
Equity shares under Preferential Issue [Refer Note - 21(iii)]	**6,58,00,866**	**65.80**	1,02,16,450	10.22
Exercise of Options (Refer Note - 44)	**4,17,929**	**0.42**	2,70,225	0.27
As at the end of the year	**1,01,52,15,146**	**1,015.22**	94,89,96,351	949.00

Subscribed and paid-up equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	**94,87,90,847**	**948.79**	93,83,04,034	938.29
Increase during the year towards:				
Equity shares under Rights Issue	**-**	**-**	138	0.01
Equity shares under Preferential Issue [Refer Note - 21(iii)]	**6,58,00,866**	**65.80**	1,02,16,450	10.22
Exercise of Options (Refer Note - 44)	**4,17,929**	**0.42**	2,70,225	0.27
As at the end of the year	**1,01,50,09,642**	**1,015.01**	94,87,90,847	948.79

(i) Shares held by Promoters :

Shares held by Promoters as at March 31, 2024			% Change during the year
Promoter name	**No. of Shares**	**% of total shares**	
Birla Group Holdings Private Limited	**17,15,52,967**	**16.90**	**-1.18%**
IGH Holdings Private Limited	**13,64,72,680**	**13.45**	**-0.94%**
Grasim Industries Limited	**9,75,93,931**	**9.62**	**-67.11%**
Umang Commercial Company Private Limited	**6,50,66,998**	**6.41**	**-44.74%**
Hindalco Industries Limited	**5,02,39,794**	**4.95**	**-34.55%**
Pilani Investment and Industries Corporation Limited	**39,88,866**	**0.39**	**-2.74%**
Mrs. Rajashree Birla	**8,63,696**	**0.09**	**-0.59%**
Birla Industrial Finance (India) Limited	**1,66,508**	**0.02**	**-0.11%**
Birla Consultants Limited	**1,66,422**	**0.02**	**-0.11%**
ABNL Investment Limited	**77,430**	**0.01**	**-0.05%**
Birla Industrial Investments (India) Limited	**34,666**	**0.00**	**-0.02%**
Mr. Kumar Mangalam Birla	**33,966**	**0.00**	**-0.02%**
Mrs. Neerja Birla	**20,270**	**0.00**	**-0.01%**
Mrs. Vasavadatta Bajaj	**19,542**	**0.00**	**-0.01%**
Aditya Vikram Kumar Mangalam Birla HUF	**1,780**	**0.00**	**0.00%**
Total	**52,62,99,516**	**51.85**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Shares held by Promoters as at March 31, 2023			% Change during the year
Promoter name	No. of Shares	% of total shares	
Birla Group Holdings Private Limited	17,15,52,967	18.08	-0.20%
IGH Holdings Private Limited	13,64,72,680	14.38	-0.16%
Grasim Industries Limited	9,75,93,931	10.29	-0.11%
Umang Commercial Company Private Limited	6,50,66,998	6.86	-0.07%
Hindalco Industries Limited	5,02,39,794	5.30	-0.05%
Pilani Investment and Industries Corporation Limited	39,88,866	0.42	0.00%
Mrs. Rajashree Birla	8,63,696	0.09	0.00%
Birla Industrial Finance (India) Limited	1,66,508	0.02	0.00%
Birla Consultants Limited	1,66,422	0.02	0.00%
ABNL Investment Limited	77,430	0.01	0.00%
Birla Industrial Investments (India) Limited	34,666	0.00	0.00%
Mr. Kumar Mangalam Birla	33,966	0.00	0.00%
Mrs. Neerja Birla	20,270	0.00	0.00%
Mrs. Vasavadatta Bajaj	19,542	0.00	0.00%
Aditya Vikram Kumar Mangalam Birla HUF	1,780	0.00	0.00%
Total	52,62,99,516	55.47	

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10/- per share. Each holder of an equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution to all preference shareholders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(iii) Preferential Issue to foreign portfolio investors

a. On May 24, 2022, the Board of Directors of the Company approved a Preferential Issue (“said issue”) of 1,02,16,450 fully paid up Equity Shares of face value of ₹ 10 each, for cash, at a price of ₹ 288.75 per Equity Share (including a premium of ₹ 278.75 per Equity Share) and 6,58,00,866 warrants at a price of ₹ 288.75 per warrant (“Warrant Issue Price”), each warrant being convertible into or exchangeable for 1 Equity Share of the Company of face value of ₹ 10 each aggregating to ₹ 2,195 Crore to Caladium Investment Pte. Ltd, a Foreign Portfolio Investor (“Investor”) by way of preferential allotment on private placement basis in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 by way of entering into a Share Subscription Agreement, [“SSA”].

b. The Company received the approval of the Shareholders by way of Postal Ballot on June 23, 2022 and of Competition Commission of India on August 30, 2022 and Securities Exchange Board of India on September 7, 2022.

c. On September 20, 2022, post completion of the customary closing conditions of SSA, the Board of Directors approved the allotment to the Investor on receipt of consideration aggregating to ~ ₹ 770 Crore towards:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

i. 1,02,16,450 fully paid up Equity Shares, of which ₹ 10 is towards face value and ₹ 278.75 towards premium and

ii. 6,58,00,866 warrants, upon receipt of 25% of the Warrant Issue Price (i.e. ₹ 72.1875 per warrant) as warrant subscription money. Balance 75% of the Warrant Issue Price (i.e. ₹ 216.5625 per warrant) shall be payable within 18 months from the allotment date.

d. On March 11, 2024, the Company had approved the allotment of 6,58,00,866 equity shares of face value of ₹ 10/- each at issue price of ₹ 288.75/- per equity share (including a premium of ₹ 278.75 per equity share) aggregating to ₹ ~1425 Crore, upon receipt of the balance 75% consideration, consequent to the conversion of warrants at a conversion ratio of 1 equity share in lieu of 1 warrant.

(iv) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital
Birla Group Holdings Private Limited	**17,15,52,967**	**16.90%**	17,15,52,967	18.08%
IGH Holdings Private Limited	**13,64,72,680**	**13.45%**	13,64,72,680	14.38%
Grasim Industries Limited	**9,75,93,931**	**9.62%**	9,75,93,931	10.29%
Flipkart Investments Private Limited	**7,31,70,731**	**7.21%**	7,31,70,731	7.71%
Umang Commercial Company Private Limited	**6,50,66,998**	**6.41%**	6,50,66,998	6.86%
Caladium Investment Pte. Ltd.	**7,60,17,316**	**7.49%**	-	-
Hindalco Industries Limited*	**-**	**-**	5,02,39,794	5.30%

* % holding is less than 5 %.

(v) There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting year.

(vi) Shares reserved for issue under Employee Stock Option Plan

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Group, refer Note - 44.

NOTE: 22
OTHER EQUITY

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Share application money pending allotment		
As at the beginning of the year	**0.01**	-
Exercise price received pending allotment	**0.03**	0.01
As at the end of the year	**0.04**	0.01
Share suspense account		
As at the beginning of the year	**0.02**	0.02
As at the end of the year	**0.02**	0.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Securities premium		
As at the beginning of the year	**3,408.06**	3,118.18
Equity shares under Rights Issue	**-**	0.20
Preferential Issue of equity shares on conversion of warrants (net off share issue expenses of ₹ Nil (March 31, 2023: ₹ 0.95 Crore)) [Refer Note- 21(iii)]	**1,375.65**	283.82
Conversion of warrants (amount transferred to securities premium)	**458.55**	-
Issue of shares upon exercise of options	**9.23**	5.86
As at the end of the year	**5,251.50**	3,408.06
Retained earnings		
As at the beginning of the year	**(1,469.51)**	(1,265.39)
Loss for the year	**(628.02)**	(35.99)
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest [Refer Note - 24]	**(119.79)**	(175.87)
Acquisition of NCI share	**(7.59)**	7.73
As at the end of the year	**(2,224.91)**	(1,469.51)
Share options outstanding account		
As at the beginning of the year	**67.36**	60.06
Recognition of Share based payment expenses	**18.10**	20.01
Issue of shares upon exercise of options	**(6.19)**	(12.71)
As at the end of the year	**79.27**	67.36
Treasury shares		
As at the beginning of the year	**(115.00)**	(103.09)
Treasury shares issued/ (purchased) by ESOP Trust	**3.69**	(11.91)
As at the end of the year	**(111.31)**	(115.00)
Share Warrants [Refer Note 21 (iii)]		
As at the beginning of the year	**475.00**	-
Warrants issued during the year	**-**	475.00
Conversion of warrants (amount transferred to securities premium)	**(475.00)**	-
As at the end of the year	**-**	475.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Capital reserve		
As at the beginning of the year	**22.70**	21.74
Issue of shares upon exercise of options	**0.19**	0.96
As at the end of the year	**22.89**	22.70
Other equity		
As at the beginning of the year	**-**	-
Acquisition of NCI share	**(2.99)**	-
As at the end of the year	**(2.99)**	-
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans		
As at the beginning of the year	**0.75**	1.11
Gains/ (losses) during the year	**(4.41)**	(0.36)
As at the end of the year	**(3.66)**	0.75
Fair value gains/ (losses) on equity instruments		
As at the beginning of the year	**4.78**	2.34
Gains/ (losses) during the year	**2.71**	2.44
As at the end of the year	**7.49**	4.78
Foreign currency translation reserve		
As at the beginning of the year	**0.09**	0.06
Gains/ (losses) during the year	**0.15**	0.03
As at the end of the year	**0.24**	0.09
Effective portion of cashflow hedge		
As at the beginning of the year	**0.25**	-
Gains/ (losses) during the year	**(0.04)**	0.25
As at the end of the year	**0.21**	0.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

		As at March 31, 2024	As at March 31, 2023
Other equity attributable to owners of the Company	**(A)**	**3,018.77**	2,394.50
Non-controlling interest			
As at the beginning of the year		**2.71**	15.20
Non-controlling interest recognised as at the beginning of the year		**724.08**	421.15
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest [Refer Note - 24]		**119.79**	175.87
Non-controlling interest recognised pursuant to business combinations during the year (Refer Note- 47a)		**846.60**	73.89
Additional contribution by Non-controlling shareholders/ partners		**-**	71.80
Acquisition of NCI share		**7.59**	-
Profit/ (Loss) during the year		**(108.40)**	(23.39)
Issue of shares upon exercise of options		**2.30**	-
Non-controlling interest derecognised at the end of the year		**(907.44)**	(724.08)
Others		**-**	(7.73)
As at the end of the year	**(B)**	**687.23**	2.71
Total other equity	**(A+B)**	**3,706.00**	2,397.21
Other equity			
Share application money pending allotment		**0.04**	0.01
Share suspense account		**0.02**	0.02
Reserves and surplus			
Securities premium		**5,251.50**	3,408.06
Retained earnings		**(2,224.91)**	(1,469.51)
Share options outstanding account		**79.27**	67.36
Treasury shares		**(111.31)**	(115.00)
Share warrants		**-**	475.00
Capital reserve		**22.89**	22.70
Other equity		**(2.99)**	-
Other comprehensive income			
Remeasurement gains/ (losses) on defined benefit plans		**(3.66)**	0.75
Fair value gains/ (losses) on equity instruments		**7.49**	4.78
Foreign currency translation reserve		**0.24**	0.09
Effective portion of cashflow hedge		**0.21**	0.25
Other equity attributable to owners of the Company		**3,018.77**	2,394.50
Non-controlling interest		**687.23**	2.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

1. **Share suspense account**

   As per the Scheme of Arrangement, the Non-Resident shareholders of ABNL, holding shares on repatriation basis, are allotted shares upon receiving necessary regulatory approval(s). The amount lying in share suspense account pertains to shares not allotted on account of pending requisite approvals.

2. **Securities premium**

   Securities premium is used to record the premium on issue of shares, and is utilised in accordance with the provisions of the Companies Act, 2013.

3. **Retained earnings**

   Retained earnings comprise of the Group's accumulated undistributed profits/ (losses) after taxes.

4. **Share options outstanding account**

   The fair value of the equity-settled share based payment transactions with employees is recognised in Consolidated Statement of Profit and Loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

5. **Treasury shares (Refer Note - 44)**

   The equity shares of the Company have been acquired from open markets for Employee Stock Option Scheme 2019 and is held by ABFRL Employee Welfare Trust (ESOP Trust) at cost. Trust allot shares to employees at the time of exercise of stock options by the employees.

6. **Capital reserve**

   Capital reserve pertains to the reserve created out of the difference between the share capital issued and the net assets taken over at the time of Scheme of Arrangement and forfeiture of Rights shares.

7. **Remeasurement gains/ (losses) on defined benefit plans**

   The cumulative balances of gains/ (losses) arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in remeasurement gains/ (losses) reserve will not be reclassified subsequently to Consolidated Statement of Profit and Loss.

8. **Fair value gains/ (losses) on equity instruments**

   It represents the cumulative gains/(losses) arising on the fair valuation of equity shares (other than investments in subsidiaries, which are carried at cost) measured at fair value through other comprehensive income. This fair value gains/ (losses) will not be reclassified subsequently to Consolidated Statement of Profit and Loss.

9. **Foreign currency translation reserve**

   The translation reserve comprise foreign currency exchange differences arising from the translation of the financial statements of foreign operations. This gains/ (losses) will be reclassified subsequently to Consolidated Statement of Profit and Loss.

10. **Share Warrants [Refer Note 21 (iii)]**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 23
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	Effective interest rate % p.a.	Maturity	As at March 31, 2024 ₹ in Crore	As at March 31, 2023 ₹ in Crore
Redeemable non-convertible debentures				
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	-	399.83
Redeemable non-convertible debentures - Series 9 Zero coupon (Unsecured)*	7.97%	January 29, 2026	**498.42**	498.42
Redeemable non-convertible debentures - Series 10 Zero coupon (Unsecured)*	7.71%	September 11, 2030	**743.07**	-
Term loans from banks				
Term loan from HDFC Bank (TUF) (Secured)[1]	1 year MCLR + 0.25%	March 15, 2025	-	3.33
Term loan from Federal Bank (Secured)[2]	7.95%	March 28, 2028	**499.54**	499.00
Term loan from Axis Bank (Secured)[3]	8.15%	April 24, 2030	**597.32**	-
Term loan from Axis Bank (Secured)[4]	1 Year MCLR + 1.25%	September 30, 2024	-	0.98
Term loan-FCTL (Secured)[7]	Reference Rate+1.90%	November 23, 2026	**15.50**	24.01
Term loan from ICICI Bank (Secured)[9]	8.21%	December 15, 2028	**38.79**	28.17
Term loan from ICICI Bank (Secured)[10]	1 Year MCLR	December 31, 2026	**35.00**	35.00
Term loan from ICICI Bank (Secured)[5]	8.75%	March 31 ,2026	**2.50**	4.00
Term loan from Bank (Secured)	9.40%	December 31, 2024	-	0.03
Term loan from Bank (Secured)	9.35%	July 02, 2028	**1.28**	-
Term loan from ICICI Bank (Secured)[11]	9.10%	March 31, 2027	**3.67**	-
Term loan from Axis Bank (Secured)[12]	8.56%	September 30, 2028	**58.03**	-
Term loan from Axis Bank (Secured)[13]	1 Year MCLR + Spread	April 30, 2026	**15.00**	-
Term loan from others				
Other borrowings (Unsecured)[8]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	**2.33**	14.82
Other borrowings (secured)	18.75%	April 30, 2024	-	0.01
Other borrowings (Unsecured)	18.75%	April 30, 2024	-	0.01
Preference shares				
Cumulative redeemable preference shares (Unsecured)[14]	8.00%	March 26, 2029	**1.11**	-
Cumulative redeemable preference shares (Unsecured)[14]	6.00%	October 12, 2024	-	0.01
Total			**2,511.56**	**1,507.62**

*Net off unamortised charges

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Current maturities of long-term borrowings

	Effective interest rate % p.a.	Maturity	As at March 31, 2024 ₹ in Crore	As at March 31, 2023 ₹ in Crore
Current maturities of long-term borrowings				
Redeemable non-convertible debentures - Series 7 Zero coupon (Unsecured)*	8.75%	May 22, 2023	-	323.51
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	**399.14**	-
Term loan from HDFC Bank (TUF) (Secured)[1]	1 year MCLR + 0.25%	March 15, 2025	**3.33**	3.33
Term loan from Standard Chartered Bank (Secured)[3]	Repo rate + 4.00% **	March 31, 2034	-	-
Term loan from Axis Bank (Secured)[4]	1 Year MCLR + 1.25%	September 30, 2024	**0.99**	4.60
Term loan from ICICI Bank (Secured)[5]	8.75%	March 31 ,2026	**2.50**	-
Term loan from Aditya Birla Finance Limited (Secured)[6]	10.00%	March 31 ,2025	**9.99**	-
Term loan-FCTL (Secured)[7]	Reference Rate + 1.90%	November 23, 2026	**8.86**	8.74
Term loan from ICICI Bank (Secured)[10]	1 Year MCLR	December 31, 2026	**15.00**	-
Other borrowings (Unsecured)[8]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	**12.50**	11.57
Term loan from ICICI Bank (Secured)[9]	8.21%	December 15, 2028	**11.14**	1.69
Term loan from Axis Bank (Secured)[12]	8.56%	September 30, 2028	**5.74**	-
Term loan from bank (Secured)	8.85% - 9.40%	December 31, 2024	**15.99**	3.67
Cumulative redeemable preference shares (Unsecured)[14]	8.00%	March 29, 2024	-	0.50
Total (included in Current Borrowings)			**485.18**	**357.61**
*Net off unamortised charges				
Aggregate secured borrowings			**1,340.17**	616.56
Aggregate unsecured borrowings			**1,656.57**	1,248.67

The Group has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings.

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

The Group has registered all the charges with Registrar of Companies within the statutory period.

Details of security and terms of repayment

1. Term loan from HDFC Bank (TUF) secured by way of exclusive charge over movable assets of the Company's plant situated at Bhubaneswar, Odisha. The loan is repayable in 24 equal quarterly instalments commencing from June 15, 2019.
2. Term loan of Rs 500 Crores from Federal Bank is secured by way of First pari passu charge on the present and future fixed assets. The loan is repayable on maturity i.e 28th March, 2028.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

3 Term loan of Rs 600 Crores from Axis Bank is secured by way of First pari passu charge on the present and future fixed assets. The loan is repayable on maturity i.e 24th April, 2030.

4 Term loan is secured by way of first charge created by hypothecation of movable property, plant and equipment and current assets of Finesse International Design Private Limited (a subsidiary of the Company) excluding vehicles both present and future. The loan is repayable in 12 structured quarterly instalments commencing from December 2021, i.e., after the moratorium period of 12 months.

5 The loan is secured by way of first charge created by hypothecation of movable property, plant and equipment and current assets of Finesse International Design Private Limited (a subsidiary of the Company) both present and future. The loan is repayable in 8 structured quarterly instalments commencing from June 2024.

6 The term loan is taken from Aditya birla Finance limited by Finesse International Design Private Limited (a subsidiary of the Company). The loan is repayable in structured monthly instalments commencing from June 2024, i.e., after the moratorium period of 12 months.

7 Foreign Currency Term Loan (FCTL in US Dollars) from a Bank taken by the Subsidiary of the Company (M/s Sabyasachi Inc.) is secured by an irrevocable Standby Letter of Credit backed by its Parent entity (Sabyasachi Calcutta LLP) and charge over all moveable and immovable Property, plant and equipment of the Subsidiary. The loan is repayable in 16 equal quarterly instalments starting from March 31, 2023.

8 Loans amounting to ₹ 10.98 Crore is repayable in 20 equal quarterly instalments commencing from March 2020 and loans amounting to ₹ 3.85 Crore is repayable in 48-60 equal monthly instalment commencing on various dates through March 14, 2025 to October 14, 2027.

9 Term Loan from ICICI Bank is secured by the first parri-passu charge on both movable and immovable fixed aseets both present and future amounting to ₹ 50.00 Crore of Sabyasachi Calcutta LLP (a subsidiary of the Company). The tenure of term loan is 6 years with 18 months moratorium. The repayment starts from June 2024 and ends on Decemeber 2028.The repayment of principal amount to ₹ 2.77 Crore will take place quarterly starting from June 2024.The Interest amount will be deducted monthly calculated on the outstanding principal amount.

10 Term loan has been taken from ICICI Bank which is secured by way of charge over movable Property, plant and equipment of Indivinity Clothing Retail Private Limited(a subsidiary of the Company). The loan is repayable in 10 equal quarterly instalments starting from quarter ended September 2024.

11 Term loan has been taken from ICICI Bank which is secured by way of charge over current and movable of House of Masaba (a subsidiary of the Company).

12 Term loan has been taken from Axis Bank which is secured by way of First pari passu charge on the present and future fixed assets of Aditya Birla Garments Limited(a subsidiary of the Company). Term loan is repayable in 15 structured quarterly installement after 15 months from the date of first disbursement i.e from March 2025 till September 2028.

13 Term loan has been taken from Axis Bank which is secured by way of charge by a first pari passu charge on all movable fixed assets of Jaypore E-commerce private limited (a subsidiary of the Company). The loan is repayable in 8 equal quarterly instalments starting from quarter ended June 2024.

Details of Cumulative redeemable preference shares

14 The Company has existing preference shares i.e. 5,00,000 8% Redeemable Cumulative Preference Shares of ₹ 10 each and 500 6% Redeemable Cumulative Preference Shares of ₹ 100 each ("existing Preference Shares"), which are due for redemption on March 29, 2024 and October 12, 2024 respectively. In terms of applicable provisions of the Companies Act, 2013, the preference shares can

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

be redeemed either out of profits of the Company which would otherwise be available for dividend or out of the proceeds of the fresh issue of shares made for the purpose of such redemption. The Company did not have distributable profits in terms of Section 123 of the Companies Act, 2013, as it had past accumulated losses.

The Board of Directors at its meeting held on February 14, 2024, approved issuance of Non-Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") on private placement basis subject to the approval of the shareholders of the Company, the proceeds of which is to be utilized towards redemption of the existing Preference Shares.

The Company received the approval of the Shareholders by way of Postal Ballot on March 21, 2024 for Re-classification of Authorised Share Capital and Issue of NCRPS on private placement basis to redeem the existing Preference Shares.

The Stakeholders Relationship Committee of the Board of Directors of the Company has on March 27, 2024 approved the allotment of 11,10,000 8% Non-Cumulative Non-Convertible Redeemable Preference Shares of face value of ₹ 10/- each on private placement basis to Birla Management Centre Services Private Limited.

The existing Preference Shares were redeemed through the proceeds of fresh issuance of 8% Non-Cumulative Non-Convertible Redeemable Preference Shares on March 28, 2024.

TUF - Technology Upgradation Fund.

NOTE: 24
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

Accounting Policy - Non-controlling interest put option

Where the group does not have present ownership interest in the shares held by the non-controlling shareholders, measured at either fair value or at the proportionate share of the acquiree's identifiable net assets, and the related put option held by the group over such non-controlling shares remains unexercised, the group accounts for the non-controlling interest and the written put option at the end of each reporting period as below:

a. Group determines the amount that would have been recognised for the non-controlling interest, including an allocation to reflect the share of profit or loss, share of changes in other comprehensive income and dividends (if any) declared during the reporting period;

b. The group de-recognises the non-controlling interest as if it was acquired at the end of the reporting period;

c. The group recognises a financial liability in respect of the written put option at the present value of the amount payable on exercise of the non-controlling interest; and

d. Difference between b) and c) is accounted for as an equity transaction.

Upon exercise of the put option over the non-controlling interest the amount recognised as financial liability is extinguished by payment of the exercise price.

If the put option over the non-controlling interest remains unexercised, non-controlling interest is recognised at the amount it would have been, as if the put option had never been granted (i.e. measured initially at the date of the business combination, and remeasured for subsequent allocations of profit or loss, other comprehensive income and changes in equity attributable to the non-controlling interest). The financial liability is derecognised, with a corresponding credit to the same component of equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	-	0.76
Non-controlling interest put option*	907.44	724.08
Liability towards license rights	537.13	391.06
Capital Creditors	2.20	-
Others	-	1.19
Total	**1,446.77**	1,117.09

*Non-controlling interest put option includes put option liability relating to Sabyasachi Calcutta LLP. During the year ended March 31, 2021, the Company acquired 51% stake in Sabyasachi Calcutta LLP by entering into an agreement on February 24, 2021. Under the terms of the Agreement, the Company has provided a Put Option to Mr. Sabyasachi Mukherjee to sell his entire holding of 49% to the Company over a period of fourteen years starting from the end of five years from the aforesaid date and thereafter in three tranches, should an initial public offer of the organisation (after conversion to a company) does not take place. In respect of the balance 49% held by promoter of Sabyasachi Calcutta LLP, the Company has accounted the same as non-current financial liability considering the put option. This qualifies as a liability under Ind AS since the Company does not have an unconditional right to not purchase the interest as per the terms of the Agreement. The Non-Controlling Interest has been recorded at the present value of the expected future cash outflows based on an independent valuation performed by the Company's appointed independent valuer.

NOTE: 25
NON-CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation		
Provision for compensated absences	1.29	2.09
Provision for gratuity (Refer Note - 43)	72.39	43.03
Stock Appreciation Rights (SAR)	0.27	1.01
Total	**73.95**	46.13

NOTE: 26
OTHER NON-CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Deferred income	27.56	20.20
Total	**27.56**	20.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 27
CURRENT - BORROWINGS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand from banks		
Cash credit/ Working capital demand loan (Secured)[1]	445.88	231.19
Cash credit/ Working capital demand loan (Unsecured)	450.00	175.59
Loans repayable on demand from others (Secured)	10.60	24.81
Loans repayable on demand from others (Unsecured)		
Commercial paper	295.48	
Others	-	1.12
Gold Metal Loan[2]	6.48	2.60
Redeemable non-convertible debentures	-	4.98
Current maturities of long-term borrowings (Refer Note - 23)	485.18	357.61
Total current borrowings	**1,693.62**	797.90
Aggregate secured borrowings	536.50	285.61
Aggregate unsecured borrowings	1,157.12	512.29

Details of security

1. Current borrowings are secured by way of first pari passu charge on the current assets and second pari passu charge on the movable and immovable assets of the respective entities of the Group.
2. The Sabyasachi Calcutta LLP (a subsidiary of the Company) has availed Gold Metal Loan from ICICI Bank as a part of its fund based limit of sanction limit of ₹ 30 Crore for Jewellery manufacturing (domestic and export).The interest shall be charged monthly at notional value of gold linked to international gold lease rate (presently 3.50% p.a.). The loan will be available for a maximum of 180 days.

NOTE: 28
TRADE PAYABLES

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	323.90	120.63
Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,811.76	3,725.49
Total	**4,135.66**	3,846.12

* Includes payable to related parties, for terms and conditions with related parties (Refer Note - 48).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Ageing of Trade Payables:

₹ in Crore

Particulars	Outstanding as on March 31,2024 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	98.20	223.31	1.11	0.60	0.34	323.56
(ii) Others	2,675.13	1,059.10	17.27	33.35	24.73	3,809.58
(iii) Disputed dues – MSME	-	0.22	0.12	-	-	0.34
(iv) Disputed dues – Others	0.23	0.54	0.03	0.25	1.13	2.18

Particulars	Outstanding as on March 31,2023 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	92.07	28.17	0.18	0.11	0.07	120.59
(ii) Others	2,569.07	1,055.51	25.67	12.81	60.87	3,723.92
(iii) Disputed dues – MSME	0.00	0.01	(0.00)	0.03	(0.00)	0.04
(iv) Disputed dues – Others	0.05	0.35	0.05	0.02	1.10	1.57

NOTE: 29
CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	52.93	46.02
Creditors for capital supplies/ services	80.41	139.62
Derivative contracts	0.28	4.65
Employee Payable	221.67	188.03
Liability towards license rights	0.21	94.85
Others	18.88	23.83
Total	**374.38**	497.00

NOTE: 30
CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation		
Provision for compensated absences	97.14	104.31
Provision for gratuity (Refer Note - 43)	6.93	5.47
Stock Appreciation Rights (SAR)	31.60	22.49
Provision for contingency	-	1.03
Provision for pending litigations (Refer Note - 46)	63.60	65.60
Total	**199.26**	198.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Movement of provision for pending litigations during the year:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening balance	**65.60**	66.75
Add: pursuant to business combination during the year	0.49	-
Add: provision made during the year	1.32	0.11
Less: provision utilised during the year	(1.54)	(0.59)
Less: provision reversed during the year	(2.27)	(0.67)
Closing balance	**63.60**	65.60

NOTE: 31
OTHER CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Advances received from customers	95.97	66.87
Deferred revenue*	20.89	18.61
Other advances received	0.49	0.41
Statutory dues (other than income tax)	90.42	81.86
Refund liabilities	551.41	534.01
Deferred income	0.61	-
Total	**759.79**	701.76

*** Deferred revenue**

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	**18.61**	16.43
Deferred during the year	80.00	70.32
Released to the Consolidated Statement of Profit and Loss	(77.72)	(68.14)
As at the end of the year	**20.89**	18.61

The deferred revenue relates to the accrual and release of customer loyalty points, according to the loyalty programme of respective businesses. As at March 31, 2024, the estimated liability towards unredeemed points amounts to ₹ 20.89 Crore (March 31, 2023: ₹ 18.61 Crore).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 32
REVENUE FROM OPERATIONS

Accounting Policy

Revenue from contracts with customers

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Group expect to be entitled for those goods/ services.

To recognize revenues, the Group applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue from sale of products

Revenue from sales of products is measured at the amount of transaction price (net of returns, customer incentives, discounts, variable consideration and other similar charges offered by the Company) allocated to that performance obligation.

Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

Assets and liabilities arising from right to return

The Group has contracts with customers which entitles them an unconditional right to return.

Right to return assets

A right of return gives the Group a contractual right to recover the goods from a customer (right to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Group has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Group has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Income from gift voucher

Gift voucher sales are recognised when the vouchers are redeemed, and the goods are sold to the customer.

Loyalty points programme

The Group operates a loyalty programme which allows customers to accumulate points on purchases made in retail stores. The points give rise to a separate performance obligation as it entitles them for

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

redemption as settlement of future purchase transaction price. Consideration received is allocated between the sale of products and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of points is determined by applying statistical techniques based on the historical trends.

Transaction price allocated to reward points is deferred and recognised when points are redeemed or when the points expire. The amount of revenue is based on the value of points redeemed/ expired.

Income from services

Income from services is recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

Export incentives income

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Commission income

In case of sales of goods, where the Group is an agent in the transaction, the difference between the revenue and the cost of the goods sold is disclosed as commission income in other operating income.

REVENUE FROM OPERATIONS ₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from sale of products		
Sale of products	**13,801.30**	12,284.69
Revenue from redemption of loyalty points (Refer Note - 31)	**77.72**	68.14
Total revenue from sale of products	**13,879.02**	12,352.83
Revenue from rendering of services	**51.26**	10.04
Other operating income		
Scrap sales	**20.49**	14.46
Export incentives	**7.64**	9.55
Licence fees and royalties	**8.69**	8.33
Space on hire	**1.13**	0.54
Commission income	**27.18**	22.14
Others	**0.45**	0.01
Total	**13,995.86**	12,417.90

(a) Right to return assets and refund liabilities:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Right to return assets	**296.61**	288.21
Refund liabilities	**551.41**	534.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(b) Contract balances:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Contract assets		
Trade receivables	**1,278.81**	886.44
Contract liabilities		
Advances received from customers	**95.97**	66.87
Deferred revenue	**20.89**	18.61

(c) Reconciliation of revenue as recognised in the Consolidated Statement of Profit and Loss with the contracted price:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price	**16,482.46**	14,260.55
Less:		
Sales return	**1,426.30**	1,096.61
Discount	**1,039.41**	727.43
Loyalty points	**20.89**	18.61
Revenue as per the Consolidated Statement of Profit and Loss	**13,995.86**	12,417.90

(d) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Madura Fashion & Lifestyle		
Revenue from retail operations	**4,297.94**	4,231.20
Revenue from non-retail operations	**3,256.21**	3,079.84
	7,554.15	7,311.04
Pantaloons		
Revenue from retail operations	**4,184.23**	3,972.46
Revenue from non-retail operations	**144.04**	138.47
	4,328.27	4,110.93
Ethnic and Others		
Revenue from retail operations	**1,406.43**	776.14
Revenue from non-retail operations	**707.01**	219.79
	2,113.44	995.93
Revenue as per the Consolidated Statement of Profit and Loss	**13,995.86**	12,417.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(e) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss based on geographical segment:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from customers outside India	**292.78**	242.50
Revenue from customers within India	**13,703.08**	12,175.40
Revenue as per the Consolidated Statement of Profit and Loss	**13,995.86**	12,417.90

NOTE: 33
OTHER INCOME

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income	**26.26**	10.21
Net gain on investment in mutual funds (including on redemption)	**36.79**	23.26
Fair value gain on financial instruments at FVTPL	**75.86**	47.25
Gain on retirement of right-of-use assets (Refer Note - 4a & 45a)	**50.07**	19.75
Miscellaneous income	**48.60**	15.99
Total	**237.58**	116.46

NOTE: 34
COST OF MATERIALS CONSUMED

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Materials consumed		
Inventories at the beginning of the year	**274.47**	307.51
Add: Purchases	**1,454.29**	1,212.84
	1,728.76	1,520.35
Less: Inventories at the end of the year	**269.11**	274.47
Total	**1,459.65**	1,245.88
(b) Purchase of stock-in-trade		
Purchase of stock-in-trade	**4,627.23**	5,546.76
Total	**4,627.23**	5,546.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade ₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Opening inventories		
Finished goods	**452.77**	297.71
Stock-in-trade	**3,333.20**	2,192.43
Work-in-progress	**72.73**	74.62
Inventories taken over pursuant to business combinations		
Finished goods	**415.47**	27.74
Stock-in-trade	**13.24**	9.95
Work-in-progress	**55.35**	15.59
	4,342.76	2,618.04
Less:		
Closing inventories		
Finished goods	**947.17**	452.77
Stock-in-trade	**3,110.39**	3,333.20
Work-in-progress	**104.85**	72.73
	4,162.41	3,858.70
(Increase)/Decrease in inventories	**180.35**	(1,240.66)

NOTE: 35
EMPLOYEE BENEFITS EXPENSE

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	**1,595.76**	1,350.08
Contribution to provident and other funds (Refer Note - 43)	**99.03**	77.14
Share-based payment to employees (Refer Note - 44)	**25.35**	31.29
Gratuity expense (Refer Note - 43)	**26.37**	21.93
Staff welfare expenses	**79.74**	82.92
Total	**1,826.25**	1,563.36

NOTE: 36
FINANCE COSTS

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on borrowings	**384.68**	142.32
Interest expense on lease liabilities (Refer Note - 45a)	**433.38**	302.83
Other borrowing costs	**4.26**	0.86
Interest on unwinding of other financial liabilities	**54.29**	26.35
Total	**876.61**	472.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 37
DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note - 3a)	**361.87**	256.87
Depreciation on right-of-use assets (Refer Note - 45a)	**1,165.62**	927.85
Amortisation on intangible assets (Refer Note - 5)	**127.74**	42.24
Total	**1,655.23**	1,226.96

NOTE: 38
OTHER EXPENSES

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spares	**9.20**	7.69
Power and fuel	**18.07**	15.92
Electricity charges	**226.72**	167.24
Repairs and maintenance		
Buildings	**13.76**	0.38
Plant and machinery	**13.68**	13.19
Others	**331.03**	260.28
Insurance	**18.12**	15.46
Rates and taxes	**31.97**	24.63
Processing charges	**220.20**	165.19
Commission to selling agents	**211.84**	205.80
Brokerage and discounts	**1.37**	2.36
Advertisement and sales promotion	**760.03**	652.48
Transportation and handling charges	**285.11**	240.34
Royalty expenses	**30.89**	25.54
Legal and professional	**233.84**	178.82
Bad debts written off	**2.37**	0.13
Allowances for bad and doubtful debts	**9.88**	2.04
Provision for bad and doubtful deposits and advances	**2.29**	1.29
Printing and stationery	**16.57**	15.49
Travelling and conveyance	**136.65**	136.72
Communication expenses	**7.18**	6.16
Loss on sale/ discard of property, plant and equipment	**4.48**	0.13
Bank and credit card charges	**64.47**	63.69
Payment to auditors (Refer details below)	**4.56**	3.09
Donation	**0.02**	0.30
Postage expenses	**7.15**	5.28
Foreign exchange loss (net)	**8.50**	7.98
Information technology	**220.89**	193.56
Outsourcing, housekeeping and security	**479.33**	403.59
Corporate Social Responsibility (CSR) (Refer Note - 42)	**4.06**	3.50
Directors' fees	**0.81**	0.75
Miscellaneous	**104.25**	92.94
Total	**3,479.29**	2,911.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Payment to auditors*:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
For audit fees (including Limited Review fees)	**3.37**	2.07
For tax audit fees	**0.36**	0.26
For other services	**0.60**	0.53
For reimbursement of expenses	**0.23**	0.23
Total	**4.56**	3.09

* Represents fees to statutory auditors of the holding company and all the subsidiaries

NOTE: 39
INCOME TAX EXPENSE

The major components of income tax (income)/ expense are:

Consolidated Statement of Profit and Loss:

In Profit or loss section

₹ in Crore

		Year ended March 31, 2024	Year ended March 31, 2023
Current income tax			
Current income tax charge		**35.11**	15.92
Current tax relating to earlier years		**0.09**	(2.22)
	(A)	**35.20**	13.70
Deferred tax charge / (credit)			
Relating to origination and reversal of temporary differences		**(128.19)**	(36.67)
	(B)	**(128.19)**	(36.67)
Total	**(A+B)**	**(92.99)**	(22.97)

In other comprehensive income (OCI) section
Deferred tax related to items recognised in OCI during the year

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Net (gains)/ losses on re-measurement of defined benefit plans	**1.76**	0.14
Net (gains)/ losses on fair value of equity instruments	**(0.91)**	(0.82)
Net (gains)/ losses on hedging instruments	**0.04**	(0.26)
Total	**0.89**	(0.94)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Reconciliation of tax (income)/ expense and the accounting profit/ (loss) multiplied by India's domestic tax rate

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Accounting Loss before income tax	**(828.90)**	(82.44)
Tax expense/ (income) at statutory income tax rate of 25.17% (March 31, 2023: 25.17%)	**(208.63)**	(20.75)
Expenses not allowed under the Income tax Act:		
- Corporate Social Responsibility	**1.01**	0.88
- Expenses disallowed for tax purposes	**2.00**	0.42
- Impact of differential higher income tax rate applicable to a subsidiary	**2.12**	1.90
- Impact of deferred tax not created on losses	**78.44**	(3.20)
- Others	**31.98**	-
Provision for current tax for earlier years	**0.09**	(2.22)
Income tax expenses/ (income) as per Statement of Profit and Loss Account	**(92.99)**	(22.97)

NOTE: 40
EARNINGS PER SHARE (EPS)

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

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

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

₹ in Crore

		Year ended March 31, 2024	Year ended March 31, 2023
Loss for calculation of EPS	**(A)**	**(628.02)**	(36.00)
Weighted average number of equity shares for calculation of Basic EPS	**(B)**	**96,43,37,897**	94,77,34,352
Profit / (Loss) per share - basic (₹)	**(A/B)**	**(6.52)**	(0.38)
Weighted average number of equity shares outstanding		**96,43,37,897**	94,77,34,352
Weighted average number of potential equity shares*		**13,77,819**	25,44,903
Weighted average number of equity shares for calculation of Diluted EPS		**96,43,37,897**	95,02,79,255
Diluted EPS (₹)	**(C)**	**(6.51)**	(0.38)
Nominal value of shares (₹)		**10.00**	10.00

Treasury shares are adjusted in computing the weighted average number of equity shares outstanding during the year in calculation of EPS.

*Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not anti-dilutive. Vested unexcercised stock options have been considered in the calculation of Basic EPS where the excercise price of such options are insignificant. The details relating to stock options are given in Note - 44.

* The stock options are anti-dilutive and hence have been ignored.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 41
DEMERGER OF MADURA FASHION & LIFESTYLE BUSINESS ("MFL BUSINESS")

The Board at its meeting held on April 19, 2024, has subject to necessary approvals, considered and approved demerger of MFL business under a Scheme of Arrangement among Aditya Birla Fashion and Retail Limited ('Demerged Company') and Aditya Birla Lifestyle Brands Limited ('Resulting Company'), wholly owned subsidiary of the Company and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). The Scheme, inter alia, provides for demerger, transfer and vesting of the MFL Business from the Demerged Company into the Resulting Company on a going concern basis, and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof. The demerger will be implemented through an NCLT scheme of arrangement and upon its completion, all shareholders of ABFRL will have identical shareholdings in both the companies.The Scheme has been filed with BSE and National Stock Exchange for their No Objection. This has been considered as a non-adjusting event and accordingly, no impact is considered in the consolidated financial statements.

NOTE: 42
DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON

Details of actual CSR expenditure incurred:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
i) Amount required to be spent by the group during the year	**-**	-
ii) Amount of expenditure incurred	**4.06**	3.50
iii) Shortfall at the end of the financial year	**-**	-
iv) Total of previous years shortfall	**-**	-
v) Reason for shortfall	**NA**	NA
vi) Nature of CSR activities	CSR activities are mainly focused towards Education, Health and Sanitation, Water, Digitisation, Sustainable livelihood, Institutional Building and Social Causes.	
vii) Details of related party transaction (contribution to a trust controlled by the company)	**4.06**	3.50
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	**NA**	NA

Note :-

The Group has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off against the amounts required to spent in the future year. There are no ongoing projects as at March 31, 2024 (March 31, 2023:Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 43
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group operates gratuity plan through a Trust wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service as per the Payment of Gratuity Act, 1972. In case of some employees, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The benefits are payable on termination of service or retirement, whichever is earlier. The benefits vests after five years of continuous service. A part of the gratuity plan is funded and another part is unfunded and managed within the Group, hence the liability has been bifurcated into funded and unfunded.

The Group has contributed to the Insurer Managed Fund (managed by Life Insurance Corporation of India), details of which is available in the table of Investment pattern of plan assets. Based on which, the Group is not exposed to any market risk.

The following tables summarise the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and Consolidated Balance Sheet for the respective plans:

Unfunded defined benefit plan

Net benefit expense recognised through the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	**9.98**	8.04
Interest cost on defined benefit obligation	**4.07**	2.69
Total	**14.05**	**10.73**

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	**47.82**	36.84
Addition pursuant to business combinations	**15.73**	1.19
Current service cost	**9.98**	8.04
Interest cost on defined benefit obligation	**4.07**	2.69
Actuarial (gain)/ loss on account of:		
Changes in demographic assumptions	**0.03**	0.08
Changes in financial assumptions	**2.75**	(1.49)
Experience adjustments	**(0.95)**	3.69
Actuarial (gain)/ loss recognised in OCI	**1.83**	2.28
Benefits paid	**(6.55)**	(4.40)
Liabilities assumed/ (settled)*	**(0.55)**	1.18
Closing defined benefit obligation	**72.33**	47.82

*On account of inter-company transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Funded defined benefit plan

Net benefit expense recognised through the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	**12.49**	11.40
Interest cost on defined benefit obligation	**6.18**	5.29
Interest income on plan assets	**(6.35)**	(5.49)
	12.32	11.20

Changes in the defined benefit obligation and fair value of plan assets are as follows:

(i) Changes in the present value of the Defined Benefit Obligations (DBO):

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	**85.73**	76.70
Addition pursuant to the scheme of arrangement	**-**	0.44
Current service cost	**12.49**	11.40
Interest cost on defined benefit obligation	**6.18**	5.29
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	**1.83**	(3.70)
Experience adjustments	**2.61**	2.11
Actuarial (gain)/ loss recognised in OCI	**4.44**	(1.59)
Benefits paid	**(7.80)**	(6.57)
Liabilities assumed/ (settled)*	**(2.85)**	0.06
Closing defined benefit obligation	**98.19**	85.73

*On account of inter-company transfer.

(ii) Changes in fair value of plan assets

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening fair value of the plan assets	**85.05**	79.55
Contributions by the employer	**0.31**	-
Addition pursuant to the scheme of arrangement	**-**	0.05
Interest income on plan assets	**6.35**	5.49
Actuarial gain/ (loss) recognised in OCI		
Actual returns on plan assets excluding amounts included in net interest	**(0.51)**	(0.04)
Closing fair value of the plan assets	**91.20**	85.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Amounts recognised in the Consolidated Balance Sheet

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Present value of the defined benefit obligation at the end of the year:		
Funded	**98.19**	85.73
Fair value of plan assets	**91.20**	85.05
Net liability/ (asset)	**6.99**	0.68
Net liability is classified as follows:		
Current	**0.10**	0.10
Non-current	**6.89**	0.58
Net liability - Funded	**6.99**	0.68

Gratuity is funded through investments with an insurance service provider, i.e. Life Insurance Corporation of India (LIC). The plan assets under the scheme are administered by LIC. The investments are primarily in low risk assets.

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Present value of the defined benefit obligation at the end of the year:		
Unfunded	**72.33**	47.82
Liability	**72.33**	47.82
Net liability is classified as follows:		
Current	**6.83**	5.37
Non-current	**65.50**	42.45
Liability - Unfunded	**72.33**	47.82

The principal assumptions used in determining gratuity (funded and unfunded) defined benefit obligations for the Group are shown below:

	As at March 31, 2024	As at March 31, 2023
Discount rate		
Funded plan	**7.15% to 7.20%**	7.20% to 7.45%
Unfunded plan	**7.15% to 7.25%**	7.45% to 7.50%
Salary escalation rate		
Funded plan		
Management	**8.00%**	8.00%
Staff	**7.00%**	7.00%
Workers	**5.00%**	5.00%
Unfunded plan		
Stores	**5.00% to 7.00%**	5.00% to 9.00%
HO and Zones	**7.00% to 9.00%**	5.00% to 9.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market yield prevailing as on that date, applicable to the period over which the obligation is expected to be settled.

A quantitative sensitivity analysis for significant assumptions is as follows:

	As at March 31, 2024		As at March 31, 2023	
Sensitivity level				
Discount rate	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	**(3.60)**	**3.85**	(3.14)	3.36
Unfunded plan	**(4.86)**	**2.72**	(2.13)	2.34
Salary escalation rate	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	**3.84**	**(3.63)**	3.36	(3.17)
Unfunded plan	**5.30**	**(2.38)**	2.14	(2.00)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

There has been no change from the previous year in the method and assumptions used in preparing the sensitivity analysis.

The maturity profile of the defined benefit obligation are as follows:

₹ in Crore

	March 31, 2024	March 31, 2023
Within the next 12 months (next annual reporting period)	**19.75**	14.99
Between 2 and 5 years	**63.35**	54.68
Between 6 and 10 years	**76.95**	62.25
Beyond 10 years	**214.34**	136.41
Total	**374.39**	268.33

The Group is expected to contribute ₹ 20.94 Crore to the gratuity fund during the year ended March 31, 2025 (March 31, 2024: ₹ 12.46 Crore).

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 to 16 years (March 31, 2023: 6 to 14 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Risk exposure

Through its defined benefit plans, Group is exposed to number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans. These are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimise risk to an acceptable level.
Inflation Risk	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life Expectancy	The pension plan provides benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined contribution plans

Amount recognised as an expense and included in Note - 35 as "Contribution to provident and other funds"

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Government Provident Fund	**77.35**	57.20
Contribution to Superannuation Fund	**1.30**	1.17
Contribution to Employee Pension Scheme (EPS)	**6.92**	7.62
Contribution to Employee State Insurance (ESI)	**11.01**	9.91
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	**0.71**	0.68
Contribution to Labour Welfare Fund (LWF)	**0.17**	0.16
Contribution to National Pension Scheme (NPS)	**1.57**	0.40
Total	**99.03**	77.14

Note:-

1 In respect of the Honorable Supreme Court ruling of February 2019 in Provident Fund applicability on allowances, Group has evaluated the impact and basis the clarity emerged , Provident Fund contribution has been aligned in computation of salary as per the Judgement.

2 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 44
SHARE-BASED PAYMENT

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Expense arising from equity-settled share-based payment transactions	**16.24**	20.20
Expense arising from cash-settled share-based payment transactions	**9.11**	11.09
Total	**25.35**	31.29

A. Employee share-based payment plans of Holding Company

a. Employee Stock Option Plans (Options and RSUs)

I. Employee Stock Option Scheme - 2013

During the year ended March 31, 2014, i.e. on July 22, 2013, the ESOP Compensation Committee of the Board of Directors of the Company (merged with Nomination and Remuneration Committee w.e.f. November 04, 2014) ("Committee") and the Board of Directors ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Employee Stock Option Scheme - 2013 ("Scheme 2013") for issue of Stock Options in the form of Options ("Options") and/ or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Sixth Annual General Meeting of the Company, held on August 23, 2013, approved the introduction of the Scheme 2013 and authorised the Board/ Committee to finalise and implement the Scheme 2013.

Accordingly, under the said Scheme 2013, vide its resolution dated October 25, 2013, the Committee commenced granting of options.

i) Details of the grants under the Scheme 2013

	Tranche 1
	Options
No. of Options/ RSUs	8,30,382
Method of accounting	Fair value
Vesting plan	Graded vesting - 25% every year
Exercise period	5 years from the date of vesting
Grant date	October 25, 2013
Grant/ exercise price (₹ per share)	102.10
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 104.10 NSE - 103.55
Method of settlement	Equity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2024		As at March 31, 2023	
	No. of Options	**Weighted average exercise price(₹ per share)**	No. of Options	Weighted average exercise price(₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	-	-	7,526	102.10
Granted during the financial year	-	-	-	-
Exercised during the financial year*	-	-	(7,526)	102.10
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-

* The weighted average share price at the date of exercise of these Options was ₹ 300.34.

The weighted average remaining contractual life for the Options outstanding as at March 31, 2024, is Nil (March 31, 2023: Nil) and for RSUs outstanding as at March 31, 2024, is Nil (March 31, 2023: Nil).

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options
	Tranche 1
Expected dividend yield (%)	Nil
Expected volatility (%)	45.93
Risk-free interest rate (%)	8.58
Weighted average fair value per Option/ RSU (₹)	52.96
Model used	Black-Scholes model

II. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017

During the year ended March 31, 2018, i.e. on July 25, 2017, the Nomination and Remuneration Committee of the Board of Directors of the Company ("NRC") and the Board of Directors ("Board") approved the introduction of another Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the Shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Tenth Annual General Meeting of the Company, held on August 23, 2017, approved the introduction of the Scheme 2017 and authorised the Board/ NRC to finalise and implement the Scheme 2017.

Accordingly, under the said Scheme 2017, vide its resolution dated September 8, 2017, the Committee commenced granting of options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

i) Details of the grants under Scheme 2017

	Options			RSUs		
	Tranche 1	Tranche 3	Tranche 4	Tranche 1	Tranche 3	Tranche 4
No. of Options/ RSUs	37,38,254	2,88,122	90,039	13,04,558	1,17,144	30,349
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 08, 2017	February 02, 2018	April 18, 2018	September 08, 2017	February 02, 2018	April 18, 2018
Grant/ exercise price (₹ per share)	178.30	163.60	150.80	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 176.40 NSE - 176.50	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10	BSE - 176.40 NSE - 176.50	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity

ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2024			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**12,48,314**	**178.30**	**2,61,001**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(3,44,017)	178.30	(27,275)	10.00
Lapsed during the financial year	(47,426)	178.30	-	-
Outstanding at the end of the financial year	**8,56,871**	**178.30**	**2,33,726**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**8,56,871**	**178.30**	**2,33,726**	**10.00**
Tranche 3				
Outstanding at the beginning of the financial year	**27,011**	**163.60**	**12,140**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(9,004)	163.60	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**18,007**	**163.60**	**12,140**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**12,140**	**10.00**
Exercisable at the end of the financial year	**18,007**	**163.60**	**-**	**-**
Tranche 4				
Outstanding at the beginning of the financial year	**45,019**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	(30,349)	10.00
Outstanding at the end of the financial year	**45,019**	**150.80**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**45,019**	**150.80**	**-**	**-**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 217.35.

Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2023			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	(1,30,828)	178.30	(71,625)	10.00
Lapsed during the financial year	(18,908)	178.30	(7,284)	10.00
Outstanding at the end of the financial year	**12,48,314**	**178.30**	**2,61,001**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**12,48,314**	**178.30**	**2,61,001**	**10.00**
Tranche 3				
Outstanding at the beginning of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	(45,020)	163.60	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**27,011**	**163.60**	**12,140**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**27,011**	**163.60**	**12,140**	**10.00**
Tranche 4				
Outstanding at the beginning of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	(22,510)	150.80	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**45,019**	**150.80**	**30,349**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**45,019**	**150.80**	**30,349**	**10.00**

^^The weighted average share price at the date of exercise of these RSUs was ₹ 279.66.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2024, is 2 years (March 31, 2023: 2 years) and for RSUs outstanding as at March 31, 2024, is 1 year (March 31, 2023: 3 years).

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options			RSUs		
	Tranche 1	Tranche 3	Tranche 4	Tranche 1	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	36.57	35.32	35.28	36.57	35.32	35.28
Risk-free interest rate (%)	6.70	7.43	7.43	6.77	7.54	7.54
Weighted average fair value per Option/ RSU (₹)	77.04	71.56	65.93	171.41	156.99	144.20
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model

III. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019

During the year ended March 31, 2020, on July 26, 2019, the Nomination and Remuneration Committee and the Board of Directors ("Board"), approved introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019") through trust route, for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its subsidiary companies. Based on the loan granted by the Company, the Trust held 48,84,139 equity shares as at March 31, 2023. During the year ended March 31, 2024, the Trust has not purchased any equity shares to back the grants made under the Scheme 2019. As on March 31, 2024, the Trust holds 47,18,017 equity shares. 1,66,122 equity shares were exercised during the year.

Accordingly, under the said Scheme 2019, vide its resolution dated December 2, 2019, the Committee commenced granting of options.

i) Details of the grants under Scheme 2019

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
No. of Options/ RSUs	33,42,876	1,16,360	14,17,684	11,18,385	32,161
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 1st year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	December 02, 2019	December 28, 2020	January 21, 2021	December 02, 2019	December 28, 2020
Grant/ exercise price (₹ per share)	225.25	164.10	173.55	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80	BSE - 173.05 NSE - 173.85	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80
Method of settlement	Equity	Equity	Equity	Equity	Equity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	Options		RSUs	
	Tranche 4	Tranche 5	Tranche 4	Tranche 5
No. of Options/ RSUs	5,99,997	2,05,224	1,78,574	54,563
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	August 05, 2022	September 20,2022	August 05, 2022	September 20,2022
Grant/ exercise price (₹ per share)	275.10	330.75	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55
Method of settlement	Equity	Equity	Equity	Equity

ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2024			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**20,29,929**	**225.25**	**6,65,756**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(1,12,394)	10.00
Lapsed during the financial year	(98,634)	225.25	-	-
Outstanding at the end of the financial year	**19,31,295**	**225.25**	**5,53,362**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**19,31,295**	**225.25**	**5,53,362**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**79,998**	**164.10**	**28,141**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(24,121)	10.00
Lapsed during the financial year	(14,544)	164.10	(4,020)	10.00
Outstanding at the end of the financial year	**65,454**	**164.10**	**-**	**-**
Unvested at the end of the financial year	**21,818**	**164.10**	**-**	**-**
Exercisable at the end of the financial year	**43,636**	**164.10**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 3				
Outstanding at the beginning of the financial year	**10,31,111**	**173.55**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(51,248)	173.55	-	-
Lapsed during the financial year	(8,121)	173.55	-	-
Outstanding at the end of the financial year	**9,71,742**	**173.55**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**9,71,742**	**173.55**	**-**	**-**
Tranche 4				
Outstanding at the beginning of the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	(29,851)	275.10	(16,667)	10.00
Outstanding at the end of the financial year	**5,70,146**	**275.10**	**1,61,907**	**10.00**
Unvested at the end of the financial year	**3,70,147**	**275.10**	**1,61,907**	**10.00**
Exercisable at the end of the financial year	**1,99,999**	**275.10**	**-**	**-**
Tranche 5				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	2,05,224	330.75	54,563	10.00
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**
Unvested at the end of the financial year	**1,36,816**	**330.75**	**54,563**	**10.00**
Exercisable at the end of the financial year	**68,408**	**330.75**	**-**	**-**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 212.94.

Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2023			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**21,30,030**	**225.25**	**9,66,830**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(47,374)	225.25	(2,60,371)	10.00
Lapsed during the financial year	(52,727)	225.25	(40,703)	10.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2023			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Outstanding at the end of the financial year	**20,29,929**	**225.25**	**6,65,756**	**10.00**
Unvested at the end of the financial year	**7,18,177**	**225.25**	**-**	**-**
Exercisable at the end of the financial year	**13,11,752**	**225.25**	**6,65,756**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**1,12,724**	**164.10**	**32,161**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(21,818)	164.10	-	-
Lapsed during the financial year	(10,908)	164.10	(4,020)	10.00
Outstanding at the end of the financial year	**79,998**	**164.10**	**28,141**	**10.00**
Unvested at the end of the financial year	**50,908**	**164.10**	**28,141**	**10.00**
Exercisable at the end of the financial year	**29,090**	**164.10**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	**11,23,098**	**173.55**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(89,411)	173.55	-	-
Lapsed during the financial year	(2,576)	173.55	-	-
Outstanding at the end of the financial year	**10,31,111**	**173.55**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**10,31,111**	**173.55**	**-**	**-**
Tranche 4				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	5,99,997	275.10	1,78,574	10.00
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Tranche 5				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	2,05,224	330.75	54,563	10.00
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2024 is 4 years (March 31, 2023: 5 years) and for RSUs outstanding as at March 31, 2024 is 4 years (March 31, 2023: 5 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	32.88	36.16	36.02	32.88	36.16
Risk-free interest rate (%)	6.66	5.62	5.62	6.76	6.19
Weighted average fair value per Option/ RSU (₹)	112.00	84.39	76.78	216.18	158.10
Model used	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model

	Options		RSUs	
	Tranche 4	Tranche 5	Tranche 4	Tranche 5
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	38.63	38.73	39.38	39.62
Risk-free interest rate (%)	7.17	7.26	7.23	7.27
Weighted average fair value per Option/ RSU (₹)	147.78	178.42	269.49	325.16
Model used	Binomial model	Binomial model	Binomial model	Binomial model

b. Stock Appreciation Rights (SARs)

The SAR compensation cost is amortised on a straight-line basis over the total vesting period of the SARs. Accordingly, ₹ 9.11 Crore (March 31, 2023: ₹ 11.09 Crore) has been taken to the Consolidated Statement of Profit and Loss.

I. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019

On February 04, 2019, the Nomination and Remuneration Committee and the Board of Directors of the Company, at their respective meetings had approved the “Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019” (“SARs Scheme 2019”), to grant SARs in the form of “Option SARs” and “RSU SARs”, from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

i) The details of the Plan are as below:

	SARs		
	Option SARs		
	Tranche 1	Tranche 2	Tranche 4
No. of SARs	61,226	17,92,686	2,04,546
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	May 16, 2019 and September 08, 2019	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	November 03, 2021
Grant/ exercise price (₹ per share)	178.30	206.35	288.10
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	Cash

	SARs			
	Option SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
No. of SARs	10,81,344	13,434	5,970	14,546
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Graded vesting - 50% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 05,2022	September 20, 2022	November 15, 2022	December 01, 2022
Grant price (₹ per share)	275.10	330.75	314.60	225.25
Market price on the date of granting of SARs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 312.55 NSE - 312.60	BSE - 316.10 NSE - 316.00
Method of settlement	Cash	Cash	Cash	Cash

	SARs		
	Option SARs		
	Tranche 9	Tranche 10	Tranche 11
No. of SARs	32,273	7,273	29,851
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	December 02, 2023	December 02, 2023	Graded vesting - 50% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 04,2023	December 02, 2023	February 15, 2024
Grant price (₹ per share)	225.25	225.25	275.10
Market price on the date of granting of SARs (₹ per share)	BSE - 221.15 NSE - 220.95	BSE - 231.35 NSE - 231.40	BSE - 243.20 NSE - 243.40
Method of settlement	Cash	Cash	Cash

	SARs			
	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of SARs	6,880	6,38,700	1,005	56,533
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	September 08, 2020	August 18, 2024	December 02, 2022	November 03, 2024
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	August 18, 2021	November 03, 2021
Grant/ exercise price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	BSE - 205.80 NSE - 205.90	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	Cash	Cash

	SARs			
	RSU SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
No. of SARs	6,42,634	6,746	1,587	10,553
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	August 01,2025	September 19, 2025	November 15, 2025	December 02, 2022
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 05,2022	September 20, 2022	November 15, 2022	December 01, 2022
Grant price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 312.55 NSE - 312.60	BSE - 316.10 NSE - 316.00
Method of settlement	Cash	Cash	Cash	Cash

	SARs
	RSU SARs
	Tranche 11
No. of SARs	16,667
Method of accounting	Fair value
Vesting plan	August 05,2025
Exercise period	3 years from the date of vesting
Grant date	February 15,2024
Grant price (₹ per share)	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 243.20 NSE - 243.40
Method of settlement	Cash

ii) Movement of SARs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, SARs during the year:

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 1				
Option SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**43,218**	**178.30**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(43,218)	178.30
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**-**	**-**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
RSU SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**4,856**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(4,856)	10.00
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**-**	**-**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 2				
Option SARs				
Outstanding at the beginning of the financial year	**15,73,717**	**206.35**	**17,17,239**	**206.35**
Granted during the financial year	-	-	-	-
Exercised during the financial year	(26,361)	206.35	(89,582)	206.35
Lapsed during the financial year	(49,392)	206.35	(53,940)	206.35
Outstanding at the end of the financial year	**14,97,964**	**206.35**	**15,73,717**	**206.35**
Unvested at the end of the financial year	**5,21,805**	**206.35**	**11,03,007**	**206.35**
Exercisable at the end of the financial year	**9,76,159**	**206.35**	**4,70,710**	**206.35**
RSU SARs				
Outstanding at the beginning of the financial year	**5,86,131**	**10.00**	**6,10,307**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(32,664)	10.00	(24,176)	10.00
Outstanding at the end of the financial year	**5,53,467**	**10.00**	**5,86,131**	**10.00**
Unvested at the end of the financial year	**5,53,467**	**10.00**	**5,86,131**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 3				
RSU SARs				
Outstanding at the beginning of the financial year	**1,005**	**10.00**	**1,005**	**10.00**
Granted during the financial year	-	-	-	
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**1,005**	**10.00**	**1,005**	**10.00**
Unvested at the end of the financial year	**1,005**	**10.00**	**1,005**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 4				
Option SARs				
Outstanding at the beginning of the financial year	**2,04,546**	**288.10**	**2,04,546**	**288.10**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Outstanding at the end of the financial year	**2,04,546**	**288.10**	**2,04,546**	**288.10**
Unvested at the end of the financial year	**68,182**	**288.10**	**2,04,546**	**288.10**
Exercisable at the end of the financial year	**1,36,364**	**288.10**		
RSU SARs				
Outstanding at the beginning of the financial year	**56,533**	**10.00**	**56,533**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**56,533**	**10.00**	**56,533**	**10.00**
Unvested at the end of the financial year	**56,533**	**10.00**	**56,533**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 5				
Option SARs				
Outstanding at the beginning of the financial year	**10,75,374**	**275.10**	**-**	**-**
Granted during the financial year	-	-	10,81,344	275.10
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(98,880)	275.10	(5,970)	275.10
Outstanding at the end of the financial year	**9,76,494**	**275.10**	**10,75,374**	**275.10**
Unvested at the end of the financial year	**6,50,995**	**275.10**	**10,75,374**	**275.10**
Exercisable at the end of the financial year	**3,25,499**	**275.10**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**6,35,095**	**10.00**	**-**	**-**
Granted during the financial year	-	-	6,42,634	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(65,969)	10.00	(7,539)	10.00
Outstanding at the end of the financial year	**5,69,126**	**10.00**	**6,35,095**	**10.00**
Unvested at the end of the financial year	**5,69,126**	**10.00**	**6,35,095**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 6				
Option SARs				
Outstanding at the beginning of the financial year	**13,434**	**330.75**	**-**	**-**
Granted during the financial year	-	-	13,434	330.75
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**13,434**	**330.75**	**13,434**	**330.75**
Unvested at the end of the financial year	**8,956**	**330.75**	**13,434**	**330.75**
Exercisable at the end of the financial year	**4,478**	**330.75**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**6,746**	**10.00**	**-**	**-**
Granted during the financial year	-	-	6,746	10.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**6,746**	**10.00**	**6,746**	**10.00**
Unvested at the end of the financial year	**6,746**	**10.00**	**6,746**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 7				
Option SARs				
Outstanding at the beginning of the financial year	**5,970**	**314.60**	**-**	**-**
Granted during the financial year	-	-	5,970	314.60
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**5,970**	**314.60**	**5,970**	**314.60**
Unvested at the end of the financial year	**3,980**	**314.60**	**5,970**	**314.60**
Exercisable at the end of the financial year	**1,990**	**314.60**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**1,587**	**10.00**	**-**	**-**
Granted during the financial year	-	-	1,587	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**1,587**	**10.00**	**1,587**	**10.00**
Unvested at the end of the financial year	**1,587**	**10.00**	**1,587**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 8				
Option SARs				
Outstanding at the beginning of the financial year	**14,546**	**225.25**	**-**	**-**
Granted during the financial year	-	-	14,546	225.25
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**14,546**	**225.25**	**14,546**	**225.25**
Unvested at the end of the financial year	**7,273**	**225.25**	**7,273**	**225.25**
Exercisable at the end of the financial year	**7,273**	**225.25**	**7,273**	**225.25**
RSU SARs				
Outstanding at the beginning of the financial year	**10,553**	**10.00**	**-**	**-**
Granted during the financial year	-	-	10,553	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**10,553**	**10.00**	**10,553**	**10.00**
Unvested at the end of the financial year	**10,553**	**10.00**	**10,553**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 9				
Option SARs				
Outstanding at the beginning of the financial year	**-**	**-**		
Granted during the financial year	32,273	225.25		
Exercised during the financial year	-	-		
Lapsed during the financial year	-	-		
Outstanding at the end of the financial year	**32,273**	**225.25**		
Unvested at the end of the financial year	**-**	**-**		
Exercisable at the end of the financial year	**32,273**	**225.25**		
Tranche 10				
Option SARs				
Outstanding at the beginning of the financial year	**-**	**-**		
Granted during the financial year	7,273	225.25		
Exercised during the financial year	-	-		
Lapsed during the financial year	-	-		
Outstanding at the end of the financial year	**7,273**	**225.25**		
Unvested at the end of the financial year	**-**	**-**		
Exercisable at the end of the financial year	**7,273**	**225.25**		
Tranche 11				
Option SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	29,851	275.10	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**29,851**	**275.10**	**-**	**-**
Unvested at the end of the financial year	**29,851**	**275.10**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	16,667	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**16,667**	**10.00**	**-**	**-**
Unvested at the end of the financial year	**16,667**	**10.00**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 226.15.

The weighted average remaining contractual life for SARs options outstanding as at March 31, 2024 is 3 years (March 31, 2023 : 4 years) and for RSUs outstanding as at March 31, 2024, is 4 years (March 31, 2023: 5 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

iii) The following table lists the inputs to the model used for SARs as on grant date:

	Option SARs		
	Tranche 1	**Tranche 2**	**Tranche 4**
Expected dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	32.53	35.72	36.01
Risk-free interest rate (%)	5.88	7.47	7.48
Weighted average fair value per SAR (₹)	27.52	70.84	47.65
Model used	Binomial model	Binomial model	Binomial model

	Option SARs			
	Tranche 5	**Tranche 6**	**Tranche 7**	**Tranche 8**
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	37.92	37.96	38.22	36.13
Risk-free interest rate (%)	7.48	7.48	7.48	7.48
Weighted average fair value per SAR (₹)	62.22	49.86	52.90	61.44
Model used	Binomial model	Binomial model	Binomial model	Binomial model

	Option SARs		
	Tranche 9	**Tranche 10**	**Tranche 11**
Expected dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	36.48	34.79	35.95
Risk-free interest rate (%)	7.48	7.40	7.40
Weighted average fair value per SAR (₹)	72.58	81.27	81.08
Model used	Binomial model	Binomial model	Binomial model

	RSU SARs			
	Tranche 1	**Tranche 2**	**Tranche 3**	**Tranche 4**
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	31.74	36.46	36.46	36.90
Risk-free interest rate (%)	6.24	6.16	6.16	6.08
Weighted average fair value per SAR (₹)	144.94	172.79	172.79	204.55
Model used	Binomial model	Binomial model	Binomial model	Binomial model

	RSU SARs				
	Tranche 5	**Tranche 6**	**Tranche 7**	**Tranche 8**	**Tranche 11**
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	37.14	36.94	37.03	36.78	36.44
Risk-free interest rate (%)	7.10	7.25	7.43	7.07	7.40
Weighted average fair value per SAR (₹)	195.88	192.12	187.88	207.10	226.63
Model used	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The expected life of the Share Options, RSUs and SARs is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Share Options, RSUs and SARs is indicative of future trends, which may not necessarily be the actual outcome.

B. Employee share-based payment plans of subsidiaries

I. Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022

During the year ended March 31, 2023, i.e. on December 23, 2022, the Board of Directors of Aditya Birla Digital Fashion Ventures Limited (ABDFVL) ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022 ("Scheme 2022") for issue of Stock Options in the form of Options ("Options") to the identified employees of ABDFVL and of its holding company and subsidiary Companies subject to the approval of the shareholders of ABDFVL. Shareholders of ABDFVL vide its resoultion passed at Extra Ordinary General Meeting held on December 23, 2022, approved the introduction of Scheme 2022 and authorised the Board to finalise and implement the Scheme 2022.

Accordingly, under the said Scheme 2022, vide its resolution dated December 30, 2022, ABDFVL commenced granting of options.

i) Details of the grants under the Scheme 2022

	Options			
	Tranche 1	**Tranche 2**	**Tranche 3**	**Tranche 4**
No. of Options/ RSUs	2,11,30,606	3,21,497	37,20,017	29,000
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	**Type 1, Type 2 & Type 4** : Graded vesting **Type 3**: Bullet vesting	Graded Vesting	**Type 1, Type 2 & Type 4**: Graded vesting **Type 3**: Bullet vesting	Graded Vesting
Exercise period	10 years from the date of grant	10 years from the date of grant	10 years from the date of grant	10 years from the date of grant
Grant date	30-Dec-22	27-Apr-23	31-Oct-23	30-Jan-24
Grant/ exercise price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	9.92	10.06	10.06	9.48
Method of settlement	Equity	Equity	Equity	Equity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

ii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the period

	As at March 31, 2024		As at March 31, 2023	
	No. of Options	**Weighted average exercise price (₹ per share)**	**No. of Options**	**Weighted average exercise price (₹ per share)**
Tranche 1				
Outstanding at the beginning of the financial year	**2,11,30,606**	**-**	**-**	**-**
Granted during the financial year	-	-	2,11,30,606	-
Forfeited during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,11,30,606**	**-**	**2,11,30,606**	**-**
Unvested at the end of the financial year	**1,84,70,909**	**-**	**-**	**-**
Exercisable at the end of the financial year	**26,59,697**	**-**	**-**	**-**
Tranche 2				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	3,21,497	-	-	-
Exercised during the financial year*	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**3,21,497**	**-**	**-**	**-**
Unvested at the end of the financial year	**3,21,497**	**-**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	37,20,017	-	-	-
Exercised during the financial year*	-	-	-	-
Lapsed during the financial year	(13,106)	-	-	-
Outstanding at the end of the financial year	**37,06,911**	**-**	**-**	**-**
Unvested at the end of the financial year	**37,06,911**	**-**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	As at March 31, 2024		As at March 31, 2023	
	No. of Options	Weighted average exercise price (₹ per share)	No. of Options	Weighted average exercise price (₹ per share)
Tranche 4				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	29,000	-	-	-
Exercised during the financial year*	-	-	-	-
Lapsed during the financial year	(3,500)	-	-	-
Outstanding at the end of the financial year	**25,500**	**-**	**-**	**-**
Unvested at the end of the financial year	**25,500**	**-**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

iii) The following table lists the inputs to the model used for the Options as on grant date:

	Options			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)*	35.16% to 35.43%	37.31%	36.55%	41.07%
Risk-free interest rate (%)	7.33% to 7.40%	7.10%	7.51%	7.30%
Weighted average fair value per Option/ RSU (₹)	6.13	6.33	6.39	4.95
Model used	Binomial Method	Binomial Method	Binomial Method	Binomial Method

II. Bewakoof Brand Private Limited (BBPL)

Employee option scheme 2023" (ESOP 2023)

Employee option Plan was approved by shareholders of BBPL vide their special resolution passed at the Annual General Meeting held on September 27, 2023, wherein they have agreed to create, offer, issue and allot up to 5,879 (Five Thousand Eight Hundred and Seventy-Nine) employee stock options ("Options") in the form of equity shares linked to the completion of minimum period of continued employment to the eligible employees of BBPL monitored by the Board of Directors. The holders of the vested options are entitled to apply for the one equity share of BBPL, in accordance with the terms of the grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

i. Movements during the year

The following are the number and weighted average exercise prices of, and movements in, share options during the year:

Particulars	Year ended March 31, 2024	
	No. of options	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the year	-	-
Granted during the year	1,284	10
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-

Share options outstanding at end of the year have the following expiry date and excerise prices:

Grant date	Expiry date	Excerise price	Share option
			31-Mar-24
September 27, 2023	October 30, 2024	10.00	424
September 27, 2023	October 30, 2025	10.00	437
September 27, 2023	April 30, 2026	10.00	423
Weighted Average Remaining Contractual Life			1.42 Years

The weighted average fair value of the options granted during the year is ₹ 87,810.86 (March 31, 2023 - Nil). The fair value at the grant date is determined independently using binominal model.

The following table lists the inputs to the model used for options:

Employee stock option scheme 2023 (ESOP 2023)

Particulars	Year ended March 31, 2024
Valuation model used	Binomial model
Weighted average fair values at the measurement date	87,810.31 - 87,811.31
Dividend yield (%)	0%
Expected volatility (%)	38.73% - 44.33%
Risk-free interest rate (%)	7.13% - 7.41%
Expected life of the options (in years)	1.09 - 2.59 years
Exercise Price	10.00
Grant date	September 27, 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

III. TCNS Employee Stock Option Plan 2015:

TCNS Clothing Co. Ltd. (" TCNS") had instituted the TCNS Employee Stock Option Plan 2015, which was approved by the Board of Directors on June 27, 2017. The TCNS Employee Stock Option Plan 2015 provides for grant of stock options aggregating not more than 600,000 of number of issued equity shares of TCNS to eligible employees of TCNS. The TCNS Employee Stock Option Plan 2015 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the plan, the employees receive shares of TCNS upon completion of vesting conditions. Vesting period ranges from one to four years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the TCNS Employee Stock Option Plan 2015, the Exercise Price in respect of the Options shall be such price as decided by the Nomination and Remuneration Committee. However, the Exercise price shall not be lower than nominal par value of the Shares as appearing in the books of accounts.

i) Details of the grants under Employee Stock Option Plan 2015

	Options
No. of Options/ RSUs	6,00,000
Model used	Black-Scholes model
Vesting plan	Graded
Exercise period	10 years from the date of vesting
Grant date	27-Jun-17
Grant/ exercise price (₹ per share)	300.00
Fair value on the date of granting of Options/ RSUs (₹ per share)	261.28*
Method of settlement	Equity

*TCNS was not listed on the grant date and hence the market price mentioned above is as per the valuation report.

ii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, options during the year:

	As at March 31, 2024	
	No. of Options	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	**1,95,075**	**300.00**
Granted during the financial year	-	-
Forfeited during the financial year	-	-
Exercised during the financial year	-	-
Lapsed during the financial year	-	-
Outstanding at the end of the financial year	**1,95,075**	**300.00**
Unvested at the end of the financial year	**-**	**-**
Exercisable at the end of the financial year	**1,95,075**	**300.00**

The weighted average fair value of options granted is ₹ 117.56.

The weighted average remaining contractual life for Options outstanding as at March 31, 2024 is 5.75 years.

iii) The following table lists the inputs to the model used for options as on grant date:

	Options
Expected dividend yield (%)	Nil
Expected volatility (%)	45.83%
Risk-free interest rate (%)	6.68%
Weighted average fair value per option	117.56
Model used	Black Scholes model

IV. TCNS Employee Stock Option Plan 2018:

TCNS had instituted the TCNS Employee Stock Option Plan 2018, which was approved by the Board of Directors on May 28, 2018. The TCNS Employee Stock Option Plan 2018 provides for grant of stock options aggregating not more than 62,500 of number of issued equity shares of TCNS to eligible employees of TCNS. The TCNS Employee Stock Option Plan 2018 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the plan, the employees receive shares of TCNS upon completion of vesting conditions. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the TCNS Employee Stock Option Plan 2018, the Exercise Price in respect of the Options shall be such price as decided by the Nomination and Remuneration Committee. However, the Exercise shall not be lower than nominal par value of the Shares as appearing in the books of accounts.

i) Details of the grants under Employee Stock Option Plan 2018

	Options
No. of Options/ RSUs	62,500
Model used	Black Scholes model
Vesting plan	Graded
Exercise period	10 years from the date of vesting
Grant date	28-May-18
Grant/ exercise price (₹ per share)	372.00
Fair value on the date of granting of Options/ RSUs (₹ per share)	288.68*
Method of settlement	Equity

*TCNS was not listed on the grant date and hence the market price mentioned above is as per the valuation report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

ii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, options during the year:

	As at March 31, 2024	
	No. of Options	**Weighted average exercise price (₹ per share)**
Outstanding at the beginning of the financial year	**62,500**	**372.00**
Granted during the financial year	-	-
Forfeited during the financial year	-	-
Exercised during the financial year	**(62,500)**	**372.00**
Lapsed during the financial year	-	-
Outstanding at the end of the financial year	-	-
Unvested at the end of the financial year	-	-
Exercisable at the end of the financial year	-	-

iii) The following table lists the inputs to the model used for options as on grant date:

	Options
Expected dividend yield (%)	Nil
Expected volatility (%)	45.17%
Risk-free interest rate (%)	7.76%
Weighted average fair value per option (₹)	122.89
Model used	Black Scholes model

V. TCNS Employee Stock Option Plan 2018-2023:

TCNS had instituted the TCNS ESOP Scheme 2018 - 2023, which was approved by the Board of Directors on February 02, 2018. The TCNS ESOP Scheme 2018 - 2023 provides for grant of stock options aggregating not more than 6,467,817 number of equity shares of TCNS to eligible employees of TCNS. The TCNS Employee Stock Option Scheme 2018-2023 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the scheme, the employees receive shares of TCNS upon completion of specific vesting conditions based on specific events. Vesting period ranges from one to five years and options can be exercised within 10 years from grant date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

i) Details of the grants under Employee Stock Option Plan 2018

Option series	Number of outstanding options as at March 31, 2024	Grant date	Remaining life (in years)	Exercise Price	Fair value at Grant date
Granted on February 2, 2018	**9,55,354**	February 2, 2018	3.84 years	373.26	76.26
Granted on November 8, 2019	**83,800**	November 8, 2019	0.61 years	716.00	308.77
Granted on August 18, 2020	-	August 18, 2020	6.38 Years	500.00	76.67-156.82
Granted on November 10, 2020	**75,000**	November 10, 2020	6.61 Years	500.00	93.96-170.40
Granted on March 2, 2021	**30,000**	March 2, 2021	6.92 years	500.00	173.45-256.70
Granted on October 1, 2021	**43,000**	October 1, 2021	7.50 years	605.50	335.17-376.99

ii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, options during the year:

	As at March 31, 2024	
	No. of Options	**Weighted average exercise price (₹ per share)**
Outstanding at the beginning of the financial year	**52,49,007**	**373.26-716.00**
Granted during the financial year	-	-
Forfeited during the financial year	-	-
Exercised during the financial year	-	-
Lapsed during the financial year*	(40,61,853)	373.26-605.50
Outstanding at the end of the financial year	**11,87,153**	**373.26-716.00**
Unvested at the end of the financial year	**10,88,893**	**373.26-716.00**
Exercisable at the end of the financial year	**98,260**	**500.00-716.00**

*During the period ended March 31, 2024, TCNS has cancelled 40,01,853 employee stock options due to non-achievement of the market vesting conditions by the long-stop date (i.e. December 31, 2023) as specified in the Scheme and 60,000 employee stock options due to separation of the employee from TCNS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 45
COMMITMENTS AND CONTINGENCIES

a) **Leases**

Lease commitments as lessee

The Group has entered into agreements for taking on lease certain land/residential/ office/ store premises, warehouses, factories, property, plant and equipment on lease and licence basis. The lease term is for periods ranging from 3 to 21 years, with escalation clauses in the lease agreements. Consistent with Industry practice, the Group has contracts which have fixed rentals or variable rentals based on a percentage of sales in the stores, or a combination of both.

Expenses/ Income recognised in the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Other income		
Gain on retirement of right-of-use assets	**50.07**	19.75
Rent		
Expense relating to short-term leases	**74.75**	28.06
Expense relating to leases of low value assets	**5.89**	0.14
Variable rent*	**889.84**	868.76
Rent concession	**-**	(0.22)
Finance cost		
Interest expense on lease liabilities	**433.38**	302.83
Depreciation and amortisation expenses		
Depreciation on right-of-use assets	**1,165.62**	927.85
Other expenses		
Processing charges	**23.11**	26.44
Sublease payments received (not shown separately in the Consolidated Statement of Profit and Loss)	**1.79**	1.10

* The variable rent varies basis percentage of Net Sales Value (NSV) at the lease premises.

Contractual maturities of lease liabilities

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Within one year	**1,512.43**	1,238.55
After one year but not more than five years	**3,989.58**	3,315.08
More than five years	**938.37**	607.81
Total	**6,440.38**	5,161.44

The initial non-cancellable period of the lease agreement is upto 3 years, beyond which there is an option for the lessee to continue the lease, which the Group expects to continue for a period of 2 to 3 years after the initial non-cancellable period, accordingly 5 – 6 years has been considered as the lease term. Post such period, the Group has the option to exit the lease by giving a notice period and the Group assesses its intention to continue considering location and other economic factors associated with the lease arrangement.

Total cash outflow for leases for the year ended March 31, 2024 is ₹ 2,393.34 Crore (March 31, 2023 is ₹ 2,025.00 Crore).

The Group entered into a sale and leaseback transaction in respect of certain assets such as furniture and fixtures, office equipment etc., in line with its capital expenditure strategy. The assets were sold at fair values with no gains/ losses. Sale proceeds of ₹ Nil (March 31, 2023: ₹ 0.76 Crore) were realised upon sale of such assets. The lease arrangement is for a period of 4-5 years. The same has been recorded as a right-of-use assets with corresponding lease liabilities.

Lease commitments for leases not considered in measurement of lease liabilities

₹ in Crore

Particulars	As at March 31, 2024	As at March 31, 2023
Lease commitment for short-term leases	**6.40**	5.78
Lease commitment for leases of low value assets	**-**	0.02
Total	**6.40**	5.80

Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual store, upto 100% of lease payment are on the basis of variable payment terms. Variable payment terms are used for a variety of reasons, including minimising the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur.

₹ in Crore

Particulars	March 31, 2024		March 31, 2023	
Increase/ (decrease) in sales	**Increase by 5%**	**Decrease by 5%**	Increase by 5%	Decrease by 5%
Rent	**44.49**	**(44.49)**	43.44	(43.44)

b) **Capital commitments**

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**111.25**	252.62
Total	**111.25**	252.62

c) **Other commitments**

Refer Note 47 for commitments towards investment in Goodview Fashion Private Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 46
CONTINGENT LIABILITIES NOT PROVIDED FOR

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Claims against the Group not acknowledged as debts		
Commercial taxes	**9.88**	12.22
Excise duty	**0.50**	0.50
Customs duty	**8.39**	2.21
Bank Guarantees	**37.71**	37.67
Textile committee cess	**0.75**	0.75
Income Tax	**4.95**	1.41
Others*	**33.69**	15.76
Total	**95.87**	70.52

* Pertains to claims made by third parties, pending settlement which are considered not tenable.

The Group's pending litigations comprise of claims against the Group primarily for excise duty, comprising various cases demanding duty on reversal of CENVAT credit on sale of capital goods and for commercial taxes, comprising various cases in respect of short fall in submission of Forms F, H, I and C, disallowance of input credit, etc and short deduction of tax deducted at source.

The Group has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its financial statements where financial outflow is not probable. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Group has a provision of ₹ 63.60 Crore as at March 31, 2024 (March 31, 2023: ₹ 65.60 Crore) (Refer Note-30).

Aditya Birla Garments Limited (a subsidiary of the Group) has obtained license from the Office of the Joint Director General of Foreign Trade, Vishakapatnam under the Export Promotion of Capital Goods (EPCG) scheme which allows the Company to import capital goods free of customs duty. The scheme requires the Company to achieve an export obligation equal to 6 times the amount of customs duty saved within a period of next 6 years. Company has determined that it would achieve the export obligation commitment within the period specified.

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

NOTE: 47a
BUSINESS COMBINATIONS

Acquisitions during the year ended March 31, 2024

(i) Acquisition of TCNS Clothing Company Limited

On May 5, 2023, the Board of Directors of the Company approved acquisition of TCNS Clothing Co. Ltd. (" TCNS"), subject to requisite regulatory approvals. On August 31, 2023, the Company completed the acquisition of 1,87,12,577 equity shares constituting 29% of the Expanded Share Capital of TCNS (as defined in the letter of offer for the Open Offer) pursuant to the open offer. On September 26, 2023, the Company completed the acquisition of 1,41,95,748 equity shares constituting 22% of the Expanded Share Capital of TCNS pursuant to the Share Purchase Agreement dated May 5, 2023 ("SPA").

Pursuant to the completion of the Open Offer and acquisition of shares as specified in the SPA, the Company acquired 51% of the Expanded Share Capital, thereby acquired control over TCNS. The Company has also become Promoter of TCNS w.e.f. September 26, 2023.

The Company has received No Objection from BSE Limited and National Stock Exchange of India Limited vide letters dated March 14, 2024 and March 15, 2024 respectively for the amalgamation of TCNS Clothing Co. Limited ("TCNS") with the Company. The Company and TCNS have filed Joint Company Application on March 15, 2024. with Hon'ble National Company Law Tribunal ("NCLT") for further directions. Pursuant to the direction of NCLT, meeting of the equity shareholders of the Company and TCNS is scheduled to be held on June 05, 2024.

Details of the fair value of assets and liabilities taken over on acquisition and consideration paid by the Group has been explained in the table below:

	Fair value recognised on acquisition	
	₹ in Crore	**₹ in Crore**
Assets taken over		
Property, plant and equipment	64.76	
Capital work-in-progress	0.35	
Brand	1,495.00	
Other intangible assets	1.58	
Right to use assets	482.79	
Security deposits (non-current)	55.49	
Other financial assets (non-current)	0.12	
Deferred tax assets	116.47	
Non-current tax assets (net)	5.52	
Other non-current assets	2.65	
Inventories	454.72	
Trade receivables*	161.41	
Cash and cash equivalent	17.67	
Bank balance other than above	0.17	
Other financial assets (current)	0.14	
Other current assets	88.26	2,947.10
Liabilities taken over		
Deposits (non-current)	5.63	
Lease liability (non-current)	457.63	
Provisions (non-current)	17.51	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

	Fair value recognised on acquisition	
	₹ in Crore	₹ in Crore
Deferred Tax Liabilities (net)	376.29	
Other non-current liabilities	0.47	
Borrowings (Current)	92.35	
Trade payables	270.54	
Lease liability (current)	85.19	
Other financial liabilities	39.44	
Provisions (current)	1.05	
Other current liabilities	66.24	1,412.34
Total identifiable net assets at fair value as at acquisition date (A)		1,534.76
Company's share of net assets		799.02
Non-Controlling Interest (B)		735.75
Purchase consideration transferred (C)		1,626.19
Goodwill arising on acquisition (B+C-A)		**827.17**

*The fair value of acquired trade receivables is ₹ 161.41 Crore with respect to TCNS. The gross contractual amount for trade receivables due is ₹ 181.51 Crore with a loss allowance of ₹ 20.10 Crore.

The acquired business contributed revenues of ₹ 452.29 Crores and loss of ₹ 115.22 Crores for the period September 26, 2023 to March 31, 2024 to the group.

(ii) Subsidiaries acquired by Aditya Birla Digital Fashion Ventures Limited

On October 20, 2023, Aditya Birla Digital Fashion Ventures Limited ("ABDFVL"), wholly owned subsidiary of the Company, has entered into Shareholders Agreement ("SHA") and Share Subscription Agreement ("SSA") for acquisition of 51% stake of Styleverse Lifestyle Private Limited(The Indian Garage Co.) on a fully diluted basis. The said transaction was subject to customary closing conditions under the SHA and SSA. ABDFVL subsequently acquired 51% stake in SLPL on October 30, 2023, thereby making it subsidiary of ABDFVL. Management is in the process of completing the purchase price allocation for the purpose of determining the fair values of assets and liabilities acquired pursuant to the amalgamation. As per Ind AS 103, Business Combinations, management is permitted to complete the purchase price allocation within a period of 12 months from the date of transfer of control and retrospectively adjust the provisional amounts recorded for assets, liabilities and goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Details of the fair value of assets and liabilities taken over on acquisition and consideration paid by the Group has been explained in the table below:

	Fair value recognised on acquisition	
	₹ in Crore	₹ in Crore
Assets taken over		
Property, plant and equipment	6.48	
Other intangible assets	0.02	
Right-of-use assets	11.59	
Brand	118.60	
Inventories	67.10	
Trade receivables	130.30	
Other Currents assets	15.31	349.40
Liabilities taken over		
Deferred tax liabilities	29.85	
Lease liabilities	11.22	
Borrowings (Current)	19.98	
Trade Payable	144.35	
Provisions (current)	0.14	
Other current liabilities	2.64	208.18
Total identifiable net assets at fair value as at acquisition date (A)		141.22
Non-Controlling Interest (B)		110.84
Purchase consideration transferred (C)		55.00
Goodwill arising on acquisition (B+C-A)		**24.62**

Acquisitions during the year ended March 31, 2023

(i) Acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited

On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of Definitive Agreement and completion of closing conditions precedent to be set out in the Definitive Agreement and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent set out in the Definitive Agreement, HMLPL became a subsidiary of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Details of the fair value of assets and liabilities taken over on acquisition and consideration paid by the Group has been explained in the table below:

	Fair value recognised on acquisition	
	₹ in Crore	₹ in Crore
Assets taken over		
Property, plant and equipment	1.07	
Right-of-use assets	7.58	
Other assets	2.73	
Brand	37.20	
Deferred tax assets	0.10	
Cash and cash equivalents	55.60	104.28
Liabilities taken over		
Borrowings - current	2.20	
Deferred tax liabilities	9.36	
Lease liabilities	7.38	18.94
Total identifiable net assets at fair value as at acquisition date (A)		**85.34**
Company's share of net assets		**44.76**
Non-Controlling Interest (B)		**40.58**
Purchase consideration transferred (C)		**90.00**
Goodwill arising on acquisition (B+C-A)		**45.24**

(ii) Subsidiaries acquired by Aditya Birla Digital Fashion Ventures Limited

During the year ended March 31, 2023, Aditya Birla Digital Fashion Ventures Limited has signed definitive agreement and has acquired majority stake in below subsidiaries. Management has determined the value of all the identifiable assets and liabilities acquired. Management has also estimated an useful life of 10 years for the 'Nobero', 'Urbano' and 'Veirdo' brand. Non-controlling shareholder in these three entities holds the right to put the remaining equity interest to the company after the expiry of 4 years from date of acquisition.

Name of the subsidiary	Holding %	Effective date of becoming subsidiary
Pratyaya E-Commerce Private Limited (Nobero)	66.26%	July 22, 2022
Imperial Online Services Private Limited (Urbano)	55.00%	August 12, 2022
Awesomefab Shopping Private Limited (Veirdo)	55.00%	August 24, 2022
Bewakoof Brands Private Limited (Bewakoof)	85.17%	February 15, 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

₹ in Crore

	Fair value recognised on acquisition			
	Bewakoof Brands Private Limited (Bewakoof)	Pratyaya E-Commerce Private Limited (Nobero)	Imperial Online Services Private Limited (Urbano)	Awesome fab Shopping Private Limited (Veirdo)
Assets taken over				
Property, plant and equipment	11.22	0.10	0.15	1.54
Investment property	1.74	-	-	-
Right of use assets	1.34	-	0.45	-
Brand	109.80	6.30	20.50	25.70
Intangible assets	0.27	-	-	-
Deferred tax assets	0.49	0.03	0.01	-
Other financial assets - current	-	-	-	0.00
Other non-current assets	48.39	-	-	-
Inventories	35.70	0.99	9.22	8.96
Trade receivables	16.95	0.46	2.07	1.29
Cash and Cash Equivalents	0.66	12.37	0.00	1.33
Bank balances other than cash and cash equivalents	4.74	0.04	-	-
Other current assets	5.74	-	3.64	1.61
	237.04	**20.30**	**36.04**	**40.44**
Liabilities taken over				
Deferred tax liabilities	27.63	1.59	5.16	6.49
Borrowings - Non - current	-	9.61	-	2.00
Borrowings - current	54.18	0.76	4.18	-
Lease liabilities	1.51	-	0.45	-
Trade payables	62.23	3.71	4.63	5.67
Other financial liabilities	-	0.61	-	-
Provisions	1.02	0.79	1.52	2.55
Other current liabilities	21.81	0.13	-	-
	168.38	**17.20**	**15.92**	**16.71**
Total identifiable net assets at fair value as at acquisition date (A)	**68.66**	**3.10**	**20.12**	**23.73**
Company's share of net assets	**56.13**	**2.06**	**11.07**	**13.05**
Non-Controlling Interest (B)	**12.53**	**1.05**	**9.05**	**10.68**
Purchase consideration transferred (C)	**109.10**	**5.70**	**17.88**	**20.53**
Goodwill arising on acquisition (B+C-A)	**52.97**	**3.64**	**6.82**	**7.48**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(iii) Business acquisition of Nauti Nati by by Aditya Birla Digital Fashion Ventures Limited

On December 23, 2022, ABDFVL acquired the Nauti Nati business from Omega Designs Private Limited, vide a Business Transfer Agreement.

Details of the fair value of assets and liabilities taken over on acquisition and consideration for acquisition of Nauti Nauti paid has been explained in the table below:

	Fair value recognised on acquisition
	₹ in Crore
Property, plant and equipment	0.11
Brand	12.90
Current tax assets (non current)	0.05
Inventories	5.99
Current investments	0.05
Trade receivables	2.20
Cash and bank balance	0.17
Other assets	0.85
Total Assets	**22.32**
Trade payables	1.28
Borrowings - current	12.02
Provisions	0.22
Other liabilities	3.15
Total Liabilities	**16.67**
Total identifiable net assets at fair value as at acquisition date (A)	5.65
Purchase consideration transferred (B)	10.00
Goodwill arising on acquisition (B- A)	**4.35**

NOTE: 47b
INTEREST IN JOINT VENTURE

Goodview Fashion Private Limited is a joint venture of the Group which have been accounted as per equity method of accounting. Summarised financial information of the joint venture, based on its Ind AS financial statements is set out below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(A) Goodview Fashion Private Limited [formerly known as Goodview Properties Private Limited] - Proportion of ownership interest 33.50%

(a) Summarised Balance Sheet

₹ in Crore

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current assets		
Cash and cash equivalent	**4.10**	5.18
Other assets	**51.00**	32.63
Total Current assets (A)	**55.10**	37.81
Total Non-current assets (B)	**81.34**	53.54
Current liabilities		
Financial liabilities (excluding trade payables)	**11.10**	7.61
Other liabilities	**21.74**	24.29
Total Current liabilities (C)	**32.84**	31.91
Non Current liabilities		
Financial liabilities (excluding trade payables)	**44.58**	29.11
Other liabilities	**1.06**	0.76
Total Non-current liabilities (D)	**45.64**	29.87
Net assets (A+B-C-D)	**57.96**	29.57

(b) Summarised statement of profit and loss

₹ in Crore

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	**148.00**	104.58
Other income	**2.70**	0.67
Total Income	**150.70**	105.24
Cost of materials consumed	**18.25**	12.26
Changes in inventories of stock-in-trade	**(5.01)**	(1.84)
Employee benefits expense	**21.82**	17.43
Finance costs	**4.50**	3.29
Depreciation and amortisation expense	**12.52**	8.87
Other expenses	**60.56**	44.82
Total expenses	**112.64**	84.83
Profit/ (Loss) before tax for the Year/ Period	**38.06**	20.41
Income tax expense/(credit)	**9.64**	5.30
Profit/ (Loss) for the Year/ Period	**28.42**	15.11
Other comprehensive income for the period	**(0.03)**	(0.15)
Total comprehensive income for the Year/ period	**28.39**	14.96
Group's share of profit/(loss) after tax for the year/ period	**9.51**	5.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The contingent liabilities of joint venture as at March 31, 2024 is Nil (March 31, 2023 : Nil) and capital commitments as at March 31, 2024 is amounting to ₹ 1.56 Crore (March 31, 2023 : ₹ 0.98 Crore)

On or after the expiry of 3 years from the Closing Date and till the expiry of 5 years from the Closing Date, the Company has right but not an obligation, to acquire all or such number of Promoter securities from the Promoter of Goodview Fashion Private Limited ('Goodview') so as to increase the shareholding to 51%. This is referred to as the Tranche 2 call option. The strike price for the Tranche 2 call option is based on a formula specified in the Share Purchase Agreement ('SPA'). The call option is exercisable at fair value which is based on a specific formula. Upon expiry of the 3 years period, the option became exercisable during the year ended March 31, 2024. The management has determined the price at which the Tranche 2 call option is exercisable is deeply out of the money and is expected to remain so for that two-year period. Accordingly, Goodview continues to be accounted as a joint venture in the consolidated financial statements for the year ended March 31, 2024.

Further, the agreement stipulates a simultaneous call and put option (the Company holds the call options and has written the put options), whereby, after the expiry of 10 years, in certain specified time periods, the Company can acquire, if it exercises the call option it holds, and will also be required to acquire, if Promoter exercises the put options the Company has written, all or such number of equity shares so as to increase its shareholding to 100%. These call and put options are to be exercised by acquiring/selling the said equity shares at fair value. Accordingly, the fair value of the option is Nil.

NOTE: 48
RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:

Names of related parties

Joint Venture

Goodview Fashion Private Limited

Other related parties in which directors are interested

Aditya Birla Fashion and Retail Jan Kalyan Trust

Vyas Giannetti Creative Private Limited

Aditya Birla Management Corporation Private Limited

Indiginus Learning Private Limited

Post-employment benefit plans

Aditya Birla Fashion and Retail Limited - Employees Group Superannuation Scheme Trust

Aditya Birla Fashion and Retail Limited - Employees Group Gratuity Fund Trust

Key Management Personnel ("KMP")

Mr. Kumar Mangalam Birla - Chairman and Non-Executive Director

Mr. Himanshu Kapania - Vice Chairman and Non-Executive Director upto January 27, 2023

Mr. Ashish Dikshit - Managing Director

Mr. Vishak Kumar - Whole-time Director

Ms. Sangeeta Tanwani - Whole-time Director

Mr. Nish Bhutani - Independent Director

Ms. Preeti Vyas- Independent Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Mr. Sunirmal Talukdar - Independent Director

Ms. Sukanya Kripalu - Independent Director

Mr. Yogesh Chaudhary - Independent Director

Mr. Arun Kumar Adhikari - Independent Director

Mr. Vikram Dondu Rao - Independent Director with effect from May 18, 2022

Mr. Pankaj Sood - Non-Executive Nominee Director with effect from September 20, 2022

Ms. Ananyashree Birla - Non-Executive Director with effect from January 30, 2023

Mr. Aryaman Birla - Non-Executive Director with effect from January 30, 2023

Mr. Jagdish Bajaj - Chief Financial Officer

Ms. Geetika Anand - Company Secretary till November 30, 2022

Mr. Anil Malik - Company Secretary with effect from December 01, 2022

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

₹ in Crore

	Year ended March 31, 2024			Year ended March 31, 2023		
	Joint Venture	KMP and Relative of KMP	Other related parties	Joint Venture	KMP and Relative of KMP	Other related parties
Sale of goods	-	-	0.63	-	-	0.64
Reimbursement of expenses paid to	-	-	52.23	-	-	36.72
Consultancy/designing services	-	-	0.01	-	-	0.07
Share in Profit after tax (including other comprehensive income) of Joint Venture	9.51	-	-	5.09	-	-
Contribution to trusts	-	-	6.02	-	-	5.08
Remuneration paid to KMP*	-	36.78	-	-	39.29	-

* Includes director sitting fees

Balances outstanding

₹ in Crore

	As at March 31, 2024		As at March 31, 2023	
	KMP and Relative of KMP	Other related parties	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	-	8.79	-	5.25
Deposits receivable	-	5.64	-	5.64

The above amounts are classified as security deposit receivable and trade payables (Refer Notes - 8 and 28 respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Disclosure as per Regulation 34 (3) and 53 (f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Disclosure of transactions with the entity belonging to the promoter/ promoter group holding 10% or more shareholding in the Company

Transactions during the financial year

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Grasim Industries Limited		
Reimbursement of expenses recovered from	**2.12**	2.11
Purchase of goods	**13.01**	59.34
Rental Income	**0.03**	0.16
Sale of goods/gift vouchers	**0.05**	-

Balances outstanding

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Grasim Industries Limited		
Amounts owed to entity	**-**	27.91
Amounts owed by entity	**-**	0.62

No amounts in respect of the related parties have been written off/ back during the year.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the year ended March 31, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key Managerial Personnel (KMP) of the Company

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	**28.44**	27.89
Post-employment benefits	**1.51**	2.13
Share-based payment	**6.83**	9.27
Total	**36.78**	39.29

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key managerial personnel.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

KMPs interests in the Employee Stock Options and RSUs

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2024 Number outstanding	As at March 31, 2023 Number outstanding
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
Options - Tranche 1	September 08, 2017	September 07, 2026	178.30	**3,00,128**	4,12,677
Options - Tranche 3	February 2, 2018	February 1, 2027	163.60	**-**	-
Options - Tranche 4	April 18, 2018	April 17, 2027	150.80	**45,019**	45,019
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
Options - Tranche 1	December 02, 2019	December 01, 2028	225.25	**7,07,728**	7,07,728
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	**4,03,274**	4,03,274
Options - Tranche 4	August 05, 2022	August 03, 2030	275.10	**3,05,970**	3,05,970
Options - Tranche 5	September 20,2022	September 18,2030	330.75	**2,05,224**	2,05,224
Total				**19,67,343**	20,79,892
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
RSUs - Tranche 1	September 08, 2017	September 07, 2025	10.00	**91,048**	91,048
RSUs - Tranche 4	April 18, 2018	April 17, 2026	10.00	**-**	30,349
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
RSUs - Tranche 1	December 02, 2019	December 01, 2027	10.00	**1,88,442**	2,13,568
RSUs - Tranche 4	August 05, 2022	August 03, 2030	10.00	**81,349**	81,349
RSUs - Tranche 5	September 20,2022	September 18,2030	10.00	**54,563**	54,563
Total				**4,15,402**	4,70,877
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
Options - Tranche 2	August 18, 2021	August 17, 2027	206.35	**2,90,919**	2,90,919
Options - Tranche 4	November 03, 2021	November 03, 2027	288.10	**2,04,546**	2,04,546
Options - Tranche 5	August 05,2022	August 03, 2028	275.10	**21,456**	21,456
Options - Tranche 8	December 01, 2022	December 01, 2026	225.25	**14,546**	14,546
Total				**5,31,467**	5,31,467
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
RSUs - Tranche 2	August 18, 2021	August 17, 2027	10.00	**92,964**	92,964
RSUs - Tranche 4	November 03, 2021	November 03, 2027	10.00	**56,533**	56,533
RSUS - Tranche 5	August 05,2022	August 03, 2028	10.00	**5,704**	5,704
RSUS - Tranche 8	December 01, 2022	December 01, 2025	10.00	**10,553**	10,553
Total				**1,65,754**	1,65,754

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 49
GROUP INFORMATION

The consolidated financial statements of the Group include subsidiaries and joint venture listed in the table below:

Name of the entity	Relationship with Company	Country of incorporation	Principal Activities	Proportion of ownership interest and voting power held by Parent	
				As at March 31, 2024	As at March 31, 2023
Jaypore E-Commerce Private Limited	Subsidiary	India	Retailing	100.00%	100.00%
Jayapore Inc.	Subsidiary	USA	Retailing	100.00%	NA
TG Apparel & Decor Private Limited	Subsidiary	India	Retailing	100.00%	100.00%
Jaypore Inc. (dissolved on September 21, 2020)	Subsidiary	USA	Retailing	NA	NA
Finesse International Design Private Limited	Subsidiary	India	Manufacturing and retailing	63.50%	58.69%
Sabyasachi Calcutta LLP	Subsidiary	India	Manufacturing and retailing	51.00%	51.00%
Sabyasachi Inc.	Subsidiary	USA	Retailing	51.00%	51.00%
Indivinity Clothing Retail Private Limited	Subsidiary	India	Manufacturing and retailing	80.00%	80.00%
House of Masaba Lifestyle Private Limited	Subsidiary	India	Retailing	52.44%	52.44%
Aditya Birla Garments Limited	Subsidiary	India	Manufacturing and distribution	100.00%	100.00%
Aditya Birla Digital Fashion Ventures Limited	Subsidiary	India	Retailing	100.00%	100.00%
Pratyaya E-Commerce Private Limited	Subsidiary	India	Retailing	76.03%	66.26%
Imperial Online Services Private Limited	Subsidiary	India	Retailing	60.96%	55.00%
Awesomefab Shopping Private Limited	Subsidiary	India	Manufacturing and retailing	54.97%	55.00%
Bewakoof Brands Private Limited	Subsidiary	India	Retailing	86.82%	85.17%
Next Tree Products Private Limited	Subsidiary	India	Retailing	86.82%	85.17%
Styleverse Lifestyle Private Limited	Subsidiary	India	Retailing	50.98%	NA
TCNS Clothing Company Limited	Subsidiary	India	Manufacturing and retailing	52.01%	NA
Goodview Fashion Private Limited	Joint Venture	India	Manufacturing and retailing	33.50%	33.50%

NOTE: 50
SEGMENT INFORMATION

During the current year, Management has reorganized and restructured its internal monitoring and operations review process, which resulted in a change in the operating and reportable segments. Pursuant to this, the business of the Group is divided into three business segments - Madura Fashion & Lifestyle, Pantaloons and Ethnic & Others. These segments are the basis for management decision

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

and hence the basis for reporting. Management has restated the comparative previous year amounts to reflect the new reportable segments.

Based on the "management approach", as defined under Ind AS 108 - Operating segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates the resources based on the analysis of various performance indicators by business segments. Accordingly, the business of the Group is divided into three business segments, which are as follows:

Segments	Activities
Madura Fashion & Lifestyle	Manufacturing, distribution and retailing of branded fashion apparel and accessories
Pantaloons	Retailing of apparel and accessories
Ethnic & Others	Manufacturing, distribution and retailing of branded fashion apparel and accessories

Jaypore, TG Apparel, Finesse, Forever 21, Sabyasachi, Sabyasachi Inc., Indivinity, HMLPL, Aditya Birla Digital Fashion Ventures Limited and TCNS Clothing Company Limited businesses have been included in Ethnic & Others segment, considering all of these deals into branded apparel and accessories and is viewed as branded business. Aditya Birla Garments Limited considered part of Madura Fashion & Lifestyle.

Prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended March 31, 2024

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Ethnic & Others	Total Segments	Eliminations	Total
Revenue						
External customers	7,554.15	4,328.27	2,113.44	13,995.86	-	13,995.86
Inter-segment	239.57	-	76.60	316.17	(316.17)	-
Total revenue	7,793.72	4,328.27	2,190.04	14,312.03	(316.17)	13,995.86

Year ended March 31, 2024 and As at March 31, 2024

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Ethnic and Others	Total Segments	Corporate and eliminations	Total
Expenses/ (income)						
Depreciation and amortisation expense	696.04	643.84	315.36	1,655.23	-	1,655.23
Segment profit/ (loss)	591.73	(83.33)	(426.09)	82.31	(911.21)	(828.90)
Total assets	8,211.08	5,358.57	7,755.33	21,324.98	1,086.09	22,411.07
Total liabilities	7,130.74	3683.08	4,546.61	15,360.43	2,329.62	17,690.05
Other disclosures						
Capital expenditure	302.26	214.15	2,816.85	3,333.26	-	3,333.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Year ended March 31, 2023

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Ethnic and Others	Total Segments	Eliminations	Total
Revenue						
External customers	7,311.04	4,110.93	995.93	12,417.90	-	12,417.90
Inter-segment	296.01	-	4.87	300.88	(300.88)	-
Total revenue	7,607.05	4,110.93	1,000.80	12,718.78	(300.88)	12,417.90

Year ended March 31, 2023 and As at March 31, 2023

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Ethnic and Others	Total Segments	Corporate and eliminations	Total
Expenses/ (income)						
Depreciation and amortisation expense	594.09	519.20	113.67	1,226.96	-	1,226.96
Segment profit/ (loss)	453.29	98.65	(167.97)	383.97	(466.41)	(82.44)
Total assets	7,318.04	5,254.94	3,396.65	15,969.63	1,071.65	17,041.28
Total liabilities	6,741.18	3,640.07	2,614.56	12,995.81	699.47	13,695.28
Other disclosures						
Capital expenditure	469.13	279.48	513.37	1,261.98	-	1,261.98

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Eliminations' column. All Eliminations are part of detailed reconciliations presented further below.

Corporate and eliminations

Finance income and costs are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to these segments as they are also managed on a Group basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets including assets from acquisition of subsidiaries.

Reconciliation of amounts reflected in the consolidated financial statements:

Reconciliation of profit

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Segment profit/(loss)	**82.31**	383.97
Other unallocable (expenditure)/ income (net)	**(14.31)**	24.41
Finance costs (Refer Note - 36)	**(876.61)**	(472.36)
Inter-segment (loss)/ profit on sales (elimination)	**(33.04)**	(25.30)
Share in loss of Joint Venture	**12.75**	6.84
Loss before tax	**(828.90)**	(82.44)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Reconciliation of assets

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Segment operating assets	**21,324.98**	15,969.63
Cash and cash equivalents	**77.21**	589.95
Deferred tax assets (net)	**373.96**	316.61
Non-current tax assets (net)	**1.06**	0.52
Investment in Joint Venture (Refer Note - 6a)	**83.09**	73.58
Non-current investments (Refer Note - 6b)	**21.03**	10.57
Current Investments	**461.85**	150.02
Other corporate assets	**124.26**	58.50
Inter-segment eliminations	**(56.37)**	(128.10)
Total	**22,411.06**	17,041.28

Reconciliation of liabilities

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Segment operating liabilities	**15,360.43**	12,995.81
Current borrowings	**945.69**	250.00
Non-current borrowings	**1,018.24**	398.96
Current maturities of long-term borrowings	**399.14**	324.01
Interest accrued but not due on borrowings	**50.30**	43.79
Other corporate liabilities	**229.82**	(172.05)
Inter-segment eliminations	**(313.57)**	(145.23)
Total	**17,690.05**	13,695.28

Other information required by IND AS 108

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from customers outside India	**292.78**	242.50
Revenue from customers within India	**13,703.08**	12,175.40
Total	**13,995.86**	12,417.90

(i) Non current assets excluding Financial Instrument, Deferred tax assets, Investment accounted using equity method amounting to ₹ 12,069.51 Crore (March 31, 2023: ₹ 8,623.07 Crore) are held within India and ₹ 64.74 Crore (March 31, 2023: ₹ 75.19 Crore) are held outside India.

(ii) No single customer or customer group has accounted for more than 10% of the external revenues during the current and previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 51
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2024 and March 31, 2023 are as follows:

As at March 31, 2024

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 13)	880.71	21.03	-	901.74	880.71	-	21.03
Loans (Refer Notes - 7 and 14)	-	-	11.00	11.00	-	-	-
Security deposits (Refer Notes - 8 and 15)	-	-	637.68	637.68	-	-	-
Trade receivables (Refer Note - 16)	-	-	1,278.81	1,278.81	-	-	-
Cash and cash equivalents (Refer Note - 17)	-	-	454.03	454.03	-	-	-
Bank balance other than Cash and cash equivalents (Refer Note - 18)	-	-	8.36	8.36	-	-	-
Other financial assets (Refer Notes - 9 and 19)	-	-	427.67	427.67	-	-	-
Derivative contracts (Refer Note - 9 and 19)	0.46	-	-	0.46	0.46	-	-
Total	881.17	21.03	2,817.55	3,719.75	881.17	-	21.03
Financial liabilities							
Non-current borrowings (Refer Note - 23)	-	-	2,511.56	2,511.56	-	-	-
Current borrowings (Refer Note - 27)	-	-	1,693.62	1,693.62	-	-	-
Deposits	-	-	557.14	557.14	-	-	-
Trade payables (Refer Note - 28)	-	-	4,135.66	4,135.66	-	-	-
Other financial liabilities (Refer Notes - 24 and 29)	-	-	913.43	913.43	-	-	-
Derivative contracts (Refer Note - 29)	0.28	-	-	0.28	0.28	-	-
Non-controlling interest put option (Refer Note - 24)	907.44	-	-	907.44	-	-	907.44
Total	907.72	-	9,811.41	10,719.13	0.28	-	907.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

As at March 31, 2023

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 13)	182.43	10.57	-	193.00	182.43	-	10.57
Loans (Refer Notes - 7 and 14)	-	-	11.19	11.19	-	-	-
Security deposits (Refer Notes - 8 and 15)	-	-	531.40	531.40	-	-	-
Trade receivables (Refer Note - 16)	-	-	886.44	886.44	-	-	-
Cash and cash equivalents (Refer Note - 17)	-	-	692.69	692.69	-	-	-
Bank balance other than Cash and cash equivalents (Refer Note - 18)	-	-	8.37	8.37	-	-	-
Other financial assets (Refer Notes - 9 and 19)	-	-	314.72	314.72	-	-	-
Derivative contracts (Refer Note - 9 and 19)	1.37	-	-	1.37	1.37	-	-
Total	183.80	10.57	2,444.81	2,639.18	183.80	-	10.57
Financial liabilities							
Non-current borrowings (Refer Note - 23)	-	-	1,507.62	1,507.62	-	-	-
Current borrowings (Refer Note - 27)	-	-	797.90	797.90	-	-	-
Deposits	-	-	443.13	443.13	-	-	-
Trade payables (Refer Note - 28)	-	-	3,846.12	3,846.12	-	-	-
Other financial liabilities (Refer Notes - 24 and 29)	-	-	885.36	885.36	-	-	-
Derivative contracts (Refer Note - 29)	4.65	-	-	4.65	4.65	-	-
Non-controlling interest put option (Refer Note - 24)	724.08	-	-	724.08	-	-	724.08
Total	728.73	-	7,480.13	8,208.86	4.65	-	724.08

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The carrying value of investment made in joint venture as at March 31, 2024 is ₹ 83.09 Crore (March 31, 2023: ₹ 73.58 Crore) and are measured at cost.

Key inputs for level 1 and 3 fair valuation techniques

a) Derivative contracts:

   i) Forward contracts: Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Company (level 1)

b) Non-controlling interest put option :

   i) Option contracts: Fair value of option contracts is determined basis valuation performed by independent valuer appointed by the Company (level 3)

c) Investment:

   i) Unquoted equity instruments: Valuation has been done by considering the net worth of the company to arrive at the fair value (level 3)

   ii) Quoted investments: Valuation has been done based on market value of the investment i.e. fair value (level 1)

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Financial instruments measured at fair value

₹ in Crore

Particulars	Fair Value as at March 31, 2024	Significant unobservable inputs	Fair Value as at March 31, 2024		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Non-controlling interest put option	**907.44**	Risk adjusted discount rate	**872.72**	**942.49**	Increase in discount rate by 0.50% would decrease the fair value by ₹ 34.72 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 35.05 Crore.
		EBITDA margin projection	**929.21**	**884.70**	Increase in EBITDA margin by 0.50% would increase the fair value by ₹ 21.77 Crore and decrease in EBITDA margin by 0.50% would decrease the fair value by ₹ 22.74 Crore.
		Revenue projection	**947.20**	**867.95**	Increase in revenue by 0.50% would increase the fair value by ₹ 39.76 Crore and decrease in revenue by 0.50% would decrease the fair value by ₹ 39.49 Crore.

B. Risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

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.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant.

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

The sensitivity of the relevant 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 March 31, 2024 and March 31, 2023.

i) 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, 2024, approximately 87% of the Group's borrowings are at a fixed rate of interest (March 31, 2023: 83%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Group's profit/ (loss) before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2024		As at March 31, 2023	
Basis points (%)	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax				
₹ in Crore	**(4.56)**	**4.56**	(2.00)	2.00

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in the prior years.

ii) 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities denominated in foreign currency.

The Group manages foreign currency risk by hedging its transactions using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months. As at March 31, 2024, the Group has hedged 41% (March 31, 2023: Nil) of its receivables in foreign currency and 109% (March 31, 2023: 95%) of its payables in foreign currency.

The following table provide the details of forward contracts outstanding at the Consolidated Balance Sheet date:

As at March 31, 2024	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	**USD**	**3.92**	**327.50**
	EURO	**0.00**	**0.41**

As at March 31, 2024	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to sell (Hedge of receivables)	**USD**	**0.31**	**26.13**

As at March 31, 2023	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	USD	4.77	397.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The details of unhedged foreign currency exposure as at the Consolidated Balance Sheet date are as follows:

As at March 31, 2024	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	USD	0.05	4.29
	EURO	0.05	4.48
	GBP	0.10	10.79
	AUD	0.00	0.03
	DINAR	0.00	0.01
	AED	0.01	0.14
Trade receivables	USD	0.29	24.16
	EURO	0.07	6.23
	HKD	0.02	0.18
	GBP	0.07	7.71
Bank balances	USD	-	-
	CNY	0.03	0.30
	BDT	0.22	0.16

As at March 31, 2023	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	USD	0.02	1.89
	EURO	0.11	9.70
	GBP	0.07	7.48
	HKD	-	-
Trade receivables	USD	0.26	21.39
	EURO	0.16	14.69
	HKD	0.06	0.63
	GBP	0.09	9.58
Bank balances	USD	-	-
	CNY	0.02	0.27
	BDT	0.33	0.25

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Group's loss before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	As at March 31, 2024		As at March 31, 2023	
Basis points (%)	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax				
₹ in Crore	(0.14)	0.14	(0.10)	0.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

b) Credit risk

Credit risk is the risk that 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. 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 and within credit limits assigned to each counterparty.

The Group only deals with parties which has good credit rating given by external rating agencies or based on the Group's internal assessment.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Consolidated Statement of Profit and Loss.

The Group is exposed to credit risk from its operating activities (primarily trade receivables and security deposits).

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. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2024, the Group has 41 customers (March 31, 2023: 21 customers) that owed the Group more than ₹ 5 Crore each and accounts for approximately 76% (March 31, 2023: 86%) of all the receivables outstanding. There are 225 customers (March 31, 2023: 114 customers) with balances greater than ₹ 0.50 Crore each and accounts for approximately 15% (March 31, 2023: 12%) of the total amounts receivable.

An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on losses from historical data.

The Group's maximum exposure to credit risk for the components of the Consolidated Balance Sheet as at March 31, 2024 and March 31, 2023, is the carrying amount as provided in Note - 16.

c) Liquidity risk

The Group monitors its risk of shortage of funds. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. Approximately, 40% of the Group's debt will mature in less than one year as at March 31, 2024 (March 31, 2023: 37%) based on the carrying value of borrowings reflected in the Consolidated financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to various sources of funding.

The below tables summarises the maturity profile of the Group's financial liabilities based on contractual payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

As at March 31, 2024

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	**1,836.83**	**2,618.98**	**300.50**	**4,756.31**
Cumulative redeemable preference shares	**-**	**1.11**	**-**	**1.11**
Lease liabilities	**1,512.43**	**3,989.58**	**938.37**	**6,440.38**
Other financial liabilities	**426.06**	**1,164.11**	**960.41**	**2,550.58**
Deposits	**276.98**	**280.16**	**-**	**557.14**
Trade payables	**4,135.66**	**-**	**-**	**4,135.66**
Total	**8,187.96**	**8,053.94**	**2,199.28**	**18,441.18**

As at March 31, 2023

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	900.73	1,801.90	0.03	2,702.66
Cumulative redeemable preference shares	0.50	0.01	-	0.51
Lease liabilities	1,238.55	3,315.08	607.81	5,161.44
Other financial liabilities	497.00	189.05	1,893.71	2,579.76
Deposits	189.91	253.22	-	443.13
Trade payables	3,846.12	-	-	3,846.12
Total	6,672.81	5,559.26	2,501.55	14,733.62

*Includes interest

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 Group's performance to developments affecting a particular industry.

The Group is leader in apparels in the country and has a diversified portfolio of brands.

d) Price risk

The Group invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Group has invested, such price risk is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE - 52
CAPITAL MANAGEMENT

The Group's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Group is to borrow funds through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Group (debts excludes lease liabilities):

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Short-term debts (including current maturities of long-term borrowings)	**1,693.62**	797.90
Long-term debts	**2,511.56**	1,507.62
Total borrowings	**4,205.18**	2,305.52
Total - Equity (Including Non-controlling interest)	**4,721.01**	3,346.00

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings.

The Group has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings taking into consideration the waiver of compliance with one financial covenant by the Trustees of the Debentures issued by the Company.

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

NOTE - 53
ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

Year ended March 31, 2024 and As at March 31, 2024

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Parent								
Aditya Birla Fashion and Retail Limited	106.95%	5,048.97	24.15%	(177.73)	50.00%	(1.05)	24.22%	(178.78)
Subsidiaries								
Jaypore E-Commerce Private Limited*	0.12%	5.73	7.75%	(57.02)	-15.24%	0.32	7.68%	(56.70)
TG Apparel & Decor Private Limited	-0.02%	(0.92)	0.04%	(0.26)	0.00%	-	0.04%	(0.26)
Finesse International Design Private Limited	0.27%	12.63	1.88%	(13.86)	3.33%	(0.07)	1.89%	(13.93)
Sabyasachi Calcutta LLP*	19.83%	936.05	-4.30%	31.61	19.52%	(0.41)	-4.23%	31.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Indivinity Clothing Retail Private Limited	0.45%	21.26	22.19%	(163.31)	15.71%	(0.33)	22.17%	(163.64)
House of Masaba Lifestyle Private Limited	0.50%	23.56	3.08%	(22.69)	0.95%	(0.02)	3.08%	(22.71)
Aditya Birla Garments Limited	0.57%	27.10	0.53%	(3.91)	1.43%	(0.03)	0.53%	(3.94)
TCNS Clothing Co. Ltd.	6.43%	303.33	15.66%	(115.22)	20.95%	(0.44)	15.67%	(115.66)
Aditya Birla Digital Fashion Ventures Limited*	5.02%	236.86	28.57%	(210.27)	2.38%	(0.05)	28.50%	(210.32)
Adjustments arising out of consolidation	-40.11%	(1,893.56)	0.44%	(3.25)	0.95%	(0.02)	0.44%	(3.27)
Total	**100.00%**	**4,721.01**	**100.00%**	**(735.91)**	**100.00%**	**(2.10)**	**100.00%**	**(738.01)**
Non-controlling Interest in subsidiary		687.23		(107.89)		(0.51)		(108.40)
Finesse International Design Private Limited		4.61		(5.68)		(0.02)		(5.70)
TCNS Clothing Co. Ltd.		682.62		(55.23)		(0.21)		(55.44)
Sabyasachi Calcutta LLP		-		15.49		(0.21)		15.28
Indivinity Clothing Retail Private Limited		-		(32.66)		(0.07)		(32.73)
House of Masaba Lifestyle Private Limited		-		(10.78)		(0.00)		(10.78)
Aditya Birla Digital Fashion Ventures Limited		-		(19.03)		-		(19.03)
Total		**4,033.78**		**(628.02)**		**(1.59)**		**(629.61)**

Year ended March 31, 2023 and As at March 31, 2023

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Parent								
Aditya Birla Fashion and Retail Limited	113.18%	3,786.89	-222.84%	132.52	65.16%	1.59	-235.16%	134.11
Subsidiaries								
Jaypore E-Commerce Private Limited*	1.12%	37.42	60.52%	(35.99)	10.25%	0.25	62.67%	(35.74)
TG Apparel & Decor Private Limited	-0.02%	(0.67)	0.35%	(0.21)	-	-	0.37%	(0.21)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Finesse International Design Private Limited	0.20%	6.56	19.51%	(11.60)	2.87%	0.07	20.22%	(11.53)
Sabyasachi Calcutta LLP*	27.04%	904.86	-13.38%	7.96	30.74%	0.75	-15.27%	8.71
Indivinity Clothing Retail Private Limited	2.54%	84.90	113.81%	(67.68)	6.56%	0.16	118.39%	(67.52)
House of Masaba Lifestyle Private Limited	1.38%	46.27	18.56%	(11.04)	-6.97%	(0.17)	19.66%	(11.21)
Aditya Birla Garments Limited	0.33%	11.04	6.66%	(3.96)	0.00%	-	6.94%	(3.96)
Aditya Birla Digital Fashion Ventures Limited*	7.15%	239.17	97.43%	(57.94)	-6.15%	(0.15)	101.86%	(58.09)
Adjustments arising out of consolidation	-52.91%	(1,770.44)	19.39%	(11.53)	-2.46%	(0.06)	20.32%	(11.59)
Total	100.00%	3,346.00	100.00%	(59.47)	100.00%	2.44	100.00%	(57.03)
Non-controlling Interest in subsidiary		2.71		(23.47)		0.08		(23.39)
Finesse International Design Private Limited		2.71		(4.80)		0.03		(4.77)
Sabyasachi Calcutta LLP		-		3.90		0.10		4.00
Indivinity Clothing Retail Private Limited		-		(13.54)		0.03		(13.51)
House of Masaba Lifestyle Private Limited		-		(5.25)		(0.08)		(5.33)
Aditya Birla Digital Fashion Ventures Limited		-		(3.78)		-		(3.78)
Total		3,343.29		(36.00)		2.36		(33.64)

* Includes details of step down subsidiaries

NOTE: 54
ACQUISTION OF REEBOK INDIA BUSINESS

On February 28, 2022, Aditya Birla Fashion and Retail Limited entered into a commercial agreement with Authentic Brands Group LLC and has obtained exclusive rights to distribute Reebok footwear and apparel in India, Bangladesh, Bhutan, Maldives, Nepal and Sri-Lanka. The agreement became effective from October 1, 2022 upon signing of the Local Asset Deal Agreement.

As part of the commercial agreement, the Company is required to pay royalty for sale of Reebok footwear and apparel in the aforesaid territories including a minimum contractual royalty payable over the 20-year life of the agreement. The Company has recognised under "Licence Rights", the distribution rights for the Reebok products at the present value of the minimum royalty payable amounting to ₹ 497 crores with a corresponding financial liability. Distribution right has been amortised over the term of commercial agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 55
SUMMARY OF OTHER ACCOUNTING POLICIES

a) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents assets, liabilities, income and expenses which relate to the Group as a whole and are not allocated to the segments.

Inter-segment transfers

The Group generally accounts for inter-segment sales at arm's length basis in a manner similar to transactions with third parties.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income, expense and other common assets and liabilities which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

b) Fair value measurements and hierarchy

The Group measures financial instruments, such as investments (other than equity investments in joint ventures) and derivatives at fair value at each Consolidated Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability; or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

c) Foreign currencies

Transactions and balances:

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Consolidated Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Consolidated Statement of Profit and Loss are also reclassified in OCI or the Consolidated Statement of Profit and Loss, respectively).

For the purposes of presenting these consolidated financial statements, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Indian Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences arising on translation for consolidation are recognised in OCI and accumulated in other equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

d) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with:

- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- When the grant relates to an asset, it is recognised as income in Statement of Profit and Loss in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, at a below-market rate of interest, the effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised and measured at fair value, and the government grant is measured as the difference between the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.

e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Consolidated Statement of Profit and Loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

f) Taxes

Current tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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 in India.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised 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 a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

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 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.

Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

The Group had adopted the new tax regime in the Financial Year 2019-20 under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Current tax and deferred tax relating to items recognised outside the Consolidated Statement of Profit and Loss are recognised outside the Consolidated Statement of Profit and Loss (either in OCI or in equity). Current tax and deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

g) Property, plant and equipment

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes borrowing costs for long-term construction projects, if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss, during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Based on managements' assessment, items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date the asset is ready to use or useful life of class of asset to which these assets belong.

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss within other gains/ losses.

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.

h) Investment properties

Investment property is freehold land and structure, held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Group measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes. Fair value is determined on the basis of assessable market value of the property as per rate specified by Government Authority. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Consolidated Statement of Profit and Loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment properties the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

i) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Consolidated Statement of Profit and Loss, in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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 and changes if any, made on prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss.

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

Gains or losses arising from de-recognition 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 Consolidated Statement of Profit and Loss when the asset is de-recognised.

j) Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

At the acquisition date, goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

A cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment annually as at reporting date. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

k) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGUs) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rates, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually as at reporting date. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss.

Reversal of impairment losses except on goodwill is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

l) Financial instruments

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.

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables which do not contain significant financing component are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Consolidated Statement of Profit and Loss are recognised immediately in the Consolidated Statement of Profit and 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 are recognised on the trade date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories:

(a) Non-derivative financial assets

(i) Financial assets at amortised cost

Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

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

Effective Interest Rate (EIR) method:

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. 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 effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in the Consolidated Statement of Profit and Loss and is included in the 'Other income' line item.

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Financial assets included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the Consolidated Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Consolidated Statement of Profit and Loss.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (refer above) are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(iv) Equity investments

All equity investments (other than investments in joint ventures) are measured at fair value as per Ind AS 109. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group has 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 the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Impairment of financial assets:

The Group applies simplified approach of expected credit loss model for recognising impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Expected credit loss 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 effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within 12 months

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12- month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the Consolidated Balance Sheet.

(b) Non derivative financial liabilities

(i) Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(1) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(2) Compound financial instruments:

The component parts of compound financial instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

(3) Financial liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading, if:

- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re- measurement recognised in the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the Consolidated Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in the Consolidated Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in the Consolidated Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in other comprehensive income under other equity and are not subsequently reclassified to the Consolidated Statement of Profit and Loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

(ii) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Consolidated Statement of Profit and Loss as 'Finance costs'.

(iii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Consolidated Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Consolidated Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Consolidated Statement of Profit and Loss.

<u>De-recognition of financial assets and financial liabilities</u>

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss.

On de-recognition of a financial asset other than in its entirety (for example: when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Consolidated Statement of Profit and Loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group de-recognises financial liabilities only when the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

<u>Offsetting financial instruments</u>

Financial assets and liabilities are offset, and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

m) Derivative financial instruments

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the Consolidated Statement of Profit and Loss when the hedge item affects the Consolidated Statement of Profit and 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.

n) Inventories

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods 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 cost basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates.

o) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group (Refer Note – 46).

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

p) Interest income

Interest income on all debt instruments is measured at amortised cost. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

q) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(b) Defined contribution plan

The Group makes defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the Consolidated Statement of Profit and Loss, on accrual basis. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Group operates a defined benefit gratuity plan in India. The Group contributes to a gratuity fund maintained by an independent insurance company. The Group's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Consolidated Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the Consolidated Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Consolidated Statement of Profit and Loss.

(d) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation in the Consolidated Statement of Profit and Loss.

The Group presents the entire leave as a current liability in the Consolidated Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

r) Share-based payment

Employees of the Group receive remuneration in the form of equity-settled instruments and stock appreciation rights for rendering services over a defined vesting period. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

and Loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity- settled share options outstanding account.

No expense is recognised for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

For cash-settled share-based payment, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability using a binomial method. At the end of each reporting period until the liability is settled and at the date of settlement, the fair value of the liability is re- measured, with any changes in the fair value recognised in 'Employee benefits expense' in the Consolidated Statement of Profit and Loss for the year.

The Group has created an "ABFRL Employee Welfare Trust" (ESOP Trust) and uses it as a vehicle for distributing shares to employees under the Employee Stock Option Scheme 2019 or any subsequent Stock Option Scheme. The trust purchase shares of the Company from the market, for giving shares to employees. The Group treats trust as its extension and shares held by trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve. Share options exercised during the reporting period are settled with treasury shares.

s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance Sheet and for the purpose of the Consolidated Statement of Cash Flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE: 56
SETTING UP OF SUBSIDIARIES/JOINT VENTURES

a) On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C') business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means. Thus on April 11, 2022 Aditya Birla Digital Fashion Ventures Limited a wholly owned subsidiary of the Company was set up to carry on the "D2C" business.

b) Aditya Birla Garments Limited a manufacturing plant set up under the PLI scheme was incorporated as a wholly owned subsidiary of the Company with effect from June 15, 2022.

NOTE: 57
ACQUISITION OF TCNS CLOTHING COMPANY LIMITED

On May 5, 2023, the Board of Directors of the Company approved acquisition of TCNS Clothing Co. Ltd. (" TCNS"), subject to requisite regulatory approvals. On August 31, 2023, the Company completed the acquisition of 1,87,12,577 equity shares constituting 29% of the Expanded Share Capital of TCNS (as defined in the letter of offer for the Open Offer) pursuant to the open offer. On September 26, 2023, the Company completed the acquisition of 1,41,95,748 equity shares constituting 22% of the Expanded Share Capital of TCNS pursuant to the Share Purchase Agreement dated May 5, 2023 ("SPA").

Pursuant to the completion of the Open Offer and acquisition of shares as specified in the SPA, the Company acquired 51% of the Expanded Share Capital, thereby acquired control over TCNS. The Company has also become Promoter of TCNS w.e.f. September 26, 2023.

The Company has received No Objection from BSE Limited and National Stock Exchange of India Limited vide letters dated March 14, 2024 and March 15, 2024 respectively for the amalgamation of TCNS Clothing Co. Limited ("TCNS") with the Company. The Company and TCNS have filed Joint Company Application on March 15, 2024 with Hon'ble National Company Law Tribunal ("NCLT") for further directions. Pursuant to the direction of NCLT, meeting of the equity shareholders of the Company and TCNS is scheduled to be held on June 05, 2024.

NOTE: 58
ACQUISITION OF MAJORITY STAKE IN 'HOUSE OF MASABA LIFESTYLE PRIVATE LIMITED' ("HMLPL")

On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, HMLPL became a subsidiary of the Company.

NOTE: 59
ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated on or are pending against the Group under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Parent, Subsidiaries and a Joint Venture in India have complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) WILFUL DEFAULTER

The Parent, Subsidiaries and a Joint Venture in India have not been declared as wilful defaulters by any banks or financial institutions or government or any government authority.

(v) UNDISCLOSED INCOME

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vi) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS), INTANGIBLE ASSETS AND INVESTMENT PROPERTY

The Group has not revalued its Property, Plant and Equipment (including Right-of-use assets),Intangible assets and Investment Property during the current or previous year.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

GLOSSARY OF ABBREVIATIONS

ABC	Aditya Birla Capital
ABFRJKT	Aditya Birla Fashion and Retail Jan Kalyan Trust
ABG	Aditya Birla Group
ABM	Area Business Manager
ABW	Aditya Birla Wellness
AC	Alternating Current
ACE	Achieve Career Excellence
AI	Artificial Intelligence
ANSI	American National Standards Institute
APS	Announced Pledges Scenario
ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers
ASTM	American Society for Testing and Materials
AV	Audio-Visual
AWOO	A World of Opportunities
BCI	Better Cotton Initiative
BCP	Business Continuity Plan
BIS	Bureau of Indian Standards
BOSS	Buy Online Ship from Store
BRSR	Business Responsibility and Sustainability Report
BU	Business Unit
CAGR	Compounded Annual Growth Rate
CAIF	Circular Apparel Innovation Factory
CBM	Cluster Business Manager
CEA	Central Electricity Authority
CEO	Chief Executive Officer
CET	Common Entrance Test
CFO	Chief Financial Officer
CFR	Cost and Freight
CHRO	Chief Human Resource Officer
CII	Confederation of Indian Industry
CISO	Chief Information Security Officer
CMS	Complaint Management System
CNG	Compressed Natural Gas
COE	Centre of Excellence
COSO	Committee of Sponsoring Organizations of the Treadway Commission

CPCB	Central Pollution Control Board
CPSIA	Consumer Product Safety Improvement Act
CRM	Customer Relationship Management
CRO	Chief Risk Officer
CSO	Chief Sustainability Officer
CSR	Corporate Social Responsibility
CVRS	Customer Voice Response System
DG	Diesel Generator
DLP	Data Loss Prevention
DNA	Deoxyribonucleic acid
DR	Disaster Recovery
EAP	Employee Assistance Program
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EHS	Environment, Health, Safety
EPR	Extended Producers Responsibility
ERP	Enterprise Resource Planning
ERT	Emergency Response Team
FA	Fashion Assistants
FCL	Finished Ceiling Level
FEM	European Materials Handling Federation
FSC	Forest Stewardship Council
FY	Financial Year
GEMS	Go Extra Miles
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GMO	Genetically Modified Organism
GOTS	Global Organic Textile Standard
GRI	Global Reporting Initiative
GRS	Global Recycled Standard
GVC	Gyanodaya Virtual Campus
HANA	High-performance ANalytic Appliance
HDPE	High Density Polyethylene
HIRA	Hazard Identification and Risk Assessment
HO	Head Office
HR	Human Resources
HVAC	Heating, ventilation, and air conditioning
IASB	International Accounting Standards Board

IBAT	Integrated Biodiversity Assessment Tool
IC	Internal Committee
ICT	Information and Communication Technology
ID	Induced Draft
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IGBC	Indian Green Building Council
IIM	Indian Institute of Management
IIRC	International Integrated Reporting Council
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
ISAE	International Standard on Assurance Engagements
ISO	International Organisation of Standards
ISSB	International Sustainability Standards Board
IT	Information Technology
ITIL	Information Technology Infrastructure Library
IUCN	International Union for Conservation of Nature
KGBV	Kasturba Gandhi Balika Vidyalaya
KPI	Key Performance Indicator
LAMA	Long and Meaningful Association
LCA	Lifecycle Assessment
LEAP	Locate, Evaluate, Assess, Prepare
LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design
LOTO	Lock Out, Tag Out
LP	Louise Philippe
LTIFR	Lost Time Injury Frequency Rate
LWG	Leather Working Group
MD	Managing Director
MGL	Marigold Lane
MIS	Management Information System
ML	Machine Learning
MRSL	Manufacturing Restricted Substance List
MSI	Materials Sustainability Index
MT	Metric Tonnes
NBC	National Building Code
NEET	National Eligibility cum Entrance Test

NFPA	National Fire Protection Association
NIFT	National Institute of Fashion Technology
NPS	National Pension Scheme
NSC	National Safety Council
NULM	National Urban Livelihood Mission
NZE	Net Zero Emissions
ODS	Ozone - Depleting Substances
OHS	Occupational Health and Safety
OSHA	Occupational Safety and Health Administration
PACE	Performance Acknowledgement and Celebration of Excellence
PAN	Presence Across Nation
PET	Polyethylene terephthalate
PFMM	Preferred Fiber and Material Matrix
PII	Personally Identifiable Information
PLA	Polylactic Acid
PM	Particulate Matter
PMC	Panvel Municipal Corporation
POSH	Prevention of Sexual Harassment
PP	Polypropylene
PR	Public Relations
QIN	Quality Index Number
QR	Quick Response
RCP	Representation Concentration Pathways
RDS	Responsible Down Standard
REACH	Registration, Evaluation, Authorization, and Restriction of Chemicals
RMSC	Risk Management and Sustainability Committee
ROI	Return on Investment
RPA	Robotic Process Automation
RSL	Restricted Substance List
SA	Social Accountability
SAGY	Sansad Adarsh Gram Yojana
SASB	Sustainability Accounting Standards Board
SDS	Sustainable Development Scenario
SEBI	Securities and Exchange Board of India
SEO	Search Engine Optimization
SHG	Self-Help Group
SIEM	Security Information and Event Management

SLA	Service Level Agreement
SMS	Safety Management System
SPCB	State Pollution Control Board
SSI	Supplier Sustainability Index
SSP	Shared Socioeconomic Pathways
STEM	Science, technology, engineering, and mathematics
STEPS	Stated Policies Scenario
STP	Sewage Treatment Plant
TCFD	Task Force on Climate-related Financial Disclosures
TJ	Terajoule
TLS	Transport Layer Security
TMC	Technology Management Centre
TNFD	Task Force on Nature-related Disclosures
TOF	Time-of-Flight
TOT	Training of Trainers
UN	United Nations
UNCTD	UN Conference of Trade and Development
UNGC	United Nations Global Compact
USD	US Dollars
USGBC	U.S. Green Building Council
UV	Ultra Voilet
VFD	Variable Frequency Drive
VM	Virtual Merchandising
VPQI	Vendor Quality Performance Index
WASH	safe water, sanitation, and hygiene
WEO	World Energy Outlook
WRAP	Worldwide Responsible Accredited Production
WRI	World Resource Institute
ZDHC	Zero Discharge of Hazardous Chemicals
ZO	Zonal Offices

INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No: 717758 - 5

Aditya Birla Fashion & Retail Limited Integrated Annual Report FY 2023-24.

The British Standards Institution is independent to Aditya Birla Fashion & Retail Limited (hereafter referred to as ABFRL in this statement) and has no financial interest in the operation of ABFRL other than for the assessment and verification of the sustainability statements contained in this report.

This Independent assurance opinion statement has been prepared for the stakeholders of ABFRL only for the purposes of verifying its statements relating to its non-financial information i.e. environmental, social and governance (ESG), more particularly described in the Scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This Independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by ABFRL. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to ABFRL only.

Scope:

The scope of engagement agreed upon with ABFRL includes the following:

1. The assurance covers the integrated annual report 2023-24 of ABFRL, prepared in accordance to GRI standards 2021 and focuses on systems and activities of ABFRL covering 10 manufacturing units located in Bangalore, Andhra Pradesh, Tamil Nadu, Odisha, 8 warehouses located in Bangalore, Maharashtra, Haryana, West Bengal, 2 offices located in Bangalore and Mumbai, 735 MFL Company Owned Company Operated (COCO) retail stores located across India and 371 Pantaloon Company Owned Company Operated (COCO) retail stores located across India. The assurance covers the reporting period 1st April 2023 to 31st March 2024
2. The evaluation of the nature and extent of the ABFRL's adherence to all four AA1000 AccountAbility Principles and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 moderate level of AA1000AS v3 sustainability assurance engagement.

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Opinion Statement

We conclude that the Integrated Report Review provides a fair view of ABFRL's integrated annual report's programmes and performances during FY 2023-24. We believe that the integrated annual report of ABFRL's economic, social and environment performance indicators are fairly represented.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that ABFRL's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top-level review of issues raised by external parties that could be relevant to ABFRL's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on ABFRL's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact and the GRI Standards is set out below:

Inclusivity

This report has reflected a fact that ABFRL is seeking the engagement of its stakeholders through numerous channels by collaborative approach involving detailed consultations discussions with internal stakeholders, such as employees, investors, suppliers, customers, local communities, government and regulatory bodies, media. Their modes of engagement facilitating regular meetings to gather input from stakeholders on the effectiveness and relevance of actions.

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SUSTAINABLE DEVELOPMENT GOALS

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The participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. The reporting systems are in place to deliver the required information. The integrated annual report 2023-24 highlights the engagement with stakeholders, including the mode and frequency of engagement with them. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported.

In our professional opinion the report covers ABFRL's inclusivity issues, that demonstrates participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

This report focuses on the activities undertaken by ABFRL covering locations (10 manufacturing units located in Bangalore, Andhra Pradesh, Tamil Nadu, Odisha, 8 warehouses located in Bangalore, Maharashtra, Haryana, West Bengal, 2 offices located in Bangalore and Mumbai, 735 MFL Company Owned Company Operated (COCO) retail stores located across India and 371 Pantaloon Company Owned Company Operated (COCO) retail stores located across India), all of these locations are in India. The report covers the period of FY 2023-24.

Materiality

ABFRL publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. The material topics identified are Climate Change – Resource management Energy and water, Waste Management, Sustainable product, Occupational Health and Safety, Product Quality and safety.

The identified material topics were the outcome of various stakeholder engagement meetings carried out by using double materiality index. In our professional opinion the report covers the ABFRL's material issues, by using internal and external stakeholder consultation and prioritization based upon sustainability context for company and impact across the value chain.

Responsiveness:

ABFRL has implemented the practice to respond to the expectations of its stakeholders, i.e Feedback from the internal stakeholder representatives including investor were collected during various stakeholder meetings. Grievance mechanism exists for stakeholders where they can raise their concerns and it is tracked regularly. In our professional opinion the report covers the ABFRL's responsiveness issues and addressing them.

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Impact:

ABFRL has demonstrated a process on identify impacts that encompass a range of environmental, social and governance topics, and fairly represented the impacts in the report. The report focuses on the key impact from sector's perspective as well, which is on the material topics identified collectively. The robust governance structure also talks about the sustainability related challenges and aligns with the global need of carbon neutrality with public commitment in place. In our professional opinion the impact assessed by ABFRL are appropriate to their business and are addressed for their actions that affect the economy, environment, society, and the organization itself. Measurement towards climate change, energy intensity, water consumption, sustainable product, sustainable packaging, green building, waste & circular economy, occupational health and safety on quantitative basis with targets in the report, demonstrates their attention.

GRI-reporting:

ABFRL provided us with their self-declaration of compliance within GRI Universal Standards 2021, 'In accordance with' option for reporting. Based on our review, we confirm that social responsibility and sustainable development indicators are reported in accordance with to the GRI universal standards 2021.

Based on our verification review, we are able to confirm that social responsibility and sustainable development disclosures in all 3 categories (Environmental, Social and Governance) are reported "In accordance with" the GRI Universal Standard 2021. It is the responsibility of ABFRL corporate to notify GRI post publishing the report.

In our professional opinion the self-declaration covers ABFRL's social responsibility and ESG issues. On the basis of the verification undertaken, nothing has come to our attention to suggest that the report does not properly describe the general disclosures (GRI 2: 2-1, 2-2, 2-3, 2-4, 2-5, 2-6, 2-7, 2-8, 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, 2-22, 2-23, 2-24, 2-25, 2-26, 2-27, 2-28, 2-29, 2-30), materiality related disclosures (GRI 3-1 to GRI 3-3).

The Following material topic disclosures as stipulated in the GRI Standards.

GRI 302: Energy 2016- 302-1, 302-3, 302-4, 302-5

GRI 303: Water and Effluents 2018

GRI 305: Emissions 2016

GRI 306: Waste 2020

GRI 308: Supplier Environmental Assessment 2016

GRI 403: Occupational Health and Safety 2018

GRI 414: Supplier Social Assessment 2016

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SUSTAINABLE DEVELOPMENT GOALS

GRI 416: Customer Health & Safety 2016

GRI 417: Marketing and Labelling 2016

ABFRL has also disclosed other non-material topic disclosures (GRI 201-1, GRI 201-3, GRI 201-4, GRI 202-2, GRI 413-1, GRI 418-1,) in their integrated report for the period of FY 2023-2024.

Competency and Independence

The assurance team was composed of Lead auditors experienced in industrial sector, and trained in a range of Environmental, Social, Sustainability standards and ESG frameworks including GRI Universal Standard 2021, BRSR, GARP, AA1000AS, ISO10002, ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 14064, ISO 14067, ISO 14068 etc. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Assurance Level

The type 2 moderate level of assurance provided is in accordance with AA1000 Assurance standard, v3 in our review as defined by the scope and methodology described in this statement.

Responsibility

It is the responsibility of ABFRL senior management to ensure the information presented in the ESG report is accurate. It is also left to the decision of the ABFRL management on the publishing / submission of the report to any of their stakeholders. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Reliability

The assurance statement on the performance was issued based on the evidence collected from ground level provided by the employees of ABFRL. The sample activity data selection was on random basis and selection is done by BSI auditor. The assurance team was convinced that the performance information presented in the report are reliable and representative.

Quality

The quality of information was checked through cross verification of data. Field level measurement and records were verified with the procurement and supply chain invoices/bills. Interview with the responsible persons detailed the activities, maintenance, and process performance. The fitness of the measuring devices, frequency of measurement and recording, competency of the person concerned, and review & approval of information were checked and found in conformance.

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Performance Information

ABFRL Integrated Report has addressed their Environmental, Social and Governance performance through GRI Universal Standard 2021 topic disclosures. The assurance team has evaluated the requirements of the GRI disclosures for general disclosures and those relevant to the material topics.

For the specific data presented in the report, technical/compilation errors which were identified during the sampling process were corrected and presented in the final report.

Based on the processes and procedures conducted with a moderate assurance, there is no evidence that the Environmental, Social and Governance data information presented in the ABFRL Integrated Report for the period of FY 2023-2024 are not materially correct and are not a fair representation of their Environmental, Social and Governance performance.

Issue Date: 30-07-2024

For and on behalf of BSI:

Theuns Kotze

Managing Director – IMETA Assurance

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SUSTAINABLE DEVELOPMENT GOALS

Independent Assurance opinion Statement:

To Mr. Ashish Dikshit, Managing Director of Aditya Birla Fashion and Retail Limited (ABFRL).

Holding Statement No: 717758-6

The British Standards Institution (BSI) has conducted a reasonable assurance engagement on the non-financial sustainability information (described in the "Scope") in the Business Responsibility and Sustainability Report (BRSR Core KPI's) for FY 2023-2024 of **Aditya Birla Fashion and Retail Limited (ABFRL)**.

Scope

The scope of engagement agreed upon with Aditya Birla Fashion and Retail Limited includes the following:

The assurance covers the non-financial information of the following subject matters in the Business Responsibility and Sustainability Report (BRSR Core KPI's) for the FY 2023-2024.

1. Green-house gas (GHG) footprint - P6:E7
2. Water footprint - P6:E3 and P6:E4
3. Energy footprint - P6:E1
4. Embracing circularity - P6:E9
5. Enhancing Employee Wellbeing and Safety - P3:E1(c) and P3:E11
6. Enabling Gender Diversity in Business - P5:E3(b) and P5:E7
7. Enabling Inclusive Development - P8:E4 and P8:E5
8. Fairness in Engaging with Customers and Suppliers - P9:E7 and P1:E8
9. Open-ness of business - P1:E9

The selected information's are reported in accordance with Business Responsibility and Sustainability Report (BRSR Core KPI's). However, GHG emissions from Diesel used for Fire DG set, diesel

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consumption for DG sets in MFL stores in Scope 1, breakup of other gases CH4, N20 in scope 2 are excluded due to unavailability of activity data.

The details of subject matters and their boundaries within the scope is described in Appendix A and Appendix B in this independent assurance opinion statement.

The scope of assurance engagement is limited to verification of historical non-financial information only.

Opinion Statement:

We have conducted a reasonable assurance engagement on the non-financial sustainability information described in the "Scope" above (BRSR for FY 2023-2024 covering disclosures on Green-house gas (GHG) footprint, Water footprint, Energy footprint, Embracing Circularity, Enhancing Employee Wellbeing and Safety, Enabling Gender Diversity in Business, Fairness in Engaging with Customers and Suppliers, openness of business).

In our opinion, the accompanying non-financial sustainability information is fairly presented, in all material respects, in accordance with the Business Responsibility and Sustainability Report (BRSR Core KPI's) for the FY 2023-2024

Methodology:

Our assurance engagements were carried out in accordance with ISAE3000 (Revised) assurance standard following the principles of Integrity, Objectivity, Professional competence and due care, Confidentiality and Professional behaviour. Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top-level review of issues raised by external parties that could be relevant to Aditya Birla Fashion & Retail Limited (ABFRL) policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staff on Aditya Birla Fashion & Retail Limited (ABFRL) approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- Interviews with staffs involved in sustainability management, BRSR report preparation and provision of report information were carried out.
- Document review of relevant systems, policies, and procedures where available.
- Review of key organizational developments.

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- Review of the findings of internal audits.
- Review of supporting evidence for claims made in the reports.
- Review of data pertaining to the sampled seven units of Aditya Birla Fashion & Retail Limited (ABFRL) to confirm the data collection processes, record management practices, and check BRSR Core KPI's physically and through virtual mode.
- A sample-based assessment of the reliability and quality of information as provided in BRSR towards Aditya Birla Fashion & Retail Limited (ABFRL)'s performance.

Responsibility:

Aditya Birla Fashion & Retail Limited (ABFRL) is responsible for the preparation and fair presentation of the sustainability information and BRSR report in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence:

BSI is independent to Aditya Birla Fashion & Retail Limited (ABFRL) and has no financial interest in the operation of Aditya Birla Fashion & Retail Limited (ABFRL) other than for the assurance of the non-financial sustainability statements contained in the Business Responsibility and Sustainability Report.

This independent assurance opinion statement has been prepared for the stakeholders of Aditya Birla Fashion & Retail Limited (ABFRL) only for the purposes of verifying its non-financial statements relating to its environmental and social KPI's as required in SEBI-BRSR Core Format, more particularly described in the Scope above and detailed in Annexure A.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by Aditya Birla Fashion & Retail Limited (ABFRL) In making this independent assurance opinion statement, BSI has assumed that all information provided to it by Aditya Birla Fashion & Retail Limited (ABFRL) is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Issue Date: 30.07.2024

For and on behalf of BSI:

Srinivasa Babu Nagaraj, Lead Assurer

Theuns Kotze, Managing Director – IMETA Assurance

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Appendix A

Subject Matter	Parameter	Unit of Measurement	Final Value
GHG Emissions	Total Scope-1 Emissions	tCO2e	2,458
	Total Scope-2 Emissions	tCO2	94,409
	GHG Emission Intensity (Scope 1 +2)	Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP	655
	GHG Emission Intensity (Scope 1 +2)	Total Scope 1 and Scope 2 emissions (MT) / Total Lakh Goods Sold	80.1
Water Footprint	Total water consumption	KL	1,95,840
	Water consumption intensity	KL/ Rupee adjusted for PPP	1323.9
	Water consumption intensity	KL/ Lakh Goods Sold	161.4
	Water Discharge by destination and levels of Treatment	KL	3,033
Energy Footprint	Total Energy Consumed	TJ	558.87
	Percentage of energy consumed from renewables	%	20.3%
	REC purchased	MWH	729.16
	Energy Intensity	TJ / Mn Rupee adjusted for PPP	3.78
	Energy Intensity	TJ / Lakh Goods Sold	0.46
Embracing circularity -details related to waste management by the entity	Plastic waste (A)	MT	128.46
	E-waste (B)	MT	13.55
	Bio-medical waste (C)	MT	3.64
	Construction and demolition waste (D)	MT	0
	Battery waste (E)	Nos.	77
	Radioactive waste (F)	MT	0
	Other Hazardous waste. Please specify, if any. (G)	MT	1.8
	Other Non-hazardous waste generated (H).	MT	4,822.43
	Total waste generated ((A+B + C + D + E + F + G + H)	MT	4,841.4
	Waste intensity	MT / Rupee adjusted for PPP	32.73
	Waste intensity	MT / Lakh Goods Sold	4.00

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	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations	MT	4,837.8
	For each category of waste generated, total waste disposed by nature of disposal method	MT	3.63
Enhancing Employee Wellbeing and Safety	Spending on measures towards well being of employees and workers - cost incurred as a % of total revenue of the company	In %age terms	0.16%
	Safety Incidents: Permanent Disability	Nos.	0
	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	LTIFR	Employees – 0.03 Workers – 0.04
	No. of fatalities	Nos.	0
Enabling gender diversity in business	Gross wages paid to females as % of wages paid	In % age terms	33.72%
	Complaints on POSH	Total complaints on POSH	24
Enabling inclusive development	Input material sourced from following sources as % of total purchases - Directly sourced from MSMEs l small producers and from within India	In % terms -As % of total purchases by value	Directly sourced from MSME/Small Producers – 16.65% Sourced directly from within the district and neighbouring districts – 0.10%
	Job creation in smaller towns -Wages paid to persons employed in smaller towns (permanent or non- permanent /on contract) as % of total wage cost	In % terms -As % of total wage cost	Rural - Not Applicable Semi-urban - 2.55% Urban - 10.51% Metropolitan - 86.94%
Fairness in Engaging with Customers and Suppliers	Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events	Nos.	0
	Number of days of accounts payable	Days	76.43
Openness of business	Purchases from trading houses	%age	39.58%
	Sales to dealers / distributors as % of total sales	%age	24.6%
	Number of dealers/distributors to whom sales are made	Nos.	3,078
	Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	%age	61.25%
	Share of RPTs (as respective %age) in		
	Purchases (Purchases with related parties / Total Purchases)	%age	0.05%
	Sales (Sales to related parties / Total Sales)	%age	0.8%

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	Loans & advances (Loans & advances given to related parties / Total loans & advances)	%age	96.58%
	Investments (Investments in related parties / Total Investments made)	%age	80.18%

Appendix B: Facility Details

Facility details		
Facility name	Facility Address	State
WAREHOUSES		
South DC - Bangalore	PT South DC - Aditya Birla Fashion & Retail Limited (Pantaloons Division) B-900, Survey No.16/P1, IndoSpace Industrial and Logistics Park Narsapura. Jakkasandra Industrial Area, Jakakasandra Village, Kasba Hobli, Malur Taluka, Kolar District, Kolar -563130 (Operational from October 2023) Rahul Logistics Hub, No 9/2, Yedehalli, Sompura Hubli, Dabaspet, Nellmangala Tal, Bangalore – 562111. (Shifted to PT South DC during October and vacated in December 2023)	Karnataka
North DC - Gurugram	YUSEN Logistics -Kashra No. 5//24,25-Village Sampaka, Kashra No. 9//4, 5,6,/1,7/1,15/2,16/1, Opp Hanuman Ji Mandir, Nr Jamalpur Chowk, Gurgaon - 122503	Haryana
East DC - Kolkata	LACE BARTER PVT LTD, Shyam Industrial Park, Kapasharia, Dankuni Durgapur Express Highway, Hooghly -712306	West Bengal
West DC - Bhiwandi Thane	BGR warehouse complex, YUSEN logistics, Sr no.31/2,31/3,31/4,31/5A,31/7B,44&45, Village Vahuli, Mumbai Nasik Highway, Post Padga, Bhiwandi, Thane - 421302	Maharashtra
LBRD Warehouse	Aditya Birla Fashion & Retail Ltd.(Madura Fashion & Lifestyle) Sy No. 517/2,Madivala Village, Kasaba Hobli, Anekal Taluk, Bangalore urban Dist - 562107	Karnataka

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E-Comm Warehouse	Aditya Birla fashion and retail limited, ECOM Warehouse, Sy. No. 2/1, Krupa Godown, Thirumalashettyhally, Koralur, Karnataka 560067	Karnataka
Peter England Warehouse	Aditya Birla Fashion and Retail Limited (Formerly Known as Pantaloons Fashion & Retail), Madura Fashion & Lifestyle Division, C/o Safexpress Pvt Ltd, Building No 2 Survey No 44 Soukya Road (IOC Road), Khacharakanahalli Village Hoskote Taluk, Bangalore – 560067	Karnataka
VH Innerwear WH	Aditya Birla Fashion and Retail Limited (Van Heusen Innerwear Warehouse) Sy.No. 59/3, 59/459/5, 65/4, 54/1, 54/3, 65/5 & 66/3, NH 4, Lakkenahalli, Thyamagondlu Hobli,Nelemangala Taluk, Bengalure Rural District	Karnataka
OFFICES		
Divyashree Technopolis Corporate office	Kh No. 118/110/1, Building 2, Divyasree Technopolis, Yemlur Post, Off HAL Airport Road, Bangalore - 560037	Karnataka
Piramal Registered Office	PIRAMAL AGASTYA CORPORATE PARK, BUILDING 'A', 4TH AND 5TH FLOOR, UNIT NO. 401, 403, 501, 502, L.B.S. ROAD, KURLA,, MUMBAI, MAHARASHTRA- INDIA, PINCODE: 400070	Mumbai
MANUFACTURING UNITS		
Crafted Clothing	Aditya Birla Fashion and Retail Limited-Madura Clothing (Crafted Clothing) No. 527, Marasur Village, Anekal Taluk, Bangalore -562106	Karnataka
Fashion Craft	Aditya Birla Fashion and Retail Limited-Madura Clothing (Fashion Craft) No. 324, Marasur Village, Anekal Taluk, Bangalore -562106	Karnataka
Europa Garments	Aditya Birla Fashion and Retail Limited-Madura Clothing (Europa Garments) Survey No. 62/2A, 62/2B, Parappana Agrahara, Off Hosur Road, Begur Hobli, Naganathapura, Bangalore - 560100	Karnataka
Classical Menswear	Aditya Birla Fashion and Retail Limited-Madura Clothing (Classical Menswear) No. 288/2, Dodda Begur, Bommanahalli,Bangalore-560068	Karnataka
English Apparels	Aditya Birla Fashion and Retail Limited-Madura Clothing (English Apparels) No. 52/2, Bilvaradahalli Jigani Hobli, Anekal Taluk,Bangalore - 560083	Karnataka
Haritha Apparels	Aditya Birla Fashion and Retail Limited-Madura Clothing (Haritha Apparels) Survey No. 42/2, 43, Basavanapura, Mayaganahalli, Kasaba Hobli Ramanagara Taluk & District - 562159	Karnataka

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Alpha Garments	Aditya Birla Fashion and Retail Limited-Madura Clothing (Alpha Garments) No. 10/1,Byatarayanapura, Jakkur Layout, Bellary Main Road, Bangalore 64	Karnataka
Little England Apparels	Aditya Birla Fashion and Retail Limited-Madura Clothing (Little England Apparels) Survey No.#569/1,569/2B,570,606,853/1 Kurbarapalli village Doddaubanur post, Denkanikotte taluk, Thally-635118	Tamil Nadu
Mancheshwar Apparels	Aditya Birla fashion and Retail ltd- Madura Clothing (Mancheswar Apparel Ltd), IDCO Plot No: H-2,H-3,H-4,H5,H5P,H6, Mancheswar Industrial Estate, Bomikhal, Khordha, Bhubaneswar, 751010.	Orissa
Aditya Birla Garments	Aditya Birla garments limited, Industrial Development Park, MUDDANUR ROAD, PULIVENDULA: 516390. Landmark: Opposite to Samyu Glass Factory.	Andhra Pradesh
Retail Stores	MFL Stores - 735 stores and carpet area 1284892 Sft PFRL Stores - 371 stores and carpet area 5297962 Sft	All over India

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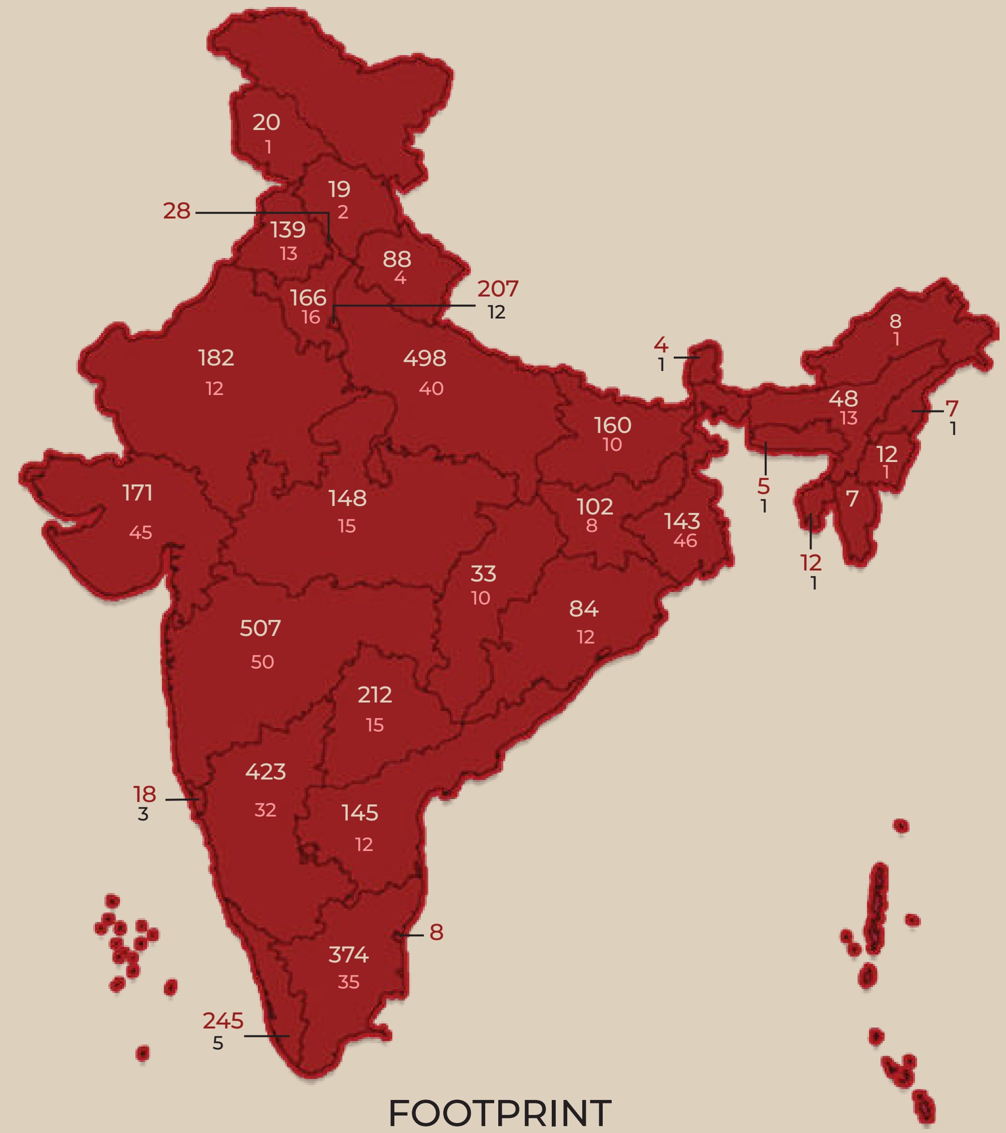
BRAND STORES

417
PANTALOONS STORES

37,205
MULTI-BRAND OUTLETS

9,563
SHOP IN SHOPS ACROSS DEPT STORES



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