Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report
To the Members of Aditya Birla Garments Limited
Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Aditya Birla Garments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the 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 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 loss and total comprehensive income (comprising of loss and other comprehensive income), 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 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.

Other Information

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

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E300009
Bengaluru

Price Waterhouse & Co Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor
Bengaluru - 560 008
T:+91 (80) 4079 5000, F:+91 (80) 4079 5222

Registered office and Head office: Plot No. 56 & 57, Block DN, Sector-V, Salt Lake, Kolkata - 700 091

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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.

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

Auditor's responsibilities for the audit of the financial statements

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

8. 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 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.

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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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

Report on other legal and regulatory requirements

10. 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.

11. 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 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid 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, 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.

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FRN 304026E/E300009
★ Bengaluru ★

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(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 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 does not have any pending litigations which would impact its financial position.

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 applicable accounting standards, for material foreseeable losses, if any, on derivative contracts.

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 40 (v) (A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 40 (v) (B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.

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LLPIN AAC-4362
FRN 304026E/E300009
Bengaluru

vi. The Company has migrated its accounting software with effect from October 1, 2023. The accounting software used by the Company for the period April 1, 2023 to September 30, 2023 did not have a feature of audit trail and consequently, the question of our commenting on whether the audit trail had operated throughout the period or was tampered with, does not arise. For the period from October 1, 2023 to March 31, 2024, based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the period for all relevant transactions recorded in the software, except for changes made through specific access at application level and for direct database changes. Further for accounting software maintained by third party service provider, due to absence of System and Organization Controls (SOC) 1 Type 2 report and insufficient information in the other 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. Other than for the instances mentioned above, based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with.

12. The Company has not paid/ provided for managerial remuneration during the year ended March 31, 2024 and accordingly, reporting under section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Praveen

Praveen C G
Partner
Membership Number: 214797
UDIN: 24214797BKHRTZ2210

Place: Bengaluru
Date: May 21, 2024

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Garments Limited on the financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to 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 financial statements of Aditya Birla Garments Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the 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 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 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E300009
★ Bengaluru ★

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Garments Limited on the financial statements for the year ended March 31, 2024

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls 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 controls 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 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 controls 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 Company has, 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 ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Praveen C G
Partner
Membership Number: 214797
UDIN: 24214797BKHRTZ2210

Place: Bengaluru
Date: May 21, 2024

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, 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 Company does not own any immovable properties (Refer Note 3.1 to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has chosen cost model for its property, plant and equipment (including Right of Use assets) and intangible assets. 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 financial statements does not arise.

ii. (a) The physical verification of inventory 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.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 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 and accordingly, which are in agreement with the unaudited books of account. (Also, refer Note 40 (xii) to the financial statements).

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★ Bengaluru ★

iii. (a) The Company has made investments in two mutual fund schemes and granted unsecured loans, to one other party (employee). The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

Particulars	**Loans to employees** (Rs. In Lakhs)
Aggregate amount granted/ provided during the year	0.30
Balance outstanding as at balance sheet date in respect of the above	0.20

(Refer Note 12 to the financial statements)

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted or investments were made are not prejudicial to the Company's interest.

(c) In respect of the 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, there is no amount which is overdue for more than ninety days.

(e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) There were no loans which were granted during the year, including to promoters/ related parties that were repayable on demand or without specifying any terms or period of repayment.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

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 and services 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 taxes and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

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Bengaluru

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

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 40 (xiii) to the 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) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

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 not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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.

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(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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3((xi)(c) of the Order is not applicable to the Company.

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 Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. The Company is not mandated to have an internal audit system during the year.

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 / 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 as detailed in note 40 (x) to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 472 Lakhs in the financial year and of Rs. 383 Lakhs in the immediately preceding financial period.

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.

Price Waterhouse & Co Chartered Accountants LLP
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FRN 304026E/E300009
★ Bengaluru ★

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xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, 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

Praveen C G
Partner
Membership Number: 214797
UDIN: 24214797BKHRTZ2210

Place: Bengaluru
Date: May 21, 2024

Aditya Birla Garments Limited
CIN - U18100MH2022PLC384566
Balance Sheet
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

	Notes	As at 31-Mar-2024	As at 31-Mar-2023
Assets			
Non-current assets			
Property, plant and equipment	3.1	5,000	334
Right-of-use assets	4.1	86	89
Capital work-in-progress	3.3	3,901	168
Intangible assets	3.2	4	6
Financial assets	5	116	-
Deferred tax assets (net)	6.1	162	-
Current tax asset (Non-current)	6.2	12	0
Other non-current assets	7	298	534
Total non-current assets		**9,579**	**1,131**
Current assets			
Inventories	8	8	-
Financial assets			
Trade receivables	9	698	-
Cash and cash equivalents	10	14	34
Bank Balance other than above	11	11	-
Other financial assets	11	5	5
Loans	12	1	-
Other current assets	13	359	67
Total current assets		**1,096**	**106**
Total Assets		**10,675**	**1,237**
Equity and Liabilities			
Equity			
Equity share capital	14	3,500	1,500
Other equity	15	(790)	(396)
Total Equity		**2,710**	**1,104**
Liabilities			
Non-current liabilities			
Financial liabilities			
Non-current Borrowings	16	5,803	-
Lease liabilities	4.2	1	1
Other financial liabilities	21	220	-
Provisions	17	24	1
Other non-current liabilities	18	358	-
Total non-current liabilities		**6,406**	**2**
Current liabilities			
Financial liabilities			
Current Borrowings	19	572	-
Trade payables	20		
-outstanding dues of micro enterprises and small enterprises		22	3
-other than micro enterprises and small enterprises		529	57
Lease liabilities	4.2	0	0
Other financial liabilities	21	357	50
Provisions	22	42	4
Other current liabilities	23	37	17
Total current liabilities		**1,559**	**131**
Total Equity and liabilities		**10,675**	**1,237**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E300009

Praveen C G
Partner
Membership No : 214797

Place : Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Aditya Birla Garments Limited

Shiva Kumar.N
Chief Finance Officer
PAN:AOVPS2404M
Place : Bengaluru
Date: May 21, 2024

R Swaminathan
Director
DIN : 09638315
Place : Bengaluru
Date: May 21, 2024

Jagdish Bajaj
Director
DIN : 08498055
Place : Bengaluru
Date: May 21, 2024

Narasimha Murthy Narahari
Chief Executive Officer
DIN : 09638314
Place : Bengaluru
Date: May 21, 2024

Chetan Ghogare
Company Secretary
PAN:BLYPG3357A
Place : Bengaluru
Date: May 21, 2024

Aditya Birla Garments Limited
CIN - U18100MH2022PLC384566
Statement of Profit and Loss
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

	Notes	Year ended 31-Mar-2024	Period ended 31-Mar-2023
Income			
Revenue from operations	24	767	9
Other income	25	34	3
Total income		**801**	**12**
Expenses			
Employee benefits expense	26	876	146
Finance costs	27	30	0
Depreciation and amortisation expense	28	84	13
Other expenses	29	364	249
Total expenses		**1,354**	**408**
Loss before tax		**(553)**	**(396)**
Income tax expense:			
Current tax		-	-
Deferred tax charge/(credit)		(162)	-
Loss for the Year		**(391)**	**(396)**
Other comprehensive income			
Items that will not to be reclassified to Statement of Profit and Loss			
Re-measurement gains/ (losses) on defined benefit plans	32	(3)	0
Income tax effect on above		0	(0)
Other comprehensive income/(loss) for the year		**(3)**	**0**
Total comprehensive income for the year		**(394)**	**(396)**
Earnings per equity share [Nominal value of share Rs.10 (March 31, 2023: Rs.10)] (In Rs.)	30		
Basic		(1.22)	(8.14)
Diluted		(1.22)	(8.14)

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E300009

Praveen C G
Partner
Membership No : 214797

Place : Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Aditya Birla Garments Limited

Shiva Kumar.N
Chief Finance Officer
PAN:AOVPS2404M
Place : Bengaluru
Date: May 21, 2024

R Swaminathan
Director
DIN : 09638315
Place : Bengaluru
Date: May 21, 2024

Jagdish Bajaj
Director
DIN : 08498055
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PAN:BLYPG3357A
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Date: May 21, 2024

Aditya Birla Garments Limited
CIN - U18100MH2022PLC384566
Statement of Cash flows
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

	Notes	Year ended 31-Mar-2024	Period ended 31-Mar-2023
(A) Cash flows from operating activities			
Loss before tax for the year		(553)	(396)
Adjustments for:			
Depreciation and amortization expense	28	84	13
Assets written-off	29	1	-
Finance costs	27	30	0
Deferred Credit (net)	25	(2)	-
Gain on sale of current investments (net)	25	(12)	(3)
Interest Income	25	(3)	-
Foreign exchange (gain)/loss	25	(0)	-
Operating loss before working capital changes		**(455)**	**(386)**
Change in working capital			
(Increase)/ decrease in trade receivables		(698)	-
(Increase)/ decrease in inventories		(8)	-
(Increase)/ decrease in other assets		(429)	(72)
Increase/ (decrease) in trade payables		491	60
Increase/ (decrease) in provisions		58	5
Increase/ (decrease) in other liabilities		436	47
Cash used in operations		**(606)**	**(346)**
Income tax paid (net of refund)		-	-
Net cash flows used in operating activities	**(A)**	**(606)**	**(346)**
(B) Cash flow from investing activities			
Purchase of property, plant & equipment		(7,772)	(1,123)
Purchase of current investments		(2,340)	(420)
Proceeds from sale of current investments		2,352	423
Interest received		0	-
Net cash flows used in investing activities	**(B)**	**(7,760)**	**(1,120)**
(C) Cash flow from financing activities			
Proceeds from issue of share capital		2,000	1,500
Proceeds from non-current borrowings (net off charges)		6,373	-
Proceeds from inter corporate deposits		1,400	-
Repayment of lease liabilities		-	(0)
Repayment of inter corporate deposits		(1,400)	-
Interest paid on borrowings		(27)	-
Net cash flows from financing activities	**(C)**	**8,346**	**1,500**
Net Increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**(20)**	**34**
Cash and cash equivalents at the beginning of the year/period		34	-
Cash and cash equivalents at the end of the year/period	**10**	**14**	**34**
Components of cash and cash equivalents			
Balances with banks - on current accounts		14	34
Cash on hand		0	0
Total cash and cash equivalents		**14**	**34**

Note: The Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E300009

Praveen C G
Partner
Membership No : 214797

Place : Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Aditya Birla Garments Limited

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Chief Finance Officer
PAN:AOVPS2404M
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Company Secretary
PAN:BLYPG3357A
Place : Bengaluru
Date: May 21, 2024

Aditya Birla Garments Limited
CIN - U18100MH2022PLC384566
Statement of Changes in Equity for the year ended March 31, 2024
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

A Equity share capital

Equity shares of Rs 10 each issued, subscribed and fully paid up	No. of shares	Rs. (In Lakhs)
As at June 15, 2022	1,000,000	100
Shares issued during the period	14,000,000	1,400
As at March 31, 2023	**15,000,000**	**1,500**
Shares issued during the year [refer note 14 (f)]	20,000,000	2,000
As at March 31, 2024	**35,000,000**	**3,500**

B Other equity

Particulars	Reserves and surplus	Total other equity
	Retained earnings (refer note 15)	
As at June 15, 2022		-
(Loss) for the period	(396)	**(396)**
Other comprehensive income for the period	0	**0**
As at March 31, 2023	**(396)**	**(396)**
(Loss) for the year	(391)	(391)
Other comprehensive loss for the year	(3)	(3)
As at March 31, 2024	**(790)**	**(790)**

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E300009

Praveen C G
Partner
Membership No : 214797

Place : Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Aditya Birla Garments Limited

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Chetan Ghogare
Company Secretary
PAN:BLYPG3357A
Place : Bengaluru
Date: May 21, 2024

Aditya Birla Garments Limited
CIN - U18100MH2022PLC384566
Notes to the Financial Statements
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

1. Corporate information

Aditya Birla Garments Limited (the "Company"), a public company domiciled in India and incorporated on June 15, 2022 under the Companies Act, 2013. 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 selling of branded apparels.

The financial statements are reviewed and have been approved by the Board of Directors in their meeting held on May 21, 2024.

2. Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

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

The Company has been incorporated in compliance with the requirements of 'Operational Guidelines for the Production Linked Incentive (PLI) scheme for textiles for promoting MMF and Textile segments' dated December 28, 2021. The PLI Scheme for textiles was notified vide Notification No.12015/03/2020-IT dated September 24, 2021 and published on September 27, 2021 in the Gazette of India.

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 the nearest Lakh, unless otherwise stated. Rs 0 in financial statements and Notes represents amount less than Rs 50,000.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the 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.

Aditya Birla Garments Limited

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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.

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) Useful life of Property, Plant and equipment

The Company reviews the estimated useful life of property, plant and equipment at the end of each reporting period. During financial year ended March 31, 2024, there were no changes in useful life of property plant and equipment.

(b) Employee benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plan, the management considers the interest rates on government bonds. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates. (Refer Note 32)

(c) Refer to Note 24 for accounting for revenue from contract with a customer and Note 6.1 for recognition of deferred tax asset.

Aditya Birla Garments Limited

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2.5 New and amended standards adopted by the Company:

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards, and are effective April 1, 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.

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Aditya Birla Garments Limited
★

Aditya Birla Garments Limited
CIN - U18100MH2022PLC384566
Notes to the financial statements
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

3.1 Property, Plant and Equipment

Property, plant and equipment is recognised at historical cost less depreciation.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

(a) Assets where useful life is same as Schedule II

Nature of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Freehold Buildings	30 years

(b) Assets where useful life differ from Schedule II

Nature of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Plant and equipment	15 years	20 years
Furniture and fixtures	10 years	7 years
Office equipment	5 years	4 years
Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	5 years
Computers	3 years for end user devices and 6 years for servers	4 years

The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.
Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease terms

	Leasehold improvements	Plant and machineries	Building	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross carrying value								
As at June 15, 2022								
Additions	11	289	-	31	-	5	9	345
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2023	**11**	**289**	**-**	**31**	**-**	**5**	**9**	**345**
Additions	6	2,349	2,255	56	26	20	35	4,747
Disposals	17	-	-	0	-	-	1	18
As at March 31, 2024	**-**	**2,638**	**2,255**	**87**	**26**	**25**	**43**	**5,074**

3.1 Property, Plant and Equipment (contd.)

	Leasehold improvements	Plant and machineries	Building	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Depreciation								
As at June 15, 2022								
Depreciation for the Period	1	2	-	6	-	1	1	11
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2023	**1**	**2**	**-**	**6**	**-**	**1**	**1**	**11**
Depreciation for the Year	15	37	6	9	1	4	7	79
Disposals	16	-	-	-	-	-	0	16
As at March 31, 2024	**-**	**39**	**6**	**15**	**1**	**5**	**8**	**74**
Net carrying value as at:								
As at March 31, 2023	**10**	**287**	**-**	**25**	**-**	**4**	**8**	**334**
As at March 31, 2024	**-**	**2,599**	**2,249**	**72**	**25**	**20**	**35**	**5,000**

Aditya Birla Garments Limited

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(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

3.2 Intangible assets

Intangible asset is recognised at historical cost less amortisation. Costs associated with maintaining software programs are recognised as an expense as incurred.

Amortisation methods and useful lives

The Company amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Intangible assets	Useful life
Computer software	3 years

	Computer software	Total
Gross carrying Value		
As at June 15, 2022		
Additions	6	6
Disposals	-	-
As at March 31, 2023	**6**	**6**
Additions	-	-
Disposals	-	-
As at March 31, 2024	**6**	**6**
Amortisation		
As at June 15, 2022		
Amortisation for the period	0	0
Disposals	-	-
As at March 31, 2023	**0**	**0**
Amortisation for the Year	2	2
Disposals	-	-
As at March 31, 2024	**2**	**2**
Net carrying value as at:		
As at March 31, 2023	**6**	**6**
As at March 31, 2024	**4**	**4**

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Aditya Birla Garments Limited

(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

3.3 Capital work-in-progress

Capital work in progress Movement

	Amount
As at June 15, 2022	-
Additions	519
Capitalised	351
As at March 31, 2023	**168**
Additions	8,362
Capitalised	4,629
As at March 31, 2024	**3,901**

(a) Ageing of capital work in progress as on March 31, 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,901	-	-		3,901
Projects temporarily suspended	-	-	-		-

Ageing of capital work in progress as on March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	168	-	-		168
Projects temporarily suspended	-	-	-		-

(b) Completion schedule of capital work in progress whose completion is overdue

As at March 31, 2024

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,641	-	-		1,641
Projects temporarily suspended	-	-	-		-

There are no projects where costs have exceeded the original plan at March 31, 2024. Further, there were no projects whose completion was overdue at March 31, 2023.

Aditya Birla Garments Limited

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(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

4.1 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease Liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivables
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising
the following:
– the amount of the initial measurement of lease
liability
– any lease payments made at or before the commencement date less any lease
– any initial directs costs
– restoration costs

Right- of- use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short- term leases are leases with a lease term of 12 months or less, without a purchase option.

a) Amounts recognised in the balance sheet

Right-of-use assets	**As at 31-Mar-2024**	**As at 31-Mar-2023**
Leasehold Land	86	89
	86	**89**

Set out below are the carrying amounts of right-of-use assets recognized and movements during the year

Cost	**Amount**
As at June 15, 2022	-
Additions for the period	91
As at March 31, 2023	**91**
Additions for the year	-
As at March 31, 2024	**91**
Depreciation	
As at June 15, 2022	-
Depreciation for the Period	2
As at March 31, 2023	**2**
Depreciation for the year	3
As at March 31, 2024	**5**
Net carrying value	
As at March 31, 2023	**89**
As at March 31, 2024	**86**

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Aditya Birla Garments Limited
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Notes to the financial statements
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

4.2 Lease liabilities

	As at 31-Mar-2024	As at 31-Mar-2023
Balance at beginning of the year/Period	1	-
Additions	-	1
Interest expense on lease liabilities (refer note 27)	0	0
Payments	-	(0)
Balance at end of the year / Period	**1**	**1**
Current	**0**	**0**
Non-current	**1**	**1**

b) Amounts recognised in the Statement of Profit and Loss
The Statement of Profit and Loss shows the following amounts relating to leases:

	As at 31-Mar-2024	As at 31-Mar-2023
Interest expense (included in finance costs)	0	0
Depreciation charge of right-of-use assets	3	2
	3	2

The total cash outflow for leases for the year ended March 31, 2024 is Nil (March 31, 2023: Rs.0 lakhs)

c) Extension and termination options
The Company has entered into an agreement with Andhra Pradesh Industrial Infrastructure Corporation (APIIC) for lease of land. The agreement provides for a lease term of 33 years. In accordance with the agreement, the Company has paid the full allotment price at the commencement of the lease. The Company pays a nominal lease rent annually. The land allotment regulations announced by the Government provide the Company with an option to extend the lease from 33 years to 99 years after 10 years from the date of commencement of commercial production or buy the land at the completion of 10 years, with or without a premium. A premium of 20% of the allotment price is payable to buy the land if the project is not implemented within the committed timelines.

The lease arrangement does not contain any variable

5 Financial assets
Unsecured, considered good

	As at 31-Mar-2024	As at 31-Mar-2023
Security deposits	23	-
Bank deposits with more than 12 months maturity from the Balance sheet date	93	-
Total	**116**	**-**

6.1 Deferred tax assets (net)

	As at 31-Mar-2024	As at 31-Mar-2023
Deferred tax assets (net)	162	-
	162	**-**

Deferred tax assets relates to the following:

	Balance Sheet		Statement of Profit and Loss for year ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Difference between carrying amount of property, plant and equipment and intangible assets and their tax base	(45)	-	(45)	-
Expenses allowed on payment basis under tax law	21	-	21	-
Unabsorbed business loss	123	-	123	-
Unabsorbed depreciation loss	63	-	63	-
Net deferred tax assets	**162**	**-**	**162**	**-**
Deferred tax charge/ (credit)			**(162)**	**-**

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(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

Reconciliation of deferred tax assets/(liabilities) (net):

	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	-	-
Deferred tax credit/(charge) recognised in Statement of Profit and Loss	162	-
Deferred tax credit/(charge) recognised in OCI during the year	0	-
As at the end of the year	162	-

Reconciliation of tax expense / (credit) and the accounting profit/(loss) multiplied by the tax rate

	Year ended 31-Mar-2024	Period ended 31-Mar-2023
Loss before tax	(553)	(396)
Tax credit at India's statutory income tax rate of 17.16% (March 31, 2023: 17.16%)	(95)	(68)
Reconciling items:		
Unrecognised business and depreciation loss	-	62
Other unrecognised deductible temporary differences	-	6
Deferred tax assets recognised relating to the previous year	(67)	-
Income tax expense/ (credit) as per Statement of profit and loss	**(162)**	**-**

Note:
Management has determined that the Company is eligible for the benefit of lower corporate tax rate as per Section 115BAB to the Income Tax Act, 1961. The Company has filed Form 10-ID with the Income Tax authorities for opting to choose the lower corporate income tax rate. Accordingly, the deferred tax asset and deferred tax credit has been computed in accordance with the tax rate specified in Section 115BAB to the Income Tax Act, 1961.

Significant estimate
The Company has recognised deferred tax assets on brought forward tax losses. During the year, Company has commenced providing cut and make services to Aditya Birla Fashion and Retail Limited (ABFRL). In accordance with the terms of arrangement, the Company is entitled to a consideration which includes reimbursement for costs incurred and an agreed mark-up. Management has also reviewed the future business plans from financial year 25 till financial year 29 which indicates that the Company will earn taxable profits from the financial year 26. The company has concluded that the deferred tax assets will be recoverable against estimated future taxable profits. The losses can be carried forward for a period of 8 years as per local tax regulations and the company expects to recover the losses. There are no unrecognised losses and deductible temporary differences as at March 31, 2024.

6.2 Other non-current tax assets

	As at 31-Mar-2024	As at 31-Mar-2023
Current tax (net of provisions of Nil (March 31, 2023: Nil)	12	0
	12	**0**

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7 Other non-current assets

	As at 31-Mar-2024	As at 31-Mar-2023
Capital advances	298	534
	298	**534**

8 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.

	As at 31-Mar-2024	As at 31-Mar-2023
At lower of cost and net realisable value		
Stores and spares	8	-
Total	**8**	**-**

9 Trade Receivables
Unsecured, considered good
Trade receivables are amounts due from customers for goods sold or services performed 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 group applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

	As at 31-Mar-2024	As at 31-Mar-2023
Trade receivables from a related party (refer note 34)	698	-
Total	698	-

Ageing of trade receivables

Particulars	Not due	Outstanding as on March 31, 2024 (for following periods from due date of payment)				
		0-6 Months	6 Months- 1 Year	1-3 Years	More than 3 Years	Total
Undisputed Trade receivables - Considered good	588	110	-	-	-	698

Note:
No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

10 Cash and cash equivalents

	As at 31-Mar-2024	As at 31-Mar-2023
Balances with bank:		
Current accounts	14	34
Cash on hand	0	-
Total	**14**	**34**

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11 Other financial assets

	As at 31-Mar-2024	As at 31-Mar-2023
Unsecured, considered good		
Security deposits	2	5
Bank Deposits (having a remaining maturity period of less than 12 Months)	11	-
Interest accrued on Bank deposits	3	-
Others	-	0
Total	**16**	**5**

12 Loans

	As at 31-Mar-2024	As at 31-Mar-2023
Unsecured, considered good		
Loans and advances to employees	1	-
	1	-

13 Other current assets

	As at 31-Mar-2024	As at 31-Mar-2023
Prepayments	19	2
Balance with government authorities	338	65
Advances to suppliers	2	0
Total	**359**	**67**

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14 Equity share capital

Authorised share capital	No. of Shares	Rs. (In Lakhs)
Equity shares of Rs.10 each		
As at June 15, 2022	10,000,000	1,000
Increase during the Period	30,000,000	3,000
As at March 31, 2023	40,000,000	4,000
Increase during the year	-	-
As at March 31, 2024	40,000,000	4,000

Subscribed and paid-up equity share capital	No. of Shares	Rs. (In Lakhs)
Equity shares of Rs.10 each issued, subscribed and fully paid up share capital		
Issued during the period		
As at June 15, 2022	1,000,000	100
Issued during the period (14,00,000 equity shares of Rs.10 each)	14,000,000	1,400
As at March 31, 2023	15,000,000	1,500
Issued during the year (20,00,000 equity shares of Rs.10 each)	20,000,000	2,000
As at March 31, 2024	35,000,000	3,500

a) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting.

b) Shares held by Holding Company

	As at 31-Mar-2024	As at 31-Mar-2023
Aditya Birla Fashion and Retail Limited, the holding company	349,999,940	149,999,940
	349,999,940	149,999,940

c) Details of shareholders holding more than 5% shares in the Company

	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
Aditya Birla Fashion and Retail Limited, the holding company	34,999,994	99.99%	14,999,994	99.99%
	34,999,994	99.99%	14,999,994	99.99%

d) Details of shareholding of promoters:

	As at March 31, 2024		As at March 31, 2023		
Name of the Promoter	No. of Shares	% of total numbers of shares	No. of Shares	% of total numbers of shares	Percentage of change during the year
Aditya Birla Fashion and Retail Limited	34,999,994	99.99%	14,999,994	99.99%	0.00%
Total	34,999,994	99.99%	14,999,994	99.99%	0.00%

e) There are no shares allotted for consideration other than cash during the year and in the previous period.

f) On April 10, 2023, the Company invited its shareholder to subscribe to a rights issue of 20,00,000 equity shares at an issue price of Rs.10 per share. The issue was fully subscribed. Further, on May 3, 2023 and June 23, 2023, the Company has issued 80,00,000 and 1,00,00,000 equity shares, respectively, at an issue price of Rs.10 per share through rights issue to its existing shareholder.

g) There are no shares reserved for issue under options.

h) There are no bonus shares issued during the year and in the previous period.

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15 Other equity

	As at 31-Mar-2024	As at 31-Mar-2023
Reserves and surplus		
Retained earnings		
As at the beginning of the year	(396)	-
Profit/(Loss) for the year/period	(391)	(396)
As at the end of the year	(787)	(396)
Other comprehensive income		
As at the beginning of the year	0	-
Remeasurement gains/ (losses)	(3)	0
As at the end of the year	(3)	0
Total	(790)	(396)

Retained earnings

Retained earnings comprise of the Company's accumulated undistributed profit/(losses) after taxes.

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. Remeasurement gains/ (losses) will not be reclassified subsequently to Statement of Profit and Loss.

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16 Non-current borrowings

Secured

Term Loan from Banks	**Effective interest rate % p.a**	**Maturity**	**As at 31-Mar-2024**	**As at 31-Mar-2023**
Term Loan from Axis Bank	8.56%	September, 2028	6,375	-
			6,375	**-**
Less: Current maturities of long term borrowings (included in current borrowings)			**572**	**-**
Non-current borrowings			**5,803**	**-**

Notes:

1. An amount of Rs.14,500 Lakhs was sanctioned by Axis Bank. The loan is repayable in 15 structured quarterly instalments beginning after 15 months from the date of first disbursement of the loan. The final instalment is due for repayment in September 2028.

2. The borrowing is secured by way of a charge on the movable assets (including book debts) of the Company. The charges were registered by the Company with Registrar of Companies within the statutory period.

3. The Company has been regular in paying interest payments. The Company has also complied with the financial covenants agreed with the lender.

4. Borrowings have been utilised by the Company for purpose specified in the agreement.

17 Provisions

Non-current	**As at 31-Mar-2024**	**As at 31-Mar-2023**
Gratuity (refer note 32)	24	1
Total	**24**	**1**

18 Other non-current liabilities

	As at 31-Mar-2024	**As at 31-Mar-2023**
Deferred Liability (EPCG benefit)	358	-
	358	**-**

Movement in deferred liability for EPCG benefit:

	As at 31-Mar-2024	**As at 31-Mar-2023**
Opening Balance	-	-
Benefits received during the year	377	-
Less: Recognised in profit or loss	(2)	-
Closing Balance	**375**	**-**
Current portion	17	-
Non-current portion	358	-

19 Current borrowings

Secured	**As at 31-Mar-2024**	**As at 31-Mar-2023**
Current maturities of long term borrowings (refer note 16)	572	-
	572	**-**

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20 Trade payables

	As at 31-Mar-2024	As at 31-Mar-2023
Total outstanding dues of micro enterprises and small enterprises (refer note 31)	22	3
Total outstanding dues of creditors other than micro enterprises and small enterprises	529	57
Total	**551**	**60**

Note:
a) Trade payables includes payable to related party amounting to Rs.503 Lakhs (March 31, 2023: Rs.37 Lakhs)

(a) Ageing of trade payables

Particulars	Unbilled	Not Due	Outstanding as on March 31, 2024 for following periods from the due date		
			Less than 1 year	1-2 Years	Total
Undisputed Trade payables:					
Micro enterprises and small enterprises	-	8	14	-	**22**
Others	18	371	140	-	**529**
Disputed Trade payables:					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	**18**	**379**	**154**	**-**	**551**

Particulars	Unbilled	Not Due	Outstanding as on March 31, 2023 for following periods from the due date		
			Less than 1 year	1-2 Years	Total
Undisputed Trade payables:					
Micro enterprises and small enterprises	-	3	-	-	**3**
Others	9	48	-	-	**57**
Disputed Trade payables:					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	**9**	**51**	**-**	**-**	**60**

21 Other financial liabilities

Non current	As at 31-Mar-2024	As at 31-Mar-2023
Retention Money Payable	220	-
Total	**220**	**-**
Current		
Employee benefits payable	85	29
Capital creditors		
Total outstanding dues of micro enterprises and small enterprises (refer note 31)	77	6
Total outstanding dues of creditors other than micro enterprises and small enterprises	195	15
Total	**357**	**50**

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22 Provisions

	As at 31-Mar-2024	As at 31-Mar-2023
Current		
Gratuity (refer note 32)	2	0
Provision for compensated absences	40	4
Total	**42**	**4**

The entire amount of the provision of Rs. 40 lakhs (March 31, 2023: Rs.4 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement. The Company does not expect all employees to avail the full amount of accrued leave or require payment within the next 12 months

Compensated absences not expected to be settled within next 12 months is Rs.29 lakhs (March 31, 2023: Rs.3 lakh)

23 Other current liabilities

	As at 31-Mar-2024	As at 31-Mar-2023
Statutory liabilities	20	17
Deferred liability (EPCG benefit)	17	-
Total	**37**	**17**

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24 Revenue from operations

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.

Revenue from services

Company provides cut and make services to its Holding Company. In accordance with the terms of arrangement, the Company is entitled to a consideration which includes reimbursement for costs incurred and an agreed mark-up. Revenue from cut and make service is recognised as the services are rendered, and recognised net of goods and services tax.

	Year ended 31-Mar-2024	Period ended 31-Mar-2023
Revenue from contracts with customers		
Revenue from rendering of services		
Cut and make charges (refer note 34)	764	5
Sale of products	2	4
Other operating income		
Scrap sales	1	0
Total	767	9

Critical judgement in recognising revenue
The Company has an arrangement with its holding company to provide cut and make services. The arrangement requires the Company to procure fabric and trims from the holding company or vendors nominated by it. The fabrics and trims procured cannot be used by the Company for any purpose other than manufacture of apparel to be sold to the holding company. The Company shall procure fabric and trims and manufacture apparel as per the quantity requirements agreed with the holding company. In accordance with the terms of arrangement, the Company is entitled to a consideration which includes reimbursement for costs incurred and an agreed mark-up.

The Company does not control the fabric and trims purchased as the holding company continues to retain control.
Accordingly, the Company has recognised revenue from this arrangement as a service revenue.

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25 Other income

	Year ended 31-Mar-2024	Period ended 31-Mar-2023
Gain on sale of current investments (net)	12	3
Foreign exchange gain (net)	17	-
Deferred Credit	2	-
Interest Income	3	-
Others	0	-
Total	**34**	**3**

26 Employee benefits expense

	Year ended 31-Mar-2024	Period ended 31-Mar-2023
Salaries, wages and bonus	698	109
Contribution to provident and other funds (net) [refer note 32]	75	14
Gratuity expense (refer note 32)	9	1
Compensated absences	30	3
Staff welfare expense	64	19
Total	**876**	**146**

27 Finance costs

	Year ended 31-Mar-2024	Period ended 31-Mar-2023
Interest expense on lease liabilities (refer note 4.2)	0	0
Interest expense on borrowings	27	-
Other borrowing costs	3	-
Total	**30**	**0**

28 Depreciation and amortization expense

	Year ended 31-Mar-2024	Period ended 31-Mar-2023
Depreciation of property, plant and equipment (refer note 3.1)	79	11
Amortisation of intangible assets (refer note 3.2)	2	0
Depreciation of right-of-use assets (refer note 4.1)	3	2
Total	**84**	**13**

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29 Other expenses	Year ended 31-Mar-2024	Period ended 31-Mar-2023
Consultancy charges	132	128
Electricity Expenses	44	10
Travelling and conveyance	24	16
Rent	18	10
Rates and taxes	15	30
Consumption of Stores and Spares	13	25
Repair and maintenance		
- Plant and machinery	5	1
- Others	10	10
Bank charges	6	0
Security and housekeeping expenses	20	6
Power and fuel	8	-
Legal and professional Fees	9	-
Insurance	9	1
Payment to Auditors		
- Statutory audit	5	5
Communication expenses	0	0
Printing and stationary	5	2
Assets written off	1	-
Transportation and handling charges	9	1
Miscellaneous expenses	31	4
Total	**364**	**249**

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30 Earnings per share (EPS)

The following reflects the loss and share data used for the basic and diluted EPS computation:

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Loss attributable to equity holders for basic earnings per share	(391)	(396)
Net loss for calculation of basic EPS	(391)	(396)
Weighted average number of equity shares	31,926,027	4,863,014
Basic earnings per share (in Rs.)	**(1.22)**	**(8.14)**
Net loss for calculation of diluted EPS	(391)	(396)
Weighted average number of equity shares	31,926,027	4,863,014
Diluted earnings per share (in Rs.)	**(1.22)**	**(8.14)**

31 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	99	9
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day	-	-
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 Period) but without adding the interest specified under the MSMED Act.	-	-
Interest accrued and remaining unpaid at the year end	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-	-

Includes dues towards capital creditors amounting to Rs.77 Lakhs (March 31, 2023: Rs.6 Lakhs)

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32 Employee benefits expense

A. Defined contribution plans

(i) Employers' contribution to provident fund

The Company has defined contribution plan in form of Provident Fund for qualifying employees. Contributions are made to provident fund for employees at the rate of 12% of salary as per regulations. The contributions are made to Employee Provident Fund Organisation (EPFO) registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation.

The expense recognised during the year is

	Year ended 31-Mar-2024	Period ended 31-Mar-2023
(i) Employers' contribution to Provident Fund	62	11
(ii) Employers' contribution to Employee's state insurance scheme	13	3
Total	**75**	**14**

B. Defined benefit plans

(a) Gratuity

The Company has a defined benefit gratuity plan as per The Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service is entitled to gratuity. The gratuity plan is unfunded. The amount of gratuity payment is equal to 15 days last drawn salary for each completed year of service.

The following tables summarize the components of net benefit expense that has been recognized in the statement of profit and loss and the funded status and amount recognized in the balance sheet:

(i) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:
Changes in the Present value of Defined Benefit obligation (DBO) are as follows

		As at 31-Mar-2024	As at 31-Mar-2023
Opening defined benefit obligation		1	-
Current service cost		8	1
Interest cost		1	0
Transfer in / (out)		13	0
Total	**(A)**	**23**	**1**
Remeasurement (gain)/ loss on account of			
Changes in demographic assumptions		-	-
Changes in financial assumptions		1	-
Experience adjustments		2	(0)
Remeasurement (gain)/ loss recognised in OCI	**(B)**	**3**	**(0)**
Benefits paid	(C)		
Closing defined benefit obligation	**(A+B+C)**	**26**	**1**

Net Liability is classified as follows

	As at 31-Mar-2024	As at 31-Mar-2023
Current liability	2	0
Non-current liability	24	1
Net Liability	**26**	**1**

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(ii) The amounts recognized through Statement of Profit and Loss and other comprehensive income

Particulars	Year ended 31-Mar-2024	Period ended 31-Mar-2023
Gratuity cost charged to Statement of Profit or Loss		
Current service cost	8	1
Interest expense	1	0
Total	9	1
Gratuity cost charged to other comprehensive income		
Remeasurement (gains)/losses	3	(0)
Total	3	(0)

(iii) The principal assumptions used in determining gratuity benefit obligations are shown below:

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Discount rate	7.20%	7.45%
Salary escalation rate		
Management	8.00%	8.00%
Staff	7.00%	7.00%
Workers	5.00%	5.00%
Retirement age	60 years	60 years
Attrition rate		
Up to 30 Years		
Management and staff	18% -20%	18% -20%
Workers	40.00%	40.00%
31-44 Years		
Management and staff	15.00%	15.00%
Workers	5.00%	5.00%
Above 44 Years		
Management and staff	10.00%	10.00%
Workers	3.00%	3.00%

(iv) A quantitative sensitivity analysis for significant assumption is as shown below:
The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Impact on defined benefit obligation - increase/ (decrease)

	As at 31-Mar-2024	As at 31-Mar-2023
Sensitivity level		
Discount Rate		
0.5% increase	(1)	(0)
0.5% decrease	1	0
Salary escalation rate		
0.5% increase	1	0
0.5% decrease	(1)	(0)
Attrition Rate		
1% increase	(1)	(0)
1% decrease	1	0
Mortality Rate		
10% increase	0	0
10% decrease	(0)	(0)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as changes in some of the assumptions may be correlated.

(iv) The following represents expected cash flow profile for the gratuity plan:

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Within the next 12 months (next annual reporting period)	2	0
Between 2 and 5 years	10	0
Between 6 and 10 years	12	0
Beyond 10 years	34	4
Total expected cash flow profile (payments)	**58**	**4**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (March 31, 2023: 14 years).
Expected contributions to defined benefits plan for the year ending March 31, 2025 is Rs.2 Lakhs

33 Commitments and Contingencies

	As at 31-Mar-2024	As at 31-Mar-2023
a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs.298 lakhs (March 31, 2023: Rs.534 lakhs))	2,661	5,640
b) Other Commitments (Refer Note below)		

Note:
The Company has obtained licenses 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. The Company has imported equipment during the current year under the Scheme and has availed a customs duty benefit of Rs.377 Lakhs (March 31, 2023: Nil). Company has determined that it would meet the export obligation commitment within the period specified.

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34 Related party disclosures

a. Names of related parties and nature of relationship

Names of related parties	Description of relationship
Party who exercises control	
Aditya Birla Fashion and Retail Limited	Holding Company
Other related parties	
Key management personnel	
Jacob John	Director
Jagdish Prasad Bajaj	Director
Narasimha Murthy Narahari	CEO and Director
Ramachandran Swaminathan	Director
Shiva Kumar N	Chief Financial Officer
Chetan Ghogare	Company Secretary with effect from January 29, 2024
Prativa Sharma	Company Secretary till July 31, 2023

b. Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

Nature of Transaction	Year ended 31-Mar-2024	Period ended 31-Mar-2023
	Holding Company	Holding Company
Sales of goods	-	4
Sale of services	764	5
Sale of capital items *	0	-
Purchase of stores and spares	2	22
Reimbursement for expenses incurred on behalf of the company	38	210
Common costs charged to the Company		
- Consultancy	36	98
- Repairs and maintenance	-	3
- Staff welfare	-	7
- Other expenses	4	8
Purchase of property, plant and equipment	23	13
Transfer of employee liabilities upon transfer from Holding Company	25	-
Interest on inter-corporate deposits (includes Rs.12 lakhs, which has been capitalised)	18	-
Inter corporate borrowings received	1,400	-
Inter corporate borrowings repaid	1,400	-

Above amounts are excluding GST
* Amount less than Rs 1,000

c. Balances outstanding

The following table provides the closing balances of related parties for the relevant financial year:

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
	Holding Company	Holding Company
Trade payables (refer note 20)	503	37
Trade receivables (refer note 9)	698	-

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35 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;

	FVTPL	FVTOCI	Amortised cost	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
As at March 31, 2024							
Financial assets							
Security deposits	-	-	25	**25**	-	-	-
Trade receivables	-	-	698	**698**	-	-	-
Cash and cash equivalents	-	-	14	**14**	-	-	-
Loans	-	-	1	**1**	-	-	-
Bank Balance other than cash and cash equivalents	-	-	11	**11**	-	-	-
Other financial assets	0*	-	96	**96**	-	0*	-
Total	-	-	**845**	**845**	-	-	-
Financial liabilities							
Non current borrowings	-	-	5,803	5,803	-	-	-
Current borrowings	-	-	572	572	-	-	-
Lease liability	-	-	1	**1**	-	-	-
Trade payables	-	-	551	**551**	-	-	-
Other financial liabilities	-	-	357	**357**	-	-	-
Total	-	-	**7,284**	**7,284**	-	-	-
As at March 31, 2023							
Financial assets							
Investments	-	-		-	-	-	-
Security deposits	-	-	5	5	-	-	-
Trade receivables	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	34	34	-	-	-
Loans	-	-	-	-			
Bank Balance other than cash and cash equivalents	-	-	-	-			
Other financial assets	-	-	0	0	-	-	-
Total	-	-	**39**	**39**	-	-	-
Financial liabilities							
Non Current Borrowings	-	-	-	-	-	-	-
Current Borrowings	-	-	-		-	-	-
Lease liabilities	-	-	1	1	-	-	-
Trade payables	-	-	60	60	-	-	-
Other financial liabilities	-	-	50	50	-	-	-
Total	-	-	**111**	**111**	-	-	-

* Amount is less than Rs.1,000

Notes:

All the financial assets and liabilities have been carried at amortised cost, except for forward contracts entered into by the Company for hedging against risk of fluctuations in exchange rates on foreign currency liabilities. All the financial assets and liabilities have been carried at amortised cost. Management has determined that fair values of the financial assets and liabilities approximate their carrying amounts, considering their short-term nature and also the fact that there has been no material change in the interest rates since the date of initial recognition.

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 and credit risk with respect to its financial assets and liquidity risk and market risk with respect to its financial liabilities. The Company's senior management oversees the management of these risks.

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 i.e. 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 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 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

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 interest rate changes on floating rate borrowings, as follows:

	As at 31-Mar-2024	As at 31-Mar-2023
% of Change	**(+/-) 0.50%**	**(+/-) 0.50%**
Increase/ decrease in Profit/ loss before tax	5	-
Increase/ decrease in Profit/ loss after tax	4	-

ii) Foreign currency risk

The Company's operations during the year are restricted to providing cut and make services to the Holding Company. The transactions with the Holding Company are denominated in Indian Rupees. The Company imports plant and equipment from outside India and is exposed to foreign currency risk on account of fluctuations in the exchange rates on payables to foreign vendors.
The Company manages foreign currency risk by hedging by 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 all of its payables in foreign currency.

The following table provide the details of forward contracts outstanding at the Balance Sheet date:

As at March 31, 2024

	Currency	Foreign currency in Lakhs	Rs in Lakhs
Forward contracts to buy (Hedge of payables)	EURO	0.45	41
	USD	0.74	62

As at March 31, 2023

	Currency	Foreign currency in Lakhs	Rs in Lakhs
Forward contracts to buy (Hedge of payables)		-	-

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Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency, will 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.

	As at 31-Mar-2024	As at 31-Mar-2023
% of Change	**(+/-) 0.50%**	**(+/-) 0.50%**
Increase/ decrease in Profit/ loss before tax	0	-
Increase/ decrease in Profit/ loss after tax	0	-

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to dynamic nature of the underlying business, management maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The Company has undrawn committed borrowing limit available to the extent of Rs.9,589 Lakhs as at March 31, 2024 (March 31, 2023: Nil). This includes working capital limit of Rs.1,500 Lakhs (March 31, 2023: Nil) and undrawn term-loan facility for financing the construction of the factory premises amounting to Rs.8,089 Lakhs (March 31, 2023: Nil).

The below tables summarises the maturity profile of the Company's financial liabilities based on contractual payments.

As at March 31, 2024 — Rs. in Lakhs

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,108	6,400	-	7,508
Lease liabilities	0	0	3	3
Other financial liabilities	357	-	-	357
Trade payables	551	-	-	551
Total	**2,016**	**6,400**	**3**	**8,419**

As at March 31, 2023 — Rs. in Lakhs

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	-	-	-	-
Lease liabilities	0	0	3	3
Other financial liabilities	50	-	-	50
Trade payables	60	-	-	60
Total	**110**	**0**	**3**	**113**

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c) 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. Credit risk from balances with banks and financial institutions is managed by the management 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

The Company has balances with a bank which has a 'stable' credit rating. The trade receivables are due from the Holding Company, wherein there is no history of bad debts and delays in collections. Accordingly, management has determined that the amount of provision for expected credit loss as at March 31, 2024 to be negligible.

36 The Company is in the process of constructing plants for manufacturing apparel. During the year ended March 2024, one of the plants has become operational and the Company is in the process of completing the construction of an adjacent plant.

The Company has incurred losses of Rs.397 lakhs, has net current liabilities exceeding current assets of Rs.464 lakhs and has incurred cash losses of Rs.605 lakhs from operating activities.

Management has obtained a 'letter of intent' from Aditya Birla Fashion and Retail Limited (ABFRL), the Holding Company, stating that ABFRL will provide financial support to enable the Company to meet its liabilities as and when they fall due during the financial year 2024-25. The Company has entered into a revenue contract with ABFRL during March 2024, which guarantees a fixed-margin on costs incurred by the Company in providing cut and make services. Management has also reviewed the cash flow projections for the year ended March 31, 2025 and has determined that the Company would be able to meet its obligations as and when they fall due.

Accordingly, management has prepared these financial statements on a going concern basis.

37 Provisions of Section 135(1) of Companies Act, 2013 with respect to Corporate Social Responsibility is not applicable to the Company for the year ended March 31, 2024.

38 Based on the "management approach", as defined under Ind AS 108 - Operating segments, the operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The board of directors have been identified as the CODM. The CODM evaluates the performance of the Company as a single operating segment for allocation of resources.

The Company is domiciled in India and all of its revenue comes from sale to customers in India. There are no assets held by the Company outside India.

Disclosure of revenues and assets within and outside the country of domicile is as below:

	31-Mar-24	31-Mar-23
(I) Segment Revenue		
Within India	767	9
Outside India	-	-
	767	9
(II) Non-current assets*		
Within India	9,417	1,131
Outside India	-	-
	9,417	1,131

* excludes deferred tax asset (net)

The Company has earned all its revenue from one customer i.e. the Holding Company during the years ended March 31, 2024 and March 31, 2023.

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39 Analytical Ratios

Particulars	As at 31-Mar-2024	As at 31-Mar-2023	Variance	Reasons for variance more than 25% (absolute terms)
Current ratio (times)	0.70	0.81	-13.64%	-
Debt-equity ratio (times)	2.35	NA	100.00%	The Company has availed a term loan amounting to Rs.6,376 lakhs from a bank during the current year.
Debt service coverage ratio (times)	(17.63)	NA	100.00%	The Company has availed a term loan from a bank during the current year.
Return On Equity (%)	-21%	-72%	-71.42%	Losses incurred during the current year and additional equity from the Holding Company received during the year have contributed to the variance.
Inventory turnover (times)	-	-	-	Not applicable
Debtors turnover (times)	2.20	NA	100.00%	The Company had no trade receivables at March 31, 2023.
Net profit ratio (%)	-51%	-9903%	-99.48%	The Company commenced operations at its plant during the current year. The Company was mainly involved in construction of its manufacturing plant in the previous period.
Return on Capital Employed (%)	-10%	-72%	-85.68%	Loan availed during the current year and additional equity funding received from the Holding Company have contributed to the variance.
Trade Payable Turnover Ratio (times)	1.19	8.31	-85.65%	Increase in trade payables at March 31, 2024 has resulted in a lower turnover ratio.
Net Capital Turnover Ratio (times)	(3.15)	(0.33)	854.51%	Higher revenues in the current year as compared to the previous period has contributed to the variance.
Return on Investment (%)	-9%	-64%	-86.29%	Increase in total assets compared to the period ended March 31, 2023 has contributed to the variance.

The Company commenced operations at one of its plant in the current year. The Company was involved in construction of its plants in the previous year.
Accordingly, the ratios for the year ended March 31, 2024 are not comparable with the ratios for the period ended March 31, 2023.

Note
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 Indian Accounting Standard 116) - Cash and Bank Balance (includes fixed deposits) - Liquid Investments
Equity = Equity share capital + Other equity (excluding Indian Accounting Standard 116)
3. Debt service coverage ratio = Earnings before interest (excluding impact of interest on lease liability as per IND AS 116) and tax / [Finance cost (excluding impact of interest on lease liability as per IND AS 116) + 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. Net profit ratio = Profit After Tax / Revenue from Operations
8. Return on Average Capital Employed = Earnings Before Interest and Tax / Average of opening and closing Capital Employed
9. Trade Payables Turnover Ratio = Other expenses / Average of opening and closing Trade Payables
10.Net Capital Turnover ratio = Revenue / Average of opening and closing working capital
11.Return on Investments = Earnings Before Interest and Tax / Average of opening and closing Total assets
12.Revenue includes Sales of products and services
13.Inventory turnover ratio is not applicable as there is no inventory held by the company as at March 31, 2023 and March 31, 2024.

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40. Additional Regulatory information

(i) Details of benami property held
No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Willful defaulter
The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iii) Compliance with number of layers of companies
The Company has not made any investments and hence compliance with respect to the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017 is not applicable.

(iv) 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/ period.

(v) Utilisation of borrowed funds and share premium
(A) 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
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(B) 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.

(vi) Undisclosed income
There is no income surrendered or disclosed as income during the current year or previous period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency
The company has not traded or invested in crypto currency or virtual currency during the current year or previous period.

(viii) 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 year or previous period. The Company does not have any investment property.

(ix) Relationship with struck off companies
The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act,1956.

(x) Core Investment Companies (CIC)
The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India, However the Group has 8 CICs (registered and unregistered) as part of the Group.

(xi) Registration of Charge or Satisfaction of charges with Registrar of Companies
There are no charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.

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(xii) 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.

The Company procures inventories of fabric from its Holding Company and provides cut and make services prior to transferring the finished products back to the Holding Company. In accordance with the Ind AS principles, the Company has not recognised the inventories of fabric and finished products in these financial statements. However, the Company has the legal title to the inventories of fabric bought from the Holding Company. Legal title to the finished products are transferred to the Holding Company upon sale. The Company has provided the inventories of fabric and finished goods as security against a borrowing facility availed from a bank. Such inventories were included in the quarterly returns or statements of current assets filed by the Company with the bank.

(xiii) Utilisation of Borrowed availed from Banks and Financial institutions

The Borrowings obtained by the company from banks and financial institutions have been applied for the purpose for which loans were taken.

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41 Other Accounting Policies

(a) Property, plant and equipment

Property, plant and equipment is recognised at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes taxes, duties, freight and other incidental expenses, related to the acquisition and installation of the asset concerned and 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 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

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.

(b) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss, in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful 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 intangible assets are reviewed at least at the end of each reporting period and changes if any, made on prospective basis. The amortisation expense is recognised in the Statement of Profit and Loss.

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 Statement of Profit and Loss when the asset is de-recognised.

(c) Other 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 Statement of Profit and Loss.

(d) 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 Employees State Insurance (ESI), which are recognised in the Statement of Profit and Loss on accrual basis. The Company recognises contribution payable to the provident fund scheme and ESI as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund and ESI.

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(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. In accordance with the plan, employees are entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service. The Company's gratuity plan is more favourable as compared to the obligation under Payment of Gratuity Act, 1972 whereby employees are entitled to gratuity benefit on separation, without any limit. The benefit vests after five years of continuous service and the same is payable on termination of service or retirement, whichever is earlier. The Company's liabilities 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 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 balance of the defined benefit obligation. This cost is included in the 'Employee benefits expense' in the Statement of Profit and Loss. Re-measurement gains or losses (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 Other Comprehensive Income (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 Statement of Profit and Loss.

(d) Compensated absences

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

The Company presents the provision for compensated absences as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement beyond a period of twelve months after the reporting date.

(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 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) Earnings per share

Basic EPS amounts are calculated by dividing the profit/ (loss) for the period /year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period/ year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders by the weighted average number of equity shares outstanding during the period /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.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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(h) 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 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.

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.

(i) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, 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 recognised in the Statement of Profit and Loss.

(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 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 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 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.

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(k) 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.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and are presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(l) Fair value measurements and hierarchy

The Company measures financial instruments, such as investments and derivatives at fair value at each 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.

(m) 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 Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the 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 Statement of Profit and Loss are also reclassified in OCI or the Statement of Profit and Loss, respectively).

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(n) Taxes

Current tax

Income tax expense 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, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

(o) 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 Statement of Profit and Loss are recognised immediately in the 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.

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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.

(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 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 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 Statement of Profit and Loss.

Impairment of financial assets:
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.

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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 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.

(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 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 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.

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Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the 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 Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in the Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in the 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 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 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 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 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 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 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 the Statement of Profit and Loss.

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 Statement of Profit and Loss.

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Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the 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.

(p) Inventories

Stores and spares are valued at lower of cost or net realisable value. Cost includes cost of purchase and other costs necessary for 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.

In terms of our report attached

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E300009

Praveen C G
Partner
Membership No : 214797

Place : Bengaluru
Date: May 21, 2024

For and on behalf of the Board of Directors of
Aditya Birla Garments Limited

Shiva Kumar.N
Chief Finance Officer
PAN:AOVPS2404M

Place : Bengaluru
Date: May 21, 2024

R. Swaminathan

R Swaminathan
Director
DIN : 09638315

Place : Bengaluru
Date: May 21, 2024

Bajaj

Jagdish Bajaj
Director
DIN : 08498055

Place : Bengaluru
Date: May 21, 2024

Narasimha Murthy Narahari
Chief Executive Officer
DIN : 09638314

Place : Bengaluru
Date: May 21, 2024

Chetan Ghogare
Company Secretary
PAN:BLYPG3357A

Place : Bengaluru
Date: May 21, 2024