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Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report

To the Members of Indivinity Clothing Retail Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of Indivinity Clothing Retail Private 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 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 Director report, but does not include the financial statements and our auditor's report thereon. The Director report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations



Price Waterhouse & Co Chartered Accountants LLP, Building No. 8, 8th Floor, Tower B, DLF Cyber City
Gurugram - 122 002, Haryana
T: +91 (124) 4620 000, F: +91 (124) 4620 620

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

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)

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:
 - 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.
 - 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.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



To the Members of Indivinity Clothing Retail Private Limited
Report on Audit of the Financial Statements
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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.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

11. 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.
12. 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 for the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, in the absence of sufficient appropriate audit evidence we are unable to verify whether the backup of books of account and other books and papers maintained in electronic mode has been maintained on a daily basis on servers physically located in India during the audit period.
 - (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 as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(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 did not have any derivative contracts as at March 31, 2024.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.



To the Members of Indivinity Clothing Retail Private Limited
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- iv. (a) The management has represented that, to the best of its knowledge and belief, 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 (Refer Note 49(iv)(a) to the financial statements);
- (b) The management has represented that, to the best of its knowledge and belief, 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 (Refer Note 49(iv)(a) to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination, the Company has used accounting software, which is operated by a third party software service provider, for maintaining its books of account where service organisation's auditor's report do not cover audit trail, we are unable to comment whether the audit trail feature of the aforesaid software was 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.
13. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

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

Sonika Burman

Sonika Burman
Partner
Membership Number 504839

UDIN: 24504839BKAUTL9597
Place: Gurugram
Date: May 22, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of Indivinity Clothing Retail Private Limited on the financial statements for the year ended March 31, 2024
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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 Indivinity Clothing Retail Private 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.

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



Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of Indivinity Clothing Retail Private Limited on the financial statements for the year ended March 31, 2024
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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

Sonika Burman
Partner
Membership Number: 504839

UDIN : 24504839BKAUTL9597
Place: Gurugram
Date: May 22, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Indivinity Clothing Retail Private Limited on the financial statements as of and for the year ended March 31, 2024
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In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The Company does not own any immovable properties. Refer Note 3 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 Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The terms of sanction do not stipulate filing of quarterly returns or statements with such banks, and accordingly, the question of our commenting on whether the returns or statements are in agreement with the unaudited books of account of the Company, does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.



Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Indivinity Clothing Retail Private Limited on the financial statements as of and for the year ended March 31, 2024
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- 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. 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 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 regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise and other material statutory dues, as applicable, with the appropriate authorities.
(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.
(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 the Company has utilised funds raised on short-term basis aggregating Rs 2450.14 lacs for long-term purposes.
(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) and (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.



Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Indivinity Clothing Retail Private Limited on the financial statements as of and for the year ended March 31, 2024
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- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, 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.
- 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 has 8 CICs as part of the Group as detailed in note 49(xii) 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. 7,584.09 lacs in the financial year and of Rs. 2,962.45 lacs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.



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Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Indivinity Clothing Retail Private Limited on the financial statements as of and for the year ended March 31, 2024

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- xix. On the basis of the financial ratios (Also refer note 43 to the financial statements), 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



Sonika Burman
Partner
Membership Number 504839
UDIN : 24504839BKAUTL9597

Place: Gurugram
Date: May 22, 2024

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	6,497.28	5,198.50
Right-of-use assets	4	30,562.28	26,614.88
Capital work-in-progress	5	39.63	301.65
Other Intangible assets	6	90.37	63.53
Net investment in sub-lease	7	1,640.73	1,097.91
Financial assets			
(i) Security deposits	8	1,426.15	1,016.62
(ii) Other financial assets	9	15.69	10.57
Deferred tax assets (net)	10	4,267.91	3,305.11
Non-current tax assets (net)	11	34.18	10.02
Other non-current assets	12	250.24	513.31
Total non-current assets		44,824.46	38,132.10
Current assets			
Inventories	13	7,869.27	7,693.58
Financial assets			
(ii) Trade receivables	14	865.41	160.31
(iii) Cash and cash equivalents	15	9,758.56	172.31
(vi) Other financial assets	16	28.18	43.65
Other current assets	17	4,654.96	2,465.17
Total current assets		23,176.38	10,535.02
Total Assets		68,000.84	48,667.12
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	5,904.97	5,904.97
Other equity	19	(3,778.77)	2,585.19
Total Equity		2,126.20	8,490.16
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	3,500.00	3,500.00
(ii) Lease liabilities	21	32,888.77	27,077.64
(iii) Other financial liabilities	22	211.10	120.88
Other liabilities	23	112.01	75.90
Employee benefit obligations	24	103.30	153.72
Total non-current liabilities		36,815.18	30,928.14
Current liabilities			
Financial liabilities			
(i) Borrowings	20	20,906.00	1,136.23
(ii) Lease Liabilities	25	1,912.14	1,699.09
(iii) Trade payables	26	0.50	36.69
-Total outstanding dues of micro enterprises and small enterprises			
-Total outstanding dues of creditors other than micro enterprises and small enterprises		4,363.35	4,614.26
(iv) Other financial liabilities	27	1,026.79	1,378.54
Employee benefit obligations	28	133.71	110.84
Other current liabilities	29	716.97	273.17
Total current liabilities		29,059.46	9,248.82
Total liabilities		65,874.64	40,176.96
Total equity and liabilities		68,000.84	48,667.12

The above balance sheet should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

For and on behalf of the Board of Directors
Indivinity Clothing Retail Private Limited

Sonika Burman

Sonika Burman

Partner
Membership No. 504839

Place: Gurugram
Date: May 22, 2024



Tarun Radhakrishnan Tahliani

Tarun Radhakrishnan
Tahliani

Director
DIN : 00045531

Place: Gurugram
Date: May 22, 2024

Ashish Dikshit

Ashish Dikshit

Director
DIN : 01842066

Place: Mumbai
Date: May 22, 2024

Sooraj Bhat

Sooraj Bhat
Chief Executive Officer

Place: Gurugram
Date: May 22, 2024

Yogesh Sharma

Yogesh Sharma
Chief Financial Officer

Place: Gurugram
Date: May 22, 2024

Deepika Jaiswal

Deepika Jaiswal
Company Secretary

Place: Mumbai
Date: May 22, 2024

Indivinity Clothing Retail Private Limited
 CIN: U18109HR2021PTC093323
 Statement of Profit and loss for the year ended March 31, 2024
 (All amounts are in ₹ Lakhs, unless otherwise stated)

9000-4700-12

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income:			
Revenue from operations	30	10,006.00	4,928.74
Other income	31	1,213.13	147.77
Total income		11,219.13	5,076.51
Expenses			
Cost of raw materials consumed	32A	982.53	1,445.12
Purchases of traded goods	32C	1,670.63	1,197.67
Changes in inventories of work in progress, stock in trade and finished goods	32B	(14.70)	(4,400.20)
Employee benefits expense	33	2,263.76	2,091.06
Finance costs	34	4,827.54	1,728.16
Depreciation and amortisation expense	35	6,497.93	2,433.03
Other expenses	36	12,285.33	10,660.42
Total expenses		28,513.02	15,155.26
Loss before tax		(17,293.89)	(10,078.75)
Income tax expense:			
Current tax	37	-	-
Deferred tax		(962.80)	(3,310.34)
Total tax expense		(962.80)	(3,310.34)
Loss for the year		(16,331.09)	(6,768.41)
Other Comprehensive income			
Items that will not to be reclassified to statement of profit and loss			
Re-measurement gain on defined benefit plan	47	(32.87)	20.77
Income tax effect on above		-	(5.23)
Total other Comprehensive gain, net of tax		(32.87)	15.54
Total Comprehensive Loss for the year		(16,363.96)	(6,752.87)
Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2024 : ₹ 10)]	38		
(1) Basic		(276.57)	(155.36)
(2) Diluted		(276.57)	(155.36)

The above statement of profit and loss should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
 Firm Registration No. 304026E/E-300009

For and on behalf of the Board of Directors
 Indivinity Clothing Retail Private Limited

Sonika Burman

Sonika Burman

Partner
 Membership No. 504839

Place: Gurugram
 Date: May 22, 2024



Tarun Radhakrishin Tahiliani

Tarun Radhakrishin
 Tahiliani
 Director
 DIN : 00045531

Place: Gurugram
 Date: May 22, 2024

Ashish Dikshit

Ashish Dikshit
 Director
 DIN : 01842066

Place: Mumbai
 Date: May 22, 2024

Sooraj Bhat

Sooraj Bhat
 Chief Executive Officer

Place: Gurugram
 Date: May 22, 2024

Yogesh Sharma

Yogesh Sharma
 Chief Financial Officer

Place: Gurugram
 Date: May 22, 2024

Deepika Jaiswal

Deepika Jaiswal
 Company Secretary

Place: Mumbai
 Date: May 22, 2024

9000 + 4700 = 13

Indivinity Clothing Retail Private Limited
CIN: U18109HR2021PTC093323
Statement of Cash Flows for the year ended March 31, 2024
 (All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loss before tax	(17,293.89)	(10,078.75)
Adjustments for:		
Depreciation and amortisation expense	6,497.93	2,433.03
Finance costs	4,827.54	1,728.16
Interest income on fixed deposits	(1.30)	(8.56)
Unwinding of discount on security deposits	(257.57)	(106.26)
(Net Gain) from investments in mutual funds	(5.73)	(14.55)
(Gain) on termination of lease	(936.27)	-
(Gain) on disposal of property, plant and equipment	(12.26)	1.93
Operating Loss before working capital changes	(7,181.55)	(6,045.00)
Change in working capital		
(Increase)/Decrease in inventories	(175.69)	(4,996.37)
(Increase)/Decrease in trade receivables	(705.10)	(152.92)
(Increase)/Decrease in other financial assets and security deposits	(683.70)	(609.70)
(Increase)/Decrease in other current assets	(2,189.79)	(1,741.45)
(Increase)/Decrease in trade payables	(287.10)	2,994.55
(Increase)/Decrease in other current liabilities	443.80	206.10
(Increase)/Decrease in other current financial liabilities	(1.92)	204.21
(Increase)/Decrease in other non current financial liabilities	90.22	120.88
(Increase)/Decrease in other non current liabilities	36.11	75.90
(Increase)/Decrease in employee benefit obligations	(60.42)	63.67
Cash generated from operations	(10,715.14)	(9,880.13)
Income taxes paid	(24.16)	(2.55)
Net cash flows from operating activities	(10,739.30)	(9,882.68)
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work-in-progress	(3,950.14)	(4,459.19)
(Increase)/Decrease in deposits with financial institutions	(5.12)	33.45
Proceeds from sale of property, plant and equipment	597.34	(9.51)
Interest received	1.30	8.56
Proceeds from sale of investments	5.73	1,248.85
Net cash used in investing activities	(3,350.88)	(3,177.84)
Cash flow from financing activities		
Proceeds from issuance of shares	-	11,380.81
Proceeds from Share Application money pending allotment	10,000.00	-
Proceeds from borrowings	20,906.00	13,753.60
Repayment of borrowings	(1,136.23)	(9,253.60)
Payment of lease liabilities	(2,202.06)	(1,063.34)
Interest on lease liabilities	(3,442.91)	(1,479.14)
Interest on borrowings	(1,384.63)	(249.02)
(Gain) on termination of lease	936.27	-
Net cash flows from/(used) in financing activities	23,676.44	13,089.31
Net increase/(decrease) in cash and cash equivalents	9,586.26	28.79
Cash and cash equivalents at the beginning of the year	172.31	7.29
Cash and cash equivalents at the end of the year	9,758.56	36.08
Components of cash and cash equivalents		
Cash on hand (refer note 15)	-	0.19
Balances with banks: (refer note 15)		
- On current accounts	9,686.62	6.64
- Deposits with original maturity of less than three months	2.06	148.64
Balance with e-wallet & credit card companies	69.88	16.84
Bank overdrafts (refer note 20)	-	(136.23)
Total cash and cash equivalents	9,758.56	36.08

Notes:
 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 above statement of cash flows should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
 Firm Registration No. 304026E/E-300009

For and on behalf of the Board of Directors
Indivinity Clothing Retail Private Limited

Sonika Burman

Sonika Burman
 Partner
 Membership No. 504839
 Place: Gurugram
 Date: May 22, 2024



Sooraj Bhat

Sooraj Bhat
 Chief Executive Officer
 Place: Gurugram
 Date: May 22, 2024

Tarun Radhakrishin Tahiliani

Tarun Radhakrishin Tahiliani
 Director
 DIN : 00045531
 Place: Gurugram
 Date: May 22, 2024

Ashish Dikshit

Ashish Dikshit
 Director
 DIN : 01842066
 Place: Mumbai
 Date: May 22, 2024

Yogesh Sharma

Yogesh Sharma
 Chief Financial Officer
 Place: Gurugram
 Date: May 22, 2024

Deepika Jaiswal

Deepika Jaiswal
 Company Secretary
 Place: Mumbai
 Date: May 22, 2024

9000-4700-14

Indivinity Clothing Retail Private Limited
CIN: U18109HR2021PTC093323
Statement of Changes in equity for the year ended March 31,2024
 (All amounts are in ₹ Lakhs, unless otherwise stated)

A Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid up

As at March 31, 2022
 Shares issued during the year
 As at March 31, 2023
 Shares issued during the year
 As at March 31, 2024

No. of Shares	Amount
3,50,00,000	3,500.00
2,40,49,707	2,404.97
5,90,49,707	5,904.97
-	-
5,90,49,707	5,904.97

B Other Equity

Particulars	Attributable to the equity holders			Total Other equity
	Reserves and surplus			
	Securities Premium (Refer note 19)	Retained earnings (Refer note 19)	Share Application Money Pending Allotment (Refer note 19)	
As at April 01, 2022	3,491.18	(3,128.96)	-	362.22
Shares issued during the year	8,975.84	-	-	8,975.84
Loss for the year	-	(6,768.41)	-	(6,768.41)
Re-measurement gain on defined benefit plan	-	15.54	-	15.54
As at March 31, 2023	12,467.02	(9,881.83)	-	2,585.19
As at April 01, 2023	12,467.02	(9,881.83)	-	2,585.19
Shares issued during the year	-	-	-	-
Loss for the year	-	(16,331.09)	-	(16,331.09)
Re-measurement gain on defined benefit plan	-	(32.87)	-	(32.87)
Share application money received	-	-	10,000.00	10,000.00
As at March 31, 2024	12,467.02	(26,245.79)	10,000.00	(3,778.77)

The above statement of change in equity should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
 Firm Registration No. 304026E/E-300009

For and on behalf of the Board of Directors
 Indivinity Clothing Retail Private Limited

Sonika Burman

Sonika Burman

Partner
 Membership No. 504839

Place: Gurugram
 Date: May 22, 2024



Tarun Radhakrishin Tahiliani

Tarun Radhakrishin
 Tahiliani
 Director
 DIN : 00045531

Place: Gurugram
 Date: May 22, 2024

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Place: Mumbai
 Date: May 22, 2024

Sooraj Bhat

Sooraj Bhat
 Chief Executive Officer

Place: Gurugram
 Date: May 22, 2024

Yogesh Sharma

Yogesh Sharma
 Chief Financial Officer

Place: Gurugram
 Date: May 22, 2024

Deepika Jaiswal

Deepika Jaiswal
 Company Secretary

Place: Mumbai
 Date: May 22, 2024

9000-4700-15

Indivinity Clothing Retail Private Limited

CIN: U18109HR2021PTC093323

Notes to the financial statements for the year ended March 31, 2024

1. Corporate information

Indivinity Clothing Retail Private Limited (the "Company"), a private company domiciled in India, is incorporated on March 03, 2021 under the provisions of the Companies Act, 2013. The registered office of the Company is located at P No 708, Sector 37, Pace City II, Gurgaon, Haryana- 122001.

The Company is primarily engaged in manufacturing and trading of readymade garments being men's ethnic wear like apparel, jewellery and related accessories. The Company is principally engaged in business under the brand name TASVA.

The financial statements have been approved and adopted by the Board in their meeting held on May 22, 2024.

2. Basis of preparation

(i) Compliance with Ind AS

The Financial Statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The Financial Statements have been prepared on a historical cost basis, except for the following which have been measured at fair value:

- Defined benefit plans – plan assets measured at fair value.

(iii) New and amended standards adopted by the Company

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

- Disclosure of accounting policies – amendment to Ind AS 1
- Definition of accounting estimate – amendment 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 recognized in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

(iv) Critical accounting estimates, assumptions and judgements

The preparation of Financial Statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the Financial Statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.



Indivinity Clothing Retail Private Limited**CIN: U18109HR2021PTC09323****Notes to the financial statements for the year ended March 31, 2024**

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 has based its assumptions and estimates on parameters available when the financial statements were prepared. 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) Employee benefit plans

The present value of the gratuity is 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 discounting 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 discounting rate. In determining the appropriate discounting rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

(b) Taxes

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

(c) Provision on inventories

The Company provides for inventories based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

(d) Leases

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

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.



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Indivinity Clothing Retail Private Limited

CIN: U18109HR2021PTC093323

Notes to the financial statements for the year ended March 31, 2024

(e) Going concern

The management of the Company, based on the financial projections, is confident that the Company's sales would grow, and profitability would improve. Further, Aditya Birla Fashion and Retail Limited (Holding Company), confirming its financial and operational support to the Company for its continued operations in future, which will permit it to discharge its liabilities, as and when they fall due, and continue to operate as a going concern. Accordingly, these financial statements have been prepared by the management assuming going concern which contemplates realization of assets and settlement of liabilities in the normal course of business.

(v) Functional and Presentation Currency:

The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest lakhs, unless otherwise stated.

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



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Indivinity Clothing Retail Private Limited

CIN: U18109HR2021PTC093323

Notes to the financial statements for the year ended Mar 31, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

3 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis upto the month preceding the month of deletions/ disposals. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has used the following rates to provide depreciation on its tangible fixed assets:

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

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Office equipment's	5 years
Electrical fittings, installations and equipment's	10 years

(b) Assets where useful life differs from Schedule II

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Plant and machineries	15 years	20 years
Furniture and fixtures – retail stores	10 years	5 years
Furniture and fixtures – other than retail stores	10 years	7 years
Vehicles	10 years	5 years
Computers	3 years for end user devices and 6 years for servers	4 years

Useful life of assets different from that prescribed in Schedule II has been estimated by the management, supported by technical a

Leasehold assets

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Leasehold improvements at stores	5 years or period of lease, whichever is lower
Leasehold improvements other than stores	Period of lease

Interiors have been treated as part of leasehold improvements. Therefore, useful life shall be based on period of lease.

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.

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other gains/ losses.

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



Indivinity Clothing Retail Private Limited
CIN: U18109HR2021PTC093323

Notes to the financial statements for the year ended Mar 31, 2024
(All amounts are in ₹ Lakhs, unless otherwise stated)

3 Property, Plant and Equipment (continued)

Particulars	Leasehold improvements	Plant and machineries	Electrical equipments	Electrical fittings & installations	Furniture and fixtures	Office equipments	Vehicles	Computers	Total
Cost									
As at March 31, 2022	593.79	30.04	75.05	19.33	383.53	77.67	14.27	77.19	1,270.87
Add: Additions	2,470.54	47.86	857.61	1.17	748.42	168.30	8.58	162.91	4,465.39
Less: Disposals	-	-	-	-	-	-	14.27	-	14.27
As at March 31, 2023	3,064.33	77.90	932.66	20.50	1,131.95	245.97	8.58	240.10	5,721.99
Add: Additions	2,090.07	33.32	666.80	-	924.25	246.98	0.80	93.39	4,055.62
Less: Disposals	397.63	-	198.49	-	67.76	28.19	-	-	692.08
As at March 31, 2024	4,756.77	111.22	1,400.97	20.50	1,988.44	464.76	9.38	333.49	9,085.53
Depreciation									
As at March 31, 2022	21.91	0.49	1.28	0.29	14.15	1.89	0.80	8.70	49.51
Add: Depreciation charge for the year	279.96	2.80	26.95	1.91	106.80	13.35	2.10	41.04	474.91
Less: Disposals	-	-	-	-	-	-	0.93	-	0.93
As at March 31, 2023	301.87	3.29	28.23	2.20	120.95	15.24	1.97	49.74	523.49
Add: Depreciation charge for the year	1,162.78	3.87	293.97	2.01	484.17	131.53	1.63	91.79	2,171.76
Less: Disposals	76.45	-	17.21	-	11.15	2.18	-	-	107.00
As at March 31, 2024	1,388.20	7.16	304.99	4.21	593.97	144.59	3.60	141.53	2,588.25
Net Block									
As at March 31, 2024	3,368.57	104.06	1,095.98	16.29	1,394.47	320.17	5.78	191.96	6,497.28
As at March 31, 2023	2,762.46	74.61	904.43	18.30	1,011.00	230.73	6.61	190.36	5,198.50

Note: The Company has not revalued its property, plant and equipment.



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Indivinity Clothing Retail Private Limited
CIN: U18109HR2021PTC093323
Notes to the financial statements for the year ended March 31, 2024
 (All amounts are in ₹ Lakhs, unless otherwise stated)

4 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortised on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	As at March 31, 2024	As at March 31, 2023
Right to use assets (refer note 40)	30,562.28	26,614.88
	<u>30,562.28</u>	<u>26,614.88</u>

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

	Buildings
As at March 31, 2022	<u>6,982.74</u>
Addition	21,569.34
Less: Amortisation expense	(1,937.20)
As at March 31, 2023	<u>26,614.88</u>
Addition	14,880.99
Less: Disposal	(6,650.36)
Less: Amortisation expense	(4,283.23)
As at Mar 31, 2024	<u>30,562.28</u>

5 Capital work-in-progress

	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress	39.63	301.65
	<u>39.63</u>	<u>301.65</u>

Ageing of Capital Work in Progress (CWIP)

As at Mar 31, 2024					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31.99	7.64	-	-	39.63
Total	31.99	7.64	-	-	39.63

As at March 31, 2023					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	301.65	-	-	-	301.65
Total	301.65	-	-	-	301.65

6 Other intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment.

Intangible assets are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets 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.

Amortisation methods and periods

A summary of amortisation policies applied to the Company's intangible assets is as below:

Intangible Assets	Useful life	Amortisation method used
Computer Software	3 years	Amortised on straight-line basis

Particulars	Computer Software
Cost	
As at March 31, 2022	61.16
Add: Additions	34.00
As at March 31, 2023	<u>95.16</u>
Add: Additions	69.78
As at March 31, 2024	<u>164.94</u>
Amortisation	
As at March 31, 2022	10.71
Add: Amortisation for the year	20.92
Less: Disposals	-
As at March 31, 2023	<u>31.63</u>
Add: Amortisation for the year	42.94
Less: Disposals	-
As at March 31, 2024	<u>74.57</u>
Net block	
As at March 31, 2024	90.37
As at March 31, 2023	63.53

Note: The Company has not revalued its intangible assets.



Indivinity Clothing Retail Private Limited
CIN: U18109HR2021PTC093323
Notes to the financial statements for the year ended March 31, 2024
 (All amounts are in ₹ Lakhs, unless otherwise stated)

7 Finance Lease Receivable

Net investment in sub-lease

As at March 31, 2024	As at March 31, 2023
1,640.73	1,097.91
1,640.73	1,097.91

8 Security deposits

Unsecured - considered good
 Security deposits

As at March 31, 2024	As at March 31, 2023
1,426.15	1,016.62
1,426.15	1,016.62

9 Other financial assets

Deposit account with Bank (Original Maturity of more than 12 months)

As at March 31, 2024	As at March 31, 2023
15.69	10.57
15.69	10.57

10 Deferred tax assets (net)

Deferred tax assets/(liabilities)

As at March 31, 2024	As at March 31, 2023
4,267.91	3,305.11
4,267.91	3,305.11

Particulars	Tax losses and Unabsorbed depreciation	Defined benefit obligations	Depreciation and amortisation	Impact of Ind AS 116	Other	Total
As at 31 March 31, 2022	-	-	-	-	-	-
(Charged)/ Credited						
- to statement of profit and loss	3,033.80	4.99	(26.82)	238.93	59.44	3,310.34
- to other comprehensive income	-	(5.23)	-	-	-	(5.23)
As at March 31, 2023	3,033.80	(0.24)	(26.82)	238.93	59.44	3,305.11
(Charged)/ Credited						
- to statement of profit and loss	962.80	-	-	-	-	962.80
- to other comprehensive income	-	-	-	-	-	-
As at March 31, 2024	3,996.60	(0.24)	(26.82)	238.93	59.44	4,267.91

11 Non-current tax assets (net)

Income tax receivable

As at March 31, 2024	As at March 31, 2023
34.18	10.02
34.18	10.02

12 Other non-current assets

Unsecured - considered good
 Capital advance

As at March 31, 2024	As at March 31, 2023
250.24	513.31
250.24	513.31

13 Inventories

Inventories including stores and spares are valued at the lower of cost and the net realisable value. The Cost of individual items of inventory are determined using weighted average method. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

	As at March 31, 2024	As at March 31, 2023
At lower of cost or net realisable value		
Raw materials	1,053.23	816.50
Spares & Consumables	43.41	119.15
Work-in-progress	654.47	764.23
Finished goods (includes goods in transit of Rs. 372.25 lakhs (March 31, 2023 113.95 lakhs))	4,395.22	4,803.52
Traded goods (includes goods in transit of Rs. 108.12 lakhs (March 31, 2023 27.12 lakhs))	1,722.94	1,190.18
Total	7,869.27	7,693.58

Amounts recognised in the statement of profit and loss

Write-downs of inventories to net realisable value amounted to Rs. 657 lakhs (March 31, 2022 – Rs. 61.37 lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in the statement of profit and loss.



9000-4700-22

Indivinity Clothing Retail Private Limited
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 (All amounts are in ₹ Lakhs, unless otherwise stated)

14 Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects 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.

	As at March 31,2024	As at March 31,2023
Trade receivables from others	865.41	160.31
Total trade receivable	865.41	160.31

Break-up for trade receivables:

Trade receivables	865.41	160.31
Considered good, unsecured	865.41	160.31

Aging of trade receivables

As at March 31,2024

Particulars	Not Due	Outstanding for the following years from due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
- considered good	-	325.29	540.12	-	-	-	865.41
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total Trade receivables	-	325.29	540.12	-	-	-	865.41

Aging of trade receivables

As at March 31,2023

Particulars	Not Due	Outstanding for the following years from due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
- considered good	-	160.31	-	-	-	-	160.31
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total Trade receivables	-	160.31	-	-	-	-	160.31

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

Trade receivables are non-interest bearing and are generally on terms of 30 days.

The Company creates allowance for all trade receivables based on lifetime expected credit loss model (ECL). The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. Based on the evaluation made by the management, no expected credit loss has been recognised in the current year and previous year.

15 Cash and cash equivalents

	As at March 31,2024	As at March 31,2023
Balances with bank:		
-On current accounts	9,686.62	6.64
-Deposits with original maturity of less than three months	2.06	148.64
Cash on hand	-	0.19
Balance with e-wallet & credit card companies	69.88	16.84
Total	9,758.56	172.31

16 Other financial assets

	As at March 31,2024	As at March 31,2023
Unsecured - considered good		
Interest accrued on fixed deposits	0.79	0.79
Other receivables	27.39	42.86
	28.18	43.65

17 Other current assets

	As at March 31,2024	As at March 31,2023
Unsecured - considered good		
Right to recover returned goods (refer note 29)	279.00	54.48
Prepaid expenses	90.05	11.09
Balance with government authorities	4,004.02	2,301.37
Advance to suppliers	290.81	68.24
Other advances	0.17	-
	4,654.96	2,465.17



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Notes to the financial statements for the year ended March 31,2024

(All amounts are in ₹ lakhs, except share data and per share data, and unless otherwise stated)

18 Equity share capital**Authorized share capital**

Equity shares of ₹ 10 each

At March 31, 2022

Increase during the year

At March 31,2023

Increase during the year

At March 31,2024

	No. of Shares	Amount
At March 31, 2022	4,00,00,000	4,000.00
Increase during the year	2,50,00,000	2,500.00
At March 31,2023	6,50,00,000	6,500.00
Increase during the year		
At March 31,2024	6,50,00,000	6,500.00

Issued share capital**Fully paid up**

Equity shares of ₹ 10 each issued and subscribed

At March 31, 2022

Increase during the year

At March 31,2023

Increase during the year

At March 31,2024

	No. of Shares	Amount
At March 31, 2022	3,50,00,000	3,500.00
Increase during the year	2,40,49,707	2,404.97
At March 31,2023	5,90,49,707	5,904.97
Increase during the year		
At March 31,2024	5,90,49,707	5,904.97

a) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Shares held by Holding Company

Aditya Birla Fashion and Retail Limited (Holding Company)

47,239,761 (March 31, 2023: 47,239,761) equity shares of Rs 10 each

	As at March 31,2024	As at March 31,2023
Aditya Birla Fashion and Retail Limited (Holding Company)	4,72,39,761	4,72,39,761

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

	March 31,2024		March 31,2023	
	Number	% Holding	Number	% Holding
Equity shares				
Aditya Birla Fashion and	4,72,39,761	80.00%	4,72,39,761	80.00%
Tarun Tahiliani	1,18,09,941	20.00%	1,18,09,941	20.00%
	5,90,49,702	100.00%	5,90,49,702	100.00%

d) Details of Shareholding of Promoters:**Shares held by promoters as at Mar 31,2024**

Name of the Promoter	No. of Shares	% of total number of shares	% Change during the year
Aditya Birla Fashion and Retail Limited	4,72,39,761	80.00%	-
Tarun Tahiliani	1,18,09,941	20.00%	-

Shares held by promoters as at March 31,2023

Name of the Promoter	No. of Shares	% of total number of shares	% Change during the year
Aditya Birla Fashion and Retail Limited	4,72,39,761	80.00%	-
Tarun Tahiliani	1,18,09,941	20.00%	-

e) There were no shares issued for consideration other than cash during the year ended March 31,2024 and year ended March 31, 2023.



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Indivinity Clothing Retail Private Limited

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Notes to the financial statements for the year ended March 31, 2024

(All amounts are in ₹ lakhs, except share data and per share data, and unless otherwise stated)

19 Other Equity

	As at March 31, 2024	As at March 31, 2023
Securities premium	12,467.02	12,467.02
Retained earnings	(26,245.79)	(9,881.83)
Share Application Money pending Allotment	10,000.00	-
Total	(3,778.77)	2,585.19

Note: The shares are subsequently allotted on May 9, 2024.

(i) Securities premium

At March 31, 2022

Premium on issue of shares

At March 31, 2023

Premium on issue of shares

At Mar 31, 2024

Amount
3,491.18
8,975.84
12,467.02
-
12,467.02

(ii) Retained earnings

At March 31, 2022

Loss for the year

Re-measurement Profit on defined benefit plan

At March 31, 2023

Loss for the year

Re-measurement Profit on defined benefit plan

At March 31, 2024

(3,128.96)
(6,768.41)
15.54
(9,881.83)
(16,331.09)
(32.87)
(26,245.79)

(iii) Share Application Money pending allotment

At March 31, 2022

Share application money received

At March 31, 2023

Share application money received

At March 31, 2024

-
-
10,000.00
10,000.00



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Indivinity Clothing Retail Private Limited
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Notes to the financial statements for the year ended March 31, 2024
 (All amounts are in ₹ Lakhs, unless otherwise stated)

20 Borrowings

Non-current
Secured
Term Loan from Bank

As at March 31, 2024	As at March 31, 2023
3,500.00	3,500.00
3,500.00	3,500.00

Outstanding term loan of Rs.5000 lakhs (March 31, 2023: Rs. 3500 lakhs) taken from ICICI Bank which is secured by way of charge over movable Property, plant and equipment of the Company. The loan is repayable in 10 equal quarterly instalments starting from quarter ended September 2024. The rate of interest on loan is 1 year Marginal Cost of Funds-based Lending Rate (MCLR) per annum. Current Maturity of Long Term Borrowing is included in current borrowings is Rs.1500 lakhs (March 31, 2023: Nil).

Current
Secured
 Demand Loan from Bank
 Current Maturity of Long Term Borrowing
 Inter Corporate Deposit
 Bank Overdraft
Total

-	1,000.00
1,500.00	-
19,406.00	-
-	136.23
20,906.00	1,136.23

Demand loan was taken from ICICI Bank in two tranches of Rs. 500 lakhs each. The same was secured by First Pari-Passu charge on all current assets and second pari-passu charge on movable property, plant and equipment of the Company. The rate of interest on loan was Repo Rate plus spread of 2.05% per annum. The loan was repaid fully in Jan'24.

Bank overdraft has been taken from ICICI Bank which is secured by First Pari-Passu charge on all current assets and second pari-passu charge on movable property, plant and equipment of the Company. The loan is repayable on demand. The rate of interest on loan is 6 months Marginal Cost of Funds-based Lending Rate (MCLR) + 1% spread per annum.

There is no default in repayment of loan instalments or payment of interest thereon as per the terms and conditions of loan taken from related party.

1. The Company has registered/satisfied all the charges wherever required with Registrar of Companies within the statutory period.
2. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

Net Debt reconciliation

Cash and cash equivalents
 Non-current borrowings
 Current borrowings
 Lease Liabilities
Net Debt

As at March 31, 2024	As at March 31, 2023
9,758.56	172.31
(3,500.00)	(3,500.00)
(20,906.00)	(1,136.23)
(14,800.91)	(28,776.71)
(40,148.35)	(32,240.63)

21 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using Company's incremental borrowing cost. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments or penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification arising due to change in the lease term, change in the lease payments or a change in the assessment of an option to purchase the underlying asset, when the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Non Current
 Lease liabilities

As at March 31, 2024	As at March 31, 2023
32,888.77	27,077.64
32,888.77	27,077.64

The following is the lease liabilities movement

Balance at beginning of the year
 Additions during the year
 Disposals during the year
 Finance cost incurred during the year (refer note 34)
 Payment of lease liabilities
Balance at end of the year

As at March 31, 2024	As at March 31, 2023
28,776.73	7,172.83
14,880.99	22,667.24
(7,591.02)	-
3,442.91	1,479.14
(4,708.70)	(2,642.48)
34,800.91	28,776.71

Non Current (refer note 21)
 Current (refer note 25)

32,888.77	27,077.64
1,912.14	1,699.09
34,800.91	28,776.71

22 Other financial liabilities

Non-current
 Security deposits

As at March 31, 2024	As at March 31, 2023
211.10	120.88
211.10	120.88

23 Other Liabilities

Deferred income

As at March 31, 2024	As at March 31, 2023
112.01	75.90
112.01	75.90

24 Employee benefit obligations

Non-current
 Provision for gratuity (refer note 47)
 Provision for stock appreciation right (refer note 48)
 Provision for Employee stock option plan (refer note 48)

As at March 31, 2024	As at March 31, 2023
76.23	52.38
27.07	30.07
-	71.27
103.30	153.72

25 Lease liabilities

Current
 Lease liabilities

As at March 31, 2024	As at March 31, 2023
1,912.14	1,699.09
1,912.14	1,699.09



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Indivinity Clothing Retail Private Limited
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 Notes to the financial statements for the year ended March 31, 2024
 (All amounts are in ₹ Lakhs, unless otherwise stated)

26 Trade Payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	0.50	36.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,363.35	4,614.26
Total	4,363.85	4,650.95

**Aging of trade payable
As at March 31, 2024**

Particulars	Unbilled	Not due	Outstanding as on March 31, 2024 from due date of payment					Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		
Undisputed trade payables								
Micro enterprises and small enterprises	-	0.50	-	-	-	-	-	0.50
Others	1,710.68	1,480.00	1,157.81	14.86	-	-	-	4,363.35
Total	1,710.68	1,480.50	1,157.81	14.86	-	-	-	4,363.85

**Aging of trade payable
As at March 31, 2023**

Particulars	Unbilled	Not due	Outstanding as on March 31, 2023 from due date of payment					Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		
Undisputed trade payables								
Micro enterprises and small enterprises	-	31.44	5.25	-	-	-	-	36.69
Others	1,195.77	1,537.21	1,953.69	17.59	-	-	-	4,614.26
Total	1,195.77	1,568.65	1,958.94	17.59	-	-	-	4,650.95

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosure are required to be made relating to Micro and Small Enterprises. On the basis of the information and records available with the management, there are outstanding dues to the Micro and Small Enterprises under MSMED Act, 2006.

The following disclosure are required under section 22 of MSMED act, 2006 under the chapter of delayed payment to micro and small enterprises:

Due to Micro small and medium enterprises:

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.50	36.69
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	13.57	12.32
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	9.42	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year.	13.57	12.32
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.	-	-

27 Other financial liabilities**Current**

Creditors for capital supplies/ services
 Employee benefits payable

	As at March 31, 2024	As at March 31, 2023
Creditors for capital supplies/ services	707.50	1,057.13
Employee benefits payable	310.20	328.21
	1,017.70	1,385.34

28 Employee benefit obligations

Provision for gratuity (refer note 47)
 Provision for compensated absences

	As at March 31, 2024	As at March 31, 2023
Provision for gratuity (refer note 47)	8.23	3.60
Provision for compensated absences	125.48	107.24
	133.71	110.84

The entire amount of provision of Rs. 125.48 lakhs (March 31, 2023 - Rs. 107.24 Lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leaves or require payment for such leave within the next 12 months.

Leave obligation not expected to be settled within the next 12 months

	191.49	87.06
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29 Other current liabilities**Current**

Refund liability
 Statutory liabilities

	As at March 31, 2024	As at March 31, 2023
Refund liability	487.69	123.36
Statutory liabilities	239.28	149.81
	726.97	273.17

Refund liabilities

Where a customer has a right to return a product within a given year, the Company recognises a refund liability for the amount of the revenue recognised for which entity does not expect to be entitled Rs. 487.69 Lakhs (March 31, 2023- 123.36 lakhs). The Company also recognises right to recover the returned goods for Rs. 279.00 Lakhs (March 31, 2023: 54.48 lakhs). See Note 17. The costs to recover products are not material as the customers usually return in a saleable condition.



Indivinity Clothing Retail Private Limited
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(All amounts are in ₹ Lakhs, unless otherwise stated)

30 Revenue from operations

Revenue from contract with customers

The Company is primarily engaged in the business of manufacturing and retailing high end garments. Revenue from contracts with customers is recognised when control of the goods / services is transferred to customer at an amount that reflects consideration to which the Company expects to be entitled in exchange for those goods or 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.

(i) Sale of goods- wholesale

The Company manufactures and sells a range of readymade garments being men's ethnic wear like apparel, jewellery and related accessories to the wholesaler. Sales are recognised when control of goods has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected sales return from customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

(ii) Sale of goods- retail

The Company operates a chain of retail stores selling readymade garments being men's ethnic wear like apparel, jewellery and related accessories. Revenue from the sale of goods is recognised when Company sells a good to the customer. Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery in store. The Company does not have a return policy for retail customer and hence no refund liability created in the books for retail sale.

	Year ended March 31,2024	Year ended March 31,2023
Sale of goods	10,004.98	4,928.74
Other operating revenue	1.02	-
Sale of scrap	10,006.00	4,928.74

Reconciliation of revenue recognised with contract price

	Year ended March 31,2024	Year ended March 31,2023
Revenue as per contracted price	10,370.33	5,052.10
Adjustments for:		
Refund liability	(164.33)	(123.36)
	10,006.00	4,928.74

31 Other income

	Year ended March 31,2024	Year ended March 31,2023
Interest income		
- on fixed deposits	1.30	8.56
Unwinding of discount on security deposits	257.57	106.26
Net gain from investments in mutual funds	5.73	14.55
Miscellaneous income	-	18.40
Gain on disposal of property, plant and equipment	12.26	-
Gain on termination of lease	936.27	-
Total	1,213.13	147.77

32A Cost of raw materials consumed

	Year ended March 31,2024	Year ended March 31,2023
Inventories at the beginning of the year	816.50	285.00
Add: Purchases during the year	1,219.26	1,976.62
Less: Inventories at the end of the year	1,051.23	816.50
	984.53	1,445.12

32B Changes in inventories of work in progress, stock in trade and finished goods

	Year ended March 31,2024	Year ended March 31,2023
Opening inventories		
Work-in-progress	764.23	911.37
Finished goods	4,803.52	1,285.62
Traded goods	1,190.18	215.22
	6,757.93	2,412.21
Closing inventories		
Work-in-progress	654.47	764.23
Finished goods	4,395.22	4,803.52
Traded goods	1,722.04	1,190.18
	6,772.63	6,812.41
Changes in inventories	(14.70)	(4,400.20)

32C Purchases of traded goods

	Year ended March 31,2024	Year ended March 31,2023
Traded goods	1,670.63	1,197.67
	1,670.63	1,197.67



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Indivinity Clothing Retail Private Limited
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 (All amounts are in ₹ Lakhs, unless otherwise stated)

	Year ended March 31,2024	Year ended March 31,2023
33 Employee benefits expense		
Salaries, wages and allowances	2,058.30	1,926.25
Contribution to provident fund (refer note 47)	86.64	65.49
Gratuity expenses (refer note 47)	22.71	24.26
Staff welfare expense	76.71	67.23
Provision for stock option plans (refer note 48)	19.40	7.83
Total	2,263.76	2,091.06
34 Finance costs		
Interest on:		
- Lease liabilities	3,442.91	1,479.14
- Working capital loan	943.29	232.73
- Term Loan	111.31	16.29
Total	4,827.54	1,728.16
35 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	2,171.76	474.91
Amortisation of right-of-use assets (refer note 4)	4,283.23	1,937.20
Amortisation of intangible assets (refer note 6)	42.91	20.92
Total	6,497.93	2,433.03
36 Other expenses		
Processing charges	2,117.47	3,698.91
Transportation charges	108.44	91.56
Store consumables	188.41	140.89
Advertisement and sales promotion	4,179.15	3,922.37
Rent (refer note 40)	435.51	167.25
Legal and professional charges	2,628.16	1,488.51
Franchise commission to selling agents	882.04	98.89
Repair and maintenance		
-Others	489.91	195.51
Travelling and conveyance	256.93	322.00
Security & Housekeeping expenses	224.49	164.15
Telephone and Internet expenses	14.10	6.60
Rates and taxes	6.75	4.48
Insurance	23.68	10.67
Printing and stationary	12.31	21.19
Power, fuel and water charges	541.13	235.52
Bank charges	141.21	61.05
Courier charges	31.45	22.66
Loss on disposal of property, plant and equipment	-	1.93
Miscellaneous expenses	4.19	6.28
Total	12,285.33	10,660.42

Note : Auditor remuneration

Particulars	Year ended March 31,2024	Year ended March 31,2023
As auditor:		
- Audit fee	6.60	6.60
- Out of pocket expenses	1.01	0.90
	7.61	7.50



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37 Income tax expense

The major components of income tax expense for the year/year ended

a. Tax expense recognised in statement of profit and loss

Particulars	Year ended March	Year ended March
	31,2024	31,2023
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
(Gains)/losses relating to origination and reversal of temporary differences	(962.80)	(3,305.11)
Income tax effect on above	-	(5.23)
Income tax (income)/expense recognised in the statement of profit and loss	(962.80)	(3,310.34)

b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	Year ended March	Year ended March
	31,2024	31,2023
Loss before tax	(17,293.89)	(10,078.75)
Tax at the Indian tax rate of 25.168% (Previous year: 25.168%)	-	-
Tax	(4,352.53)	(2,536.62)
Deferred tax asset not recognized in the absence of reasonable certainty	3,389.72	2,536.62
Impact of deferred tax created unabsorbed losses and depreciation for the year	-	(769.92)
Tax effect of amounts which are not temporary in nature	-	-
-others	-	(3.51)
	(962.80)	(3,310.34)
Components of other comprehensive income (OCI)	Year ended March	Year ended March
	31,2024	31,2023
Re-measurement gain on defined benefit obligation	(32.87)	20.77
Income tax effect	-	(5.23)
Total	(32.87)	15.54

38 Earnings per share (EPS)

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

Diluted EPS amounts are calculated by dividing the loss attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

	Year ended March	Year ended March
	31,2024	31,2023
Loss attributable to equity holders for basic earnings	(16,331.09)	(6,768.41)
Weighted average number of equity shares	59,04,971	43,56,565
Basic earnings per share	(276.57)	(155.36)
Diluted earnings per share	(276.57)	(155.36)

Note: There are no diluted instruments.



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Notes to the financial statements for the year ended March 31,2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

39 Commitments and contingencies

Capital Commitment

The Company has capital commitments of Nil value as at March 31,2024 (March 31, 2023: Rs.513.31 Lakhs)

40 Leases

The Company has entered into agreements for taking on the lease office buildings/stores. Leases of office buildings/stores generally have lease terms from 3 to 21 years with escalation clauses in the lease agreements.

(i) The amounts recognized in Balance Sheet:

	As at March 31,2024	As at March 31,2023
Right-of-use assets (refer note 4)	30,562.28	26,614.88
Lease Liabilities		
Non Current (refer note 21)	32,888.77	27,077.64
Current (refer note 25)	1,912.14	1,699.09

(ii) The following are the amounts recognized in profit or loss:

	Year ended March 31,2024	Year ended March 31,2023
Interest expense on lease liabilities (refer note 34)	3,442.91	1,479.14
Amortisation expense for right-of-use assets (refer note 35)	4,283.23	1,937.20
	7,726.14	3,416.34
Expense relating to short-term leases (included in other expenses)	435.51	167.25

(iii) The Company has used the following practical expedient:

Accounting for operating leases with a remaining lease term of less than 12 months treated as short-term leases.

(iv) Extension and Termination option:

Extension and Termination options are included in all the contracts of short term lease and both are exercisable at mutual consent of Lessor and Lessee.

(v) Sublease:

The Company subleased few leases , the same were originally considered as finance lease, the original right-of-use asset is reclassified and recognised as Finance Lease Receivable and the original lease liability is accounted for based on the accounting for a lease liability in a finance lease. The finance income is recognised over the period of lease.

The amounts recognized in Balance Sheet:

	Year ended March 31,2024	Year ended March 31,2023
Net investment in sub-lease	1,640.73	1,097.91



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41 Related party disclosures

a. Related parties

Description of relationship	Names of related parties
a) Holding Company	Aditya Birla Fashion and Retail Limited
Key management personnel ("KMP")	
(a) Chief Designing Officer	Mr. Tarun Radhakrishin Tahiliani
(b) Chief Executive Officer	Mr. Sooraj Bhat
(c) Executive Directors	Mr. Ashish Dikshit Mr. Sooraj Bhat Mr. Sunirmal Talukdar Ms. Sukanya Kripalu Mr. Yogesh Sharma Ms. Deepika Jaiswal
(d) Chief Financial Officer	
(e) Company Secretary	
Entity jointly controlled by the Holding Company	Goodview Fashion Private Limited Jaypore Ecommerce Private Limited
Parties where KMP exercises control	Tahiliani Design Private Limited

b. Transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year/year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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

	Year ended March 31, 2024				Year ended March 31, 2023			
	Holding Company	KMP	Party where KMP exercises control	Entity jointly controlled by the Holding Company	Holding Company	KMP	Party where KMP exercises control	Entity jointly controlled by the Holding Company
Loans received	19,406.00	-	-	-	9,153.60	-	-	100.00
Loan repayment made	-	-	-	-	(9,153.60)	-	-	(100.00)
Interest expense	845.00	-	-	-	156.42	-	-	0.05
Legal and professional charges	231.00	176.00	-	-	100.00	219.05	-	77.70
Rent paid	-	-	32.00	-	-	-	3.00	-
Reimbursement of expenses	425.00	-	8.55	250.00	134.95	-	-	48.56
Purchase of Raw material/Production Services	563.00	-	0.52	-	256.16	-	-	5.63
Sale of goods	71.00	-	6.00	-	-	-	-	0.65
Issue of equity shares	-	-	-	-	9,104.75	2,276.06	-	-
Share application money pending allotment	10,000.00	-	-	-	-	-	-	-

c. Outstanding balances

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

	As at March 31, 2024				As at March 31, 2023			
	Holding Company	KMP	Party where KMP exercises control	Entity jointly controlled by the Holding Company	Holding Company	KMP	Party where KMP exercises control	Entity jointly controlled by the Holding Company
Trade payables	223.69	-	1.35	200.00	0.34	-	-	28.96
Employee Benefits Payable	-	-	-	-	78.11	-	1.61	-
Borrowing (Inter corporate deposit)	19,406.00	-	-	-	-	-	-	-
Share application money pending allotment	10,000.00	-	-	-	-	-	-	-

42 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors of the Company is identified as the Chief Operating Decision Maker ("CODM"). CODM evaluates the performance of the Company based on the single operative segment for the purpose of allocation resources and evaluating financial performance.

The Company is domiciled in India and revenue comes from India only. There are no assets held by the Company outside India.



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43 Ratio Analysis and its elements

Particulars	UOM	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change	Rationale
Current ratio	Times	Current assets	Current liabilities (excluding Lease Liabilities accounted as per Ind AS 116)	0.85	1.40	(38.82%)	Increase in working capital requirement because of rapid expansion has led to increase in current liabilities higher than current assets.
Debt-Equity ratio	Times	Total debt - Lease liabilities	Equity	11.48	0.55	2002.05%	The Debt has increased because of Inter-corporate deposit loan with ABPL and the Equity has reduced because of reduction in retained earnings.
Debt Service Coverage ratio	Times	Earnings for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other adjustments + Interest + other adjustments like loss on sale of PPE etc	Debt service = Interest and principal repayments including lease payments	(0.71)	(0.93)	(23.70%)	Earnings excluding non-cash expenses have improved when compared to last year.
Return on Equity	Percentage	Loss for the year	Average Equity	(307.66%)	(109.59%)	(198.07%)	The loss in year has increased because the brand is under expansion phase.
Inventory Turnover ratio	Times	Revenue from Operations	Average Inventories	1.29	0.95	35.55%	The revenue from operations have increased by 100% without major increase in closing inventory.
Trade Receivable turnover ratio	Times	Revenue from Operations	Average trade receivables	19.53	58.78	(66.81%)	New revenue channel and trade partners have come in current year other than retail channel which has led to increase in trade receivables
Trade Payable Turnover ratio	Times	Total Purchases	Average trade payables	0.64	1.01	(36.90%)	New trade partners with higher credit days is leading to drop in trade payable ratio
Net Capital Turnover ratio	Times	Revenue from Operations	Average working capital = current assets - current liabilities	(4.35)	3.31	(231.35%)	Working capital has worsened from last year because of rapid expansion has led to increase in current liabilities higher than current assets.
Net Profit ratio	Percentage	Loss for the year	Revenue from Operations	(163.21%)	(137.33%)	(24.89%)	The loss in year has increased because the brand is under expansion phase.
Return on capital employed	Percentage	Earnings before interest and tax	Average capital employed = Equity + Lease liabilities	(26.06%)	(33.65%)	7.59%	No major variation from last year.
Return on Investment	Percentage	Earnings before interest and tax	Average total assets	(21.37%)	(26.78%)	5.41%	No major variation from last year.

* Finance cost/ interest comprises of Interest expense on borrowing and excludes interest expense on lease liabilities and interest charge on fair value of financial instruments.

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44 Fair values

The carrying value and fair value of financial instruments by categories as at March 31,2024 and March 31, 2023.

	FVTPL	FVTOCI	Amortised	Total Carrying	Fair value		
					Level 1	Level 2	Level 3
As at March 31,2024							
Financial assets							
Investments	-	-	-	-	-	-	-
Security deposits	-	-	1,426.15	1,426.15	-	-	-
Trade receivables	-	-	865.41	865.41	-	-	-
Cash and cash equivalents	-	-	9,758.56	9,758.56	-	-	-
Bank balance other than cash and cash equivalents	-	-	-	-	-	-	-
Other financial assets	-	-	43.87	43.87	-	-	-
Total	-	-	12,093.99	12,093.99	-	-	-
Financial liabilities							
Borrowings	-	-	24,406.00	24,406.00	-	-	-
Lease liabilities	-	-	34,800.91	34,800.91	-	-	-
Trade payables	-	-	4,363.85	4,363.85	-	-	-
Other financial liabilities	-	-	1,237.89	1,237.89	-	-	-
Total	-	-	64,808.65	64,808.65	-	-	-
As at March 31,2023							
Financial assets							
Investments	-	-	-	-	-	-	-
Security deposits	-	-	1,016.62	1,016.62	-	-	-
Trade receivables	-	-	160.31	160.31	-	-	-
Cash and cash equivalents	-	-	172.31	172.31	-	-	-
Bank balance other than cash and cash equivalents	-	-	-	-	-	-	-
Other financial assets	-	-	54.22	54.22	-	-	-
Total	-	-	1,403.46	1,403.46	-	-	-
Financial liabilities							
Borrowings	-	-	4,636.23	4,636.23	-	-	-
Lease liabilities	-	-	28,776.73	28,776.73	-	-	-
Trade payables	-	-	4,650.95	4,650.95	-	-	-
Other financial liabilities	-	-	1,499.42	1,499.42	-	-	-
Total	-	-	39,563.33	39,563.33	-	-	-

The above table also explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortized cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath.

Level 1: Fair value of financial instruments traded in active market is based on quoted market price at the end of the reporting year.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfer between levels during the year.



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Notes to the financial statements for the year ended March 31, 2024**(All amounts are in ₹ Lakhs, unless otherwise stated)****45 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise of lease liabilities, trade payables and employee related payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations. The Company does not enter into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt as at March 31, 2024.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has debt obligations with floating interest rates, hence, is exposed to interest rate risk.

Interest rate sensitivity

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

	As at March 31, 2024		As at March 31, 2023	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Basis points (%)				
Increase/ (decrease) on loss before tax	122.03	(122.03)	23.18	(23.18)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in the prior years.

(b) Foreign currency risk

The Company is not exposed to foreign currency risk as at reporting date.

(ii) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Company yearically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and yearically reviewed on the basis of such information. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Statement of Profit and Loss.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and security deposits).



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(a) Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The majority of the sales of the Company happens in cash .The Company does not have significant trade receivables. An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

(b) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Company's operations. The Company has substantial trade receivable balance which is expected to be recovered within 12 months. The Company also uses cash credit and bank loans as a mode of funding. The Company manages its surplus funds centrally by placing them with reputable financial institution with high credit rating and no history of default.

The below tables summarises the maturity profile of the Company's financial liabilities based on contractual payments (undiscounted basis):

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>
As at March 31,2024			
Trade payables	4,363.85	-	-
Borrowings	20,906.00	3,500.00	-
Lease liabilities	6,492.39	34,109.92	14,932.97
Other financial liabilities	1,026.79	211.10	-
	<u>32,789.03</u>	<u>37,821.02</u>	<u>14,932.97</u>
As at March 31,2023			
Trade payables	4,650.95	-	-
Borrowings	1,136.23	3,500.00	-
Lease liabilities	4,204.16	22,539.72	19,429.26
Other financial liabilities	1,378.54	120.88	-
	<u>11,369.88</u>	<u>26,160.60</u>	<u>19,429.26</u>

46 Capital management

The Company's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Company is to borrow through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets. The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarizes the capital of the company (debt excludes lease liabilities) :

	<u>As at March 31,2024</u>	<u>As at March 31,2023</u>
Short term Debts (include current maturity of long term borrowings)	20,906.00	1,136.23
Long-term-Debts	3,500.00	3,500.00
Total Borrowings	<u>24,406.00</u>	<u>4,636.23</u>
Equity	2,126.20	8,490.16

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest - bearing loans and borrowings.



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47 Defined Contribution and Defined benefit Plans

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 towards defined contribution plan is Rs. 86.64 Lakhs (March 31, 2023: Rs. 65.49 Lakhs)

B. Defined benefit plans

The Company operates gratuity plan through a Trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. A part of the gratuity plan is funded and another part is managed within the Company, hence the liability has been bifurcated into funded and unfunded.

The Company contributes to the Fund based on the actuarial valuation report. The Company has contributed to the Insurer Managed Fund (managed by Life Insurance Corporation of India), details of which is available in the table of Investment pattern of plan assets. Based on which, the Company is not exposed to any market risk.

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and Balance Sheet for the respective plans:

(i) Changes in the Defined Benefit Obligations (DBO) are as follows:

	Year ended March 31,2024	Year ended March 31,2023
Defined benefit obligation as at the beginning of the year		
Current service cost	55.97	55.32
Interest cost on defined benefit obligation	20.55	19.58
Changes in financial assumptions	2.16	4.68
Experience adjustments	1.83	(3.02)
Benefits paid	31.04	(17.75)
Acquisition adjustment	-	(15.39)
Closing defined benefit obligation at the end of year	(27.09)	12.55
	84.46	55.97
Classification of Defined benefit obligation		
Current	8.23	3.60
Non-current	76.23	52.38

(ii) Net benefit expense recognised through the Statement of Profit and Loss and other other comprehensive income

Total expenses recognised in the Statement of Profit or Loss

	Year ended March 31,2024	Year ended March 31,2023
Current service cost		
Past service cost	20.55	19.58
Net interest cost/(income) on the net defined benefit liability/(asset)	-	-
Net interest cost/(income) on the net defined benefit liability/(asset)	2.16	4.68
Total Expense recognised under employee benefits expense (refer note 33)	22.71	24.26

Total expenses recognised in the other comprehensive income

Changes in demographic assumptions		
Changes in financial assumptions	1.83	(3.02)
Experience adjustments	31.04	(17.75)
Total	32.87	(20.77)



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

	Year ended March 31,2024	Year ended March 31,2023
Discount rate	7.20%	7.45%
Salary Growth rate	8.00%	8.00%
Retirement age	60	60
Attrition rate		
Upto 30 Years	18.00%	18.00%
31-40 Years	15.00%	15.00%
Above 40 Years	10.00%	10.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

(iv) The following represents expected cash flow profile for the defined benefit plan in future years :

	Year ended March 31,2024	Year ended March 31,2023
Within the next 12 months	8.23	3.60
Between 2 and 5 years	30.55	19.21
Between 6 and 10 years	39.40	25.97
Beyond 10 years	107.25	82.75
Total	185.43	131.53

(v) 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 year, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Impact of defined benefit obligation - increase/ (decrease)

Defined Benefit obligation (Base)	Year ended March 31,2024		Year ended March 31,2023	
	As at March 31,2024		As at March 31,2023	
	Decrease	Increase	Decrease	Increase
Sensitivity level				
Discount rate (-/+ 0.5%)	3.85	(3.59)	2.73	(2.54)
Salary growth rate (-/+ 0.5%)	(3.59)	3.81	(2.54)	2.71
Attrition rate (-/+ 50%)	20.69	(9.89)	15.33	(7.72)
Mortality rate (-/+ 10%)	(0.10)	0.09	(0.07)	0.07

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the Defined benefit recognised in the balance sheet. The methods and types of assumptions used in preparation, the sensitivity analysis did not change compared to the prior year.

(vi) **Risk Exposures**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Salary Increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

(vii) **Defined benefit liability and employer contribution**

The Company monitors the deficit in defined benefit obligation and endeavours to meet such deficit within reasonable future. The objective is to ensure adequate investments of funds, at appropriate time, to generate sufficient corpus for future payments.



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Notes to the financial statements for the year ended March 31, 2024
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48 Equity Settled share option plan

The amounts recognized in Balance Sheet:

Particulars

Provision for Employee stock option plan (Refer table (i) below)
Provision for stock appreciation right (Refer table (ii) below)
Total

	As at March 31, 2024	As at March 31, 2023
	-	71.27
	27.07	30.07
Total	27.07	101.34

The amounts recognized in Statement of Profit & loss

Particulars

Provision for stock option plans
Total

	Year ended March 31, 2024	Year ended March 31, 2023
	19.40	7.83
Total	19.40	7.83

(i) Employee stock option plan

Aditya Birla Fashions and Retail Limited (Holding Company) has implemented a share option plan for the members of management including of the Company. Each share option converts into one ordinary share of Aditya Birla Fashions and Retail Limited on exercise. Options are forfeited if the employee leaves the Company before the options vest. The allocation of share option plan has been made by the Holding Company, the Nomination and Remuneration Committee and the Board of Directors ("Board"), approved introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019") through trust route, for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company. Refer below for the details of Plan. The shares will be issued post payment of consideration to Aditya Birla Fashions and Retail Limited and hence the same has been treated as liability.

ESOP Plans details	Grant Date	Vesting Date	Exercise date	Vesting year (In Months)	Fair Value of Options	As at March 31, 2024 (No. of Shares)	As at March 31, 2023 (No. of Shares)
ESOP- Tranche 1 -1st Vesting	2-Dec-2019	2-Dec-2020	2-Dec-2025	12	96.90	-	-
ESOP- Tranche 1 -2nd Vesting	2-Dec-2019	2-Dec-2021	3-Dec-2026	24	110.10	-	10,455
ESOP- Tranche 1 -3rd Vesting	2-Dec-2019	2-Dec-2022	2-Dec-2027	36	115.76	-	10,455
ESOP- Tranche 1 -4th Vesting	2-Dec-2019	2-Dec-2023	1-Dec-2028	48	125.24	-	10,455
ESOP- Tranche 3- 1st Vesting	21-Jan-2021	21-Jan-2022	21-Jan-2027	12	76.78	-	14,957
ESOP-RSU- Tranche 1- Bullet Vesting	2-Dec-2019	2-Dec-2022	2-Dec-2027	36	216.18	-	11,558
Total						-	57,880

(ii) Stock Appreciation Rights

Aditya Birla Fashions and Retail Limited (Holding Company) has implemented SAR- Stock appreciation Rights a share option plan for the members of senior management including of the Company. The SARs compensation cost is amortised on a straight-line basis over the total vesting year. Options are forfeited if the employee leaves the Company before the options vest. The granting of Stock Appreciation Rights ("SARs") has been made by the Holding Company to the eligible employees of the Company, the Nomination and Remuneration Committee approved plan as on November 03, 2021. The shares will be issued post payment of consideration to Aditya Birla Fashions and Retail Limited and hence the same has been treated as liability.

SAR Plan Details	Grant Date	Vesting Date	Exercise date	Vesting year (In Months)	Fair Value of Options	As at March 31, 2024 (No. of Shares)	As at March 31, 2023 (No. of Shares)
SAR's- Tranche 2 - 1st Vesting	18-Aug-2021	18-Aug-2022	18-Aug-2025	12	52.68	3,636	10,455
SAR's- Tranche 2 - 2nd Vesting	18-Aug-2021	18-Aug-2023	18-Aug-2026	24	75.75	3,636	10,455
SAR's- Tranche 2 - 3rd Vesting	18-Aug-2021	18-Aug-2024	19-Aug-2027	36	84.09	3,636	10,455
SAR's- Tranche 1 - Bullet Vesting	18-Aug-2021	18-Aug-2024	19-Aug-2027	36	206.98	3,015	8,668
Total						13,923	40,033

SAR Plan Details	Grant Date	Vesting Date	Exercise date	Vesting year (In Months)	Fair Value of Options	As at March 31, 2024 (No. of Shares)	As at March 31, 2023 (No. of Shares)
SAR's- Tranche 5 - 1st Vesting	5-Aug-2022	5-Aug-2023	5-Aug-2026	12	45.27	3,980	8,396
SAR's- Tranche 5 - 2nd Vesting	5-Aug-2022	4-Aug-2024	5-Aug-2027	24	64.3	3,980	8,396
SAR's- Tranche 5 - 3rd Vesting	5-Aug-2022	4-Aug-2025	4-Aug-2028	36	77.10	3,980	8,396
SAR's- Tranche 5 - Bullet Vesting	5-Aug-2022	5-Aug-2025	4-Aug-2028	36	195.88	7,937	8,680
Total						19,877	33,868



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49 Additional regulatory information required by Schedule III

(i) Details of benami property held.

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

(ii) Borrowing secured against all current assets

The Company has borrowings from banks and financial institutions on the basis of security of all current assets. The Company has been sanctioned working capital limits of Rs. 2000 lakhs from bank on the basis of security of current assets. The bank has explained to the Company that there is no need for the Company to file the quarterly returns or statements.

(iii) Wilful defaulter

None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) 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.

(vi) 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:

1. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries)

or

2. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

1. 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

2. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) Undisclosed Income

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

(viii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(ix) Valuation of PP&E, intangible asset and investment property

The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets.

(x) Relationship with struck off Companies

The Company has no transactions with the companies struck off under Section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(xi) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(xii) The Group (Aditya Birla Fashion and Retail Limited) has 8 CICs (registered and unregistered) as part of the Group.

50 Going concern

The management of the Company, based on the financial projections, is confident that the Company's sales would grow and profitability would improve. Further, the Company net worth position is positive and company is successfully able to raise the fund through right issues and its working capital position is also positive after adjusting inter corporate deposit received from Holding company and thus permit it to discharge its liabilities, as and when they fall due, and continue to operate as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.



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Notes to the financial statements for the year ended March 31, 2024

51. Other accounting policies**(i) Capital work in progress**

Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

(ii) Leases

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

- The contract involves the use of an identified asset;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

The Company therefore accounts if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company is not a lessor in any transactions, it is only a lessee.

Company is the lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Company is the lessor

For leases considered as finance lease, the original right-of-use asset is reclassified and recognised as Net Investment in lease and the original lease liability is accounted for based on the accounting for a lease liability in a finance lease. The finance income is recognised over the period of lease.

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining the operating lease are added to the carrying value of the underlying assets and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

(iii) Financial assets**A. Classification and initial recognition**

Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the asset. The Company determines the classification of its financial assets at initial recognition. The Company classifies the financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through profit or loss, or through other comprehensive income)
- Those measured at amortised cost



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Notes to the financial statements for the year ended March 31, 2024

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss.

B. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

a. Financial assets at fair value through profit or loss (FVPL):

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets are designated upon initial recognition at fair value through profit or loss when the same are managed by the Company on the basis of their fair value and their performance is evaluated on fair value basis in accordance with a risk management or investment strategy of the Company. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in other income in the Statement of Profit and Loss.

b. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows, where the assets' cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income in the Statement of Profit and Loss.

c. Fair value through other comprehensive income (FVOCI):

Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

C. Derecognition

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.



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When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

D. Impairment of financial assets

The Company assesses on forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

E. Income recognition - Interest

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(iv) Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity.

The Company's financial liabilities includes borrowings, lease liability, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities carried at fair value through profit or loss) are deducted from the fair value measured on initial recognition of financial liability. Financial liabilities are subsequently measured at amortised cost.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.



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Notes to the financial statements for the year ended March 31, 2024

(v) Offsetting Financial Instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(vi) Fair value measurements and hierarchy

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.



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Notes to the financial statements for the year ended March 31, 2024

(vii) Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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

(viii) Impairment of non-financial assets

Property, plant and equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(ix) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(x) 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 profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(xi) Provisions and contingent liabilities**Provision**

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 will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.



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Notes to the financial statements for the year ended March 31, 2024

Contingent liabilities

Contingent liabilities are 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 or 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. Information on contingent liability is disclosed in the Notes to the Financial Statements.

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

(c) Defined benefit plan - Gratuity

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(d) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



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Notes to the financial statements for the year ended March 31, 2024

(e) Share based payments

Employees of the Group (Companies forming part of Aditya Birla Group) receive remuneration in the form of equity-settled instruments and stock appreciation rights for rendering services over a defined vesting period. Equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

The Group has created an "ABFRL Employee Welfare Trust" (ESOP Trust) and uses it as a vehicle for distributing shares to employees under the Employee Stock Option Scheme 2019 or any subsequent Stock Option Scheme. The trust purchase shares of the Company from the market, for giving shares to employees. The Group treats trust as its extension and shares held by trust are treated as treasury shares.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled share options outstanding account.

For cash-settled share-based payment, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability using a binomial method. At the end of each reporting period until the liability is settled and at the date of settlement, the fair value of the liability is re-measured, with any changes in the fair value recognised in 'Employee benefits expense' in the Statement of Profit and Loss for the year.

(xiii) 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 borrowing costs.

(xiv) Taxes**Current tax**

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.



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Notes to the financial statements for the year ended March 31, 2024

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

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

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

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

Current tax and deferred tax relating to items recognised outside the Statement of Profit and Loss are recognised outside the Statement of Profit and Loss (either in OCI or in equity). Current tax and deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(xv) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



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Notes to the financial statements for the year ended March 31, 2024

(xvi) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors of the Company is identified as the Chief Operating Decision Maker ("CODM"), CODM evaluates the performance of the Company based on the single operative segment for the purpose of allocation resources and evaluating financial performance.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

For and on behalf of the Board of Directors
Indivinity Clothing Retail Private Limited

Sonika Burman

Sonika Burman
Partner
Membership No. 504839

Place: Gurugram
Date: May 22, 2024



Tarun Radhakrishin Tahiliani

Tarun Radhakrishin Tahiliani
Director
DIN : 00045531

Place: Gurugram
Date: May 22, 2024

Ashish Dixit

Ashish Dixit
Director
DIN : 01842066

Place: Gurugram
Date: May 22, 2024

Sooraj Bhat

Sooraj Bhat
Chief Executive Officer

Place: Gurugram
Date: May 22, 2024

Yogesh Sharma

Yogesh Sharma
Chief Financial Officer

Place: Gurugram
Date: May 22, 2024

Deepika Jaiswal

Deepika Jaiswal
Company Secretary

Place: Gurugram
Date: May 22, 2024