ADITYA BIRLA FASHION AND RETAIL LIMITED

Registered and Corporate Office: Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai 400 070, Maharashtra, India, | **Contact Person:** Anil Kumar Malik | **Telephone:** +91 86529 05000 | **E-mail:** secretarial@abfrl.adityabirla.com | **Website:** www.abfrl.com | **Corporate Identification Number:** L18101MH2007PLC233901

Our Company was incorporated as 'Peter England Fashions and Retail Limited' at Bangalore on April 19, 2007, as a public limited company under the Companies Act, 1956. Our Company received the certificate for commencement of business on May 14, 2007, from the Registrar of Companies, Karnataka at Bangalore. Subsequently, the name of our Company was changed to 'Pantaloons Fashion & Retail Limited' with effect from April 23, 2013 and to 'Aditya Birla Fashion and Retail Limited' with effect from January 12, 2016. For details of brief history of our Company, see "*General Information*" on page 309.

Issue of up to 6,85,83,059 equity shares of face value of ₹ 10 each of our Company ("**Equity Shares**") at a price of ₹ 271.30 per Equity Share, including a premium of ₹ 261.30 per Equity Share (the "**Issue Price**"), aggregating to ₹ 1,860.66 crores (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 35.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013") READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, AND NO OFFER IS BEING MADE TO THE PUBLIC OR ANY OTHER CLASS OF INVESTORS.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTIONS 42 AND 62 OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THE PRELIMINARY PLACEMENT DOCUMENT WAS CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THE PRELIMINARY PLACEMENT DOCUMENT OR THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THE PRELIMINARY PLACEMENT DOCUMENT OR THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THE PRELIMINARY PLACEMENT DOCUMENT OR THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 52 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares of our Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on January 20, 2025, was ₹ 282.60 and ₹ 282.65 per Equity Share, respectively. In-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, have been received from BSE and NSE by our Company, each on January 15, 2025. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

Copies of the Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges. Our Company shall also make requisite filings with the RoC (as defined hereinafter), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules (as defined hereinafter), as amended. The Preliminary Placement Document and this Placement Document has not been reviewed by SEBI, the Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue were made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (as defined hereinafter). For further details, see "*Issue Procedure*" on page 233. The distribution of this Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Regulation 144A under the U.S. Securities Act) ("**U.S. QIBs**") pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs", and (b) outside the United States, in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in the sections *"Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* on pages 252 and 262, respectively.

The information on our Company's website at www.abfrl.com or any website directly or indirectly linked to our Company's website or the websites of the BRLMs (as defined hereinafter) or any of its affiliates does not constitute nor form a part of this Placement Document and prospective investors should not rely on any such information contained in, or available through, any such websites for their investment in this Issue.

This Placement Document is dated January 21, 2025.

BOOK RUNNING LEAD MANAGERS ("BRLMs")		
Avendus Next is the only level	Goldman Sachs	Jefferies
AVENDUS CAPITAL PRIVATE LIMITED	**GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED**	**JEFFERIES INDIA PRIVATE LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, our Subsidiaries, our Associate and the Equity Shares which we consider material in the context of the Issue. The statements contained in this Placement Document relating to our Company, our Subsidiaries, our Associate and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, our Subsidiaries, our Associate and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company, our Subsidiaries, and our Associate. There are no other facts in relation to our Company, our Subsidiaries, our Associate and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company nor our Subsidiaries or our Associate or the Book Running Lead Managers have any obligation to update such information to a later date.

The information contained in this Placement Document has been provided by our Company and from other sources identified herein, as applicable. This Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the Equity Shares. The BRLMs have not separately verified all of the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs and/or by any of their shareholders, employees, counsels, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries, our Associate and the Equity Shares or distribution of this Placement Document. Each person receiving this Placement Document acknowledges that such person has not relied either on the BRLMs or on any of their shareholders, employees, counsels, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, our Subsidiaries, our Associate and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States, only to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A")) ("U.S. QIB(s)") pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs"; and (b) outside the United

States, in offshore transactions in reliance upon Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made.

Subscribers and purchasers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgements and agreements set forth in, and the Equity Shares are transferable only in accordance with, the restrictions described in the sections titled "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 5, 252 and 262, respectively of this Placement Document.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the BRLMs or their representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each Bidder, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and the issue of Equity Shares may be restricted in certain countries or jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any country or jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

In particular, no action has been nor will be taken by our Company or the BRLMs which would permit an offering of the Equity Shares being offered in the Issue or distribution of this Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document or any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer, transfer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 252 and 262, respectively.

In making an investment decision, the Bidders must rely on their own examination of our Company, our Subsidiaries, our Associate, the Equity Shares and the terms of the Issue, including the merits and risks involved. Bidders should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Bidders should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company or the BRLMs are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to the Issue regarding the legality or suitability of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The Bidders of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it eligible to invest in India and in our Company as set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 5, 252 and 262, respectively and under Indian law, including Chapter VI of the SEBI ICDR Regulations, Sections 42 and 62 of the Companies Act, 2013, Rule 14 of the PAS Rules and other provisions of the Companies Act, 2013 and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Our Company and the BRLMs are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIBs shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

This Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Placement Document has been prepared for information purposes to the Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Our Company does not undertake to update this Placement Document to reflect subsequent events after the date of this Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

The information on our Company's website, www.abfrl.com or any website directly or indirectly linked to the website of our Company or on the website of the BRLMs or any of their affiliates or agents, does not and shall not constitute nor form part of this Placement Document. Bidders should not rely on any such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 252 and 262, respectively.

Any information about our Company available on the websites of the Stock Exchanges, our Company or the BRLMs, other than this Placement Document, shall not constitute a part of this Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the Bidders in this Issue. By Bidding for and/or subscribing to any of the Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 252 and 262, respectively, and have represented, warranted and acknowledged to and agreed to our Company and to the BRLMs as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company, our Subsidiaries or our Associate which is not set forth in the Preliminary Placement Document and this Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India and can participate in the Issue only under Schedule II of FEMA Rules, and you are eligible to invest in India under the applicable laws including any notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities including to the Equity Shares or otherwise accessing the capital markets. You confirm that you are not a FVCI. Additionally, you are aware that, in terms of the SEBI FPI Regulations, you are not permitted to acquire 10% or more of the total post issue paid-up equity capital on a fully diluted basis of our Company;

- You will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable provisions of SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act, 2013 and other applicable laws;

- You are eligible to invest and hold the Equity Shares of our Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the government approval route), foreign direct investments can only be made through the government approval route, as prescribed in the FEMA Rules**.**

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For more information, please see the sections entitled *"Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* on page 252 and 262, respectively;

- You are aware that the Preliminary Placement Document and this Placement Document have not been and will not be filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- This Placement Document has been filed with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. The BRLMs or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not, in any way, acting in any fiduciary capacity in relation to you;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to place undue reliance in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in the Preliminary Placement Document and this Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared. For more information, see "*Selling Restrictions*" on page 252**.**

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding us or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. None of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

- You are aware that if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read them in their entirety, including in particular, "*Risk Factors*" on page 52;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information as is publicly available or contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a service provider and will not rely on the BRLMs or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLMs or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;

- You are not a ‘promoter’ of our Company as defined under the Companies Act, 2013 and the SEBI ICDR Regulations, and are not a person related to our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoters or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoter Group or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a Promoters or a person related to the Promoters;

- You agree that in terms of Section 42 and Section 62 of the Companies Act, 2013 and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC within 30 days of circulation of this Placement Document and other filings required under the Companies Act, 2013;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the Takeover Regulations as defined hereinafter) and you shall be solely responsible for compliance with all other applicable provisions of the Takeover Regulations;

- To the best of your knowledge and belief, your aggregate equity shareholding in our Company, together with other Eligible QIBs that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIBs; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLMs or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 252 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" and *"Purchaser Representations and Transfer Restrictions"* on pages 252 and 262, respectively;

- If you are within the United States, you are a U.S. QIB, who is acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part;

- If you are outside the United States, you are subscribing for the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made;

- You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or "general advertising" (as those terms are defined in Regulation D under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales (a) in the United States, are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, and the Equity Shares may not be eligible for resale under Rule 144A thereunder; and (b) outside the United States, are being made in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 252 and 262, respectively;

- You represent and agree that you will only reoffer, resell, pledge or otherwise transfer the Equity Shares (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in transactions exempt from the registration requirements of the U.S. Securities Act or; (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act; and (B) in accordance with the applicable laws of the jurisdictions where those offers and sales are made;

- You understand that our Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended ("**Investment Company Act**") and you will not be entitled to the benefits of the Investment Company Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document.

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that the Preliminary Placement Document, and the Placement Document did not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total post-issue paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the DPIIT, and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLMs;

- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate. However, affiliates of the BRLMs, which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see "*Offshore Derivative Instruments*" on page 12;

- Our Company, the BRLMs, their respective affiliates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs;

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- Our Company, the BRLMs, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable; and

- You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 252 and 262, respectively.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the BRLMs, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. The Preliminary Placement Document and this Placement Document do not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue paid-up Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a Bidder has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company. Further, the Eligible FPIs are permitted to invest in the Equity Shares of our Company, subject to the restrictions and limits on the Foreign Portfolio Investment as specified in the section "*Issue Procedure*" on page 233.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the DPIIT, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

For information on the limits of foreign investment in our Company, please see "*Risk Factors – Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.*" on page 80.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see *"Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* on pages 252 and 262, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document;

2. warrant that the Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; and

3. take any responsibility for the financial or other soundness of our Company, our Subsidiaries, our Promoters, our management or any scheme or project of our Company.

It should not, for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'bidder', ''your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the Bidders in the Equity Shares issued pursuant to the Issue, references to "ABFRL", "our Company", "the Company" or the "Issuer" are to Aditya Birla Fashion and Retail Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to Aditya Birla Fashion and Retail Limited together with our Subsidiaries and Associate as well, as at and during relevant fiscal / period on a consolidated basis.

Currency and units of presentation

All references to:

1. "Rupees" or "INR" or "Rs." or "₹" are to the Indian Rupee, the official currency of the Republic of India; and
2. "USD" or "US$" or "$" or "U.S. Dollar" are to the United States Dollar, the official currency of the United States of America; and

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or the 'U.S.' or the 'United States' or the 'USA' are to the United States of America and its territories and possessions.

Except otherwise specified, our Company has presented certain numerical information in this Placement Documents in "lakh", "million", "crores", "billion" and "trillion" units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

In this Placement Document, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the two-decimal place. All figures derived from the operational data in decimals have been rounded off to one decimal place. Due to such rounding off, in certain instances, the sum or percentage change of such numbers may not conform exactly to the total figure given. Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Placement Document in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

All financial and statistical information in this Placement Document have been presented in crores or in whole numbers where the numbers have been too small to present in crores, unless stated otherwise.

Unless otherwise specified, all financial numbers in parentheses represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to the terms "Fiscal", "Fiscals" or "Fiscal year", "FY", refer to the 12 month period ending March 31 of that particular year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Our Company publishes its financial statements in Indian Rupees.

In this Placement Document, we have included*:

(i) Interim Special Purpose Condensed Consolidated Financial Statements of our Company, ABFRL Employee Welfare Trust and our Subsidiaries and an Associate as of six months ended September 30, 2024 (the "**Interim Special Purpose Condensed Consolidated Financial Statements**") prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and Interim Special Purpose Consolidated Financial Statements of our Company, ABFRL Employee Welfare Trust, our Subsidiaries and a Joint Venture* as of six months ended September 30, 2023 (the "**Half Yearly Consolidated Financial Statements**") prepared in accordance with recognition and measurement principles of Ind AS 34 "Interim Financial Reporting";

(ii) Audited Consolidated Financial Statements of our Company, ABFRL Employee Welfare Trust, and our Subsidiaries and a Joint Venture* as at and for each of the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards ("**Ind AS**") specified under Section 133 of the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (the "**Audited Consolidated Financial Statements**"); and

(iii) Unaudited consolidated financial results of our Company, ABFRL Employee Welfare Trust and our Subsidiaries and an Associate as of for the quarter and six months ended September 30, 2024 ("**Unaudited September 2024 Results**").

* *Goodview Fashion Private Limited was categorized as a joint venture of the Company till March 31, 2024 and has been categorized as a subsidiary of the Company for Fiscal 2025.*

The Interim Special Purpose Condensed Consolidated Financial Statements, the Half Yearly Consolidated Financial Statements and the Unaudited September 2024 Results have been reviewed by and the Audited Consolidated Financial Statements have been audited by our Statutory Auditors, Price Waterhouse & Co Chartered Accountants LLP, who have been appointed as our Statutory Auditors in accordance with Section 139 of the Companies Act, pursuant to a shareholders' resolution dated September 9, 2021, for a period of five years. For details, see **"***Our Statutory Auditors***"** beginning on page 308.

The Audited Consolidated Financial Statements should be read along with the respective audit reports thereon. Our Statutory Auditors have issued audit reports dated May 18, 2022, May 22, 2023 and May 28, 2024 on our Audited Consolidated Financial Statements for Fiscals 2022, 2023 and 2024, respectively. Our Statutory Auditors have issued review reports each dated January 16, 2025 on the Interim Special Purpose Condensed Consolidated Financial Statements as at and for six months ended September 30, 2024 and the Half Yearly Consolidated Financial Statements as at and for six months ended September 30, 2023, respectively. Our Statutory Auditors have also issued review report dated November 7, 2024 on the Unaudited September 2024 Results. For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 311 and 107, respectively. The Audited Consolidated Financial Statements have been subjected to audit that has been performed in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act.

Except as specifically indicated otherwise and unless the context requires otherwise, all the consolidated financial information as at and for Fiscals 2022, 2023 and 2024 included in this Placement Document have been derived from the Audited Consolidated Financial Statements, while consolidated financial information as at and for the six months ended September 30, 2023 and September 30, 2024 included in this Placement Document has been derived from the Half Yearly Consolidated Financial Statements and Interim Special Purpose Condensed Consolidated Financial Statements, respectively.

The Interim Special Purpose Condensed Consolidated Financial Statements and the Half Yearly Consolidated Financial Statements as at and for the six months ended September 30, 2024 and as at for the six months ended September 30, 2023, respectively, are not comparable with our annual consolidated financial information presented herein.

Our Company presents its annual financial statements under Ind AS and the interim financial statements under Ind AS 34. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its audited consolidated financial statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Interim Consolidated Financial Statements and the Audited Consolidated Financial Statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices, Ind AS, the Companies Act, the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and on the financial disclosures presented in this Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision.

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. All figures from or derived from Interim Consolidated Financial Statements and the Audited Consolidated Financial Statements are in decimals and have been rounded off to two decimal points, as has been presented in the Interim Consolidated Financial Statements and the Audited Consolidated Financial Statements. The Interim Consolidated Financial Statements of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements/ financial information. Certain operational numbers may have been rounded off to one decimal point in some instances. Unless otherwise specified, all financial numbers in parentheses represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Further, references to segments in the Wazir Report and information derived therefrom are industry segments and in accordance with presentation, analysis and categorisation in the Wazir Report. Our segment reporting in financial statements is based on criteria set out in Ind AS 108 – "Operating segments", and we do not present such industry segments as operating segments.

Non-GAAP financial measures

As used in this Placement Document, a Non-GAAP financial measure is one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable Ind AS measures. From time to time, reference is made in this Placement Document to certain "Non-GAAP financial measures," such as EBITDA / EBTIDA Margin, EBIT, PAT Margin, Net Debt, Net Working Capital, Debt service coverage ratio and interest coverage ratio. Our management believes that such Non-GAAP financial measures provide investors with additional information about our performance, as well as ability to incur and service debt and make capital expenditures and are measures commonly used by investors. The Non-GAAP financial measures described herein are not a substitute for Ind AS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. These Non-GAAP financial measures are not standardised terms, hence a direct comparison of these Non-GAAP financial measures between companies may not be possible. In addition, you should note, that other companies in the same industry as ours may calculate and present these data in a different manner and, therefore, you should use caution in comparing our data with data presented by other companies, as the data may not be directly comparable.

These Non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS.

Also, refer to the section titled "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition* " on page 77.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled "*Industry Assessment of Indian Apparel Market*" dated December 1, 2024 ("**Wazir Report**"), which is a report exclusively commissioned and paid for by us and prepared by Wazir Advisors pursuant to engagement letter dated November 1, 2024, in connection with the Issue. Wazir is not related in any manner to our Company, our Promoter, our Directors or Key Managerial Personnel or members of the Senior Management, our Subsidiaries, or the Book Running Lead Managers and is available on our Company's website at https://www.abfrl.com/investors/announcements/ for the purpose of understanding the industry in connection with the Issue.

Further, information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, neither the accuracy nor completeness of information contained in the Wazir Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument. This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. The statistical information included in this Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory/ government publications and websites, more particularly described in "*Industry Overview*" on page 155**.**

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Managers can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Our Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the Wazir Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry information included in this Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose. Any reliance on such information for making an investment decision in the Issue is subject to inherent risks*" beginning on page 70.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements contained in this Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- We are exposed to the risks emanating from the proposed restructuring of some of our operations.
- Our business depends on our ability to obtain and retain quality retail spaces.
- The fashion and retail industry is highly competitive. If we do not respond to competition effectively, our results of operation, financial condition and cash flows may be adversely affected.
- Any deterioration in the public perception of the brands sold by us could affect our customer footfall at stores and can adversely impact our reputation, business, financial condition, cash flows and results of operations.
- Our manufacturing facilities are subject to operating risks. Any shutdown of our manufacturing facilities caused by unforeseen events may adversely affect our business, financial condition, results of operations and cash flows.
- We face the risk of our designs being out of trend.
- We may require additional capital and financing in the future and our operations could be curtailed if we are unable to obtain the required additional capital and financing when needed.
- Slower turnaround and longer gestation of newer businesses and acquisitions made by our Company may have an adverse effect on our ability to manage our business.
- We may not be successful in implementing and managing our expansion and growth strategy effectively.
- Current trends of discounting and pricing strategies may adversely affect the value of our brand and our sales.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*", *"Industry Overview"*, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Our Business*", on pages 52, 155, 107 and 176, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither we, the BRLMs nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition of our Company and our Subsidiaries could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI and Stock Exchange requirements, our Company and the BRLMs will ensure that the Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. A majority of our Directors and Key Management Personnel and Senior Management named in this Placement Document, are residents of India and a significant portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the Bidders outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;

2. where the judgment has not been given on the merits of the case;

3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

4. where the proceedings in which the judgment was obtained were opposed to natural justice;

5. where the judgment has been obtained by fraud; and

6. where the judgment sustains a claim founded on a breach of any law then in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount

recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$). The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on their respective websites. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars or any other exchange rates at any particular rate, the rates stated below, or at all.

(₹ per US$)

	Period end[(1)]	**Average[(2)]**	**High[(3)]**	**Low[(4)]**
Fiscal ended:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Month ended				
December 31, 2024	85.62	84.99	85.62	84.66
November 30, 2024	84.50	84.36	84.50	84.11
October 31, 2024	84.09	84.03	84.09	83.81
September 30, 2024	83.79	83.81	83.98	83.49
August 31, 2024	83.87	83.90	83.97	83.73
July 31, 2024	83.74	83.59	83.74	83.40

(Source: www.rbi.org.in and www.fbil.org.in)

1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;*
2. *Average of the official rate for each working day of the relevant period;*
3. *Maximum of the official rate for each working day of the relevant period; and*
4. *Minimum of the official rate for each working day of the relevant period.*

Notes:

- *If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
- *The RBI/ FBIL reference rates are rounded off to two decimal places.*
- *The exchange rates set out above were not the exchange rates used in, and may have differed at all relevant times from, the exchange rates used in the preparation of our financial information.*

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader / Bidders only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Industry and Market Data*", "*Taxation*", "*Legal Proceedings*" and "*Financial Statements*" on pages 19, 275, 290 and 311, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Our Company / the Company / the Issuer/ ABFRL	Aditya Birla Fashion and Retail Limited, a public limited company incorporated under the Companies Act, 1956
the Group / us / we / our	Unless the context otherwise indicates or implies, refers to our Company, our Subsidiaries, our Associate and ABFRL Employee Welfare Trust as at and during relevant fiscal / period, to the extent required on a consolidated basis as on the date of this Placement Document

Company Related Terms

Term	Description
Articles / Articles of Association / AoA	The articles of association of our Company as amended from time to time
Associate	The associate of our Company, namely Wrogn Private Limited
Audit Committee	The audit committee of our Board of Directors
Audited Consolidated Financial Statements	Collectively, our audited consolidated financial statements comprising of the consolidated balance sheets of our Company ABFRL Employee Welfare Trust, our Subsidiaries and the Joint Venture* as at March 31, 2024, March 31, 2023 and March 31, 2022, and the related consolidated statement of profit and loss (including other comprehensive income), consolidated cash flow statements and the consolidated statements of changes in equity, including summary of significant accounting policies and other explanatory information to the respective consolidated financial statements, for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards ("**Ind AS**") specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended **Goodview Fashion Private Limited was categorized as a joint venture of the Company till March 31, 2024 and has been categorized as a subsidiary of the Company for Fiscal 2025.*
Auditors or Statutory Auditors	The current statutory auditors of our Company, namely, M/s. Price Waterhouse & Co Chartered Accountants LLP
Board of Directors / Board	The board of directors of our Company or any duly constituted committee thereof, as the context may require
Chief Financial Officer	Chief Financial Officer of our Company, Jagdish Prasad Bajaj
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, Anil Kumar Malik.
Interim Special Purpose Condensed Consolidated Financial Statements	The unaudited interim special purpose condensed consolidated balance sheet of our Company, ABFRL Employee Welfare Trust, our Subsidiaries and the Associate as at September 30, 2024, the related unaudited interim special purpose condensed

Term	Description
	consolidated statement of profit and loss including other comprehensive income, unaudited interim special purpose condensed consolidated statement of cash flows and unaudited interim special purpose condensed consolidated statement of changes in equity for the six months period ended September 30, 2024 prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended
Demerger Scheme	Scheme of arrangement among the Company and Aditya Birla Lifestyle Brands Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 approved by our Company on April 19, 2024 provides for the demerger of Madura Fashion and Lifestyle Business from our Company into a newly incorporated entity named as Aditya Birla Lifestyle Brands Limited. The Scheme is subject to receipt of necessary statutory and regulatory approvals.
Director(s)	Director(s) on the Board of our Company, unless otherwise specified
ESOS 2013	Employee Stock Option Scheme - 2013
ESOS 2017	Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017
ESOS 2019	Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Half Yearly Consolidated Financial Statements	The unaudited interim special purpose consolidated balance sheet of our Company, ABFRL Employee Welfare Trust, our Subsidiaries and the Joint Venture*as at September 30, 2023, the related unaudited interim special purpose consolidated statement of profit and loss including other comprehensive income, unaudited interim special purpose consolidated statement of cash flows and unaudited interim special purpose consolidated statement of changes in equity for the six months period ended September 30, 2023 prepared in accordance with recognition and measurement principles of Ind AS 34 "Interim Financial Reporting". *Goodview Fashion Private Limited was categorized as a joint venture of the Company till March 31, 2024 and has been categorized as a subsidiary of the Company for Fiscal 2025.*
Independent Director(s)	The non-executive and independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in "*Board of Directors and Senior Management*" on page 202.
Interim Consolidated Financial Statements	The Half Yearly Consolidated Financial Statements and the Interim Special Purpose Condensed Consolidated Financial Statements.
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, which includes key managerial personnel in terms of the Companies Act, 2013, as disclosed in "*Board of Directors and Senior Management*" on page 202.
Madura Fashion and Lifestyle Business	Division of the Company engaged in business of manufacturing, marketing, sales and/or distribution of fashion apparel, footwear and accessories through offline and/or online channels including wholesale, retail and e-commerce under four lifestyle brands viz Louis Phillippe, Van Heusen, Allen Solly and Peter England along with casual wear brands viz. American Eagle and Forever 21, sportswear brand Reebok and the innerwear business under the Van Heusen brand.
Madura Scheme	Scheme of arrangement amongst Aditya Birla Nuvo Limited (which amalgamated into Grasim Industries Limited in 2017), Madura Garments Lifestyle Retail Company Limited and our Company and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956.
Managing Director	The managing director of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 202.
Material Subsidiaries	Material subsidiaries as defined in terms of the SEBI Listing Regulations
Memorandum/ Memorandum of Association / MoA	The memorandum of association of our Company, as amended from time to time
NCD Series 10	Redeemable non-convertible debentures - Series 10 Zero coupon (Unsecured)
NCD Series 11	Redeemable non-convertible debentures - Series 11 Zero coupon (Unsecured)
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors
Non-Executive Directors	Non-executive directors of our Company. For details, see "*Board of Directors and Senior Management*" on page 202.

Term	Description
PSUs	Performance stock units
Pantaloons Scheme	Scheme of arrangement amongst Future Retail India Limited, formerly known as Pantaloon Retail (India) Limited, and our Company and their respective shareholders and creditors and Indigold Trade and Services Limited as a resultant shareholder under Sections 391 to 394 of the Companies Act, 1956
Preference Shares	The preference shares of our Company
Promoter Group	The persons and entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	Birla Group Holdings Private Limited
Registered and Corporate Office	Registered and Corporate Office of our Company is situated at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai 400 070, Maharashtra, India
Remaining Business	All the business, units, divisions, undertakings, and assets and liabilities of the Company other than Madura Fashion and Lifestyle Business
RSU	Restricted stock units
Risk Management and Sustainability Committee	The risk management and sustainability committee constituted by our Board of Directors
Senior Management	Senior Management of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as disclosed in "*Board of Directors and Senior Management*" on page 202.
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Stakeholders Relationship Committee	The stakeholders relationship committee constituted by our Board of Directors
Subsidiaries	The subsidiaries of our namely: (i) Aditya Birla Digital Fashion Ventures Limited; (ii) Aditya Birla Lifestyle Brands Limited; (iii) Aditya Birla Garments Limited; (iv) Awesomefab Shopping Private Limited (step-down subsidiary); (v) Bewakoof Brands Private Limited (step-down subsidiary); (vi) Finesse International Design Private Limited; (vii) Goodview Fashion Private Limited; (viii) House of Masaba Lifestyle Private Limited; (ix) Imperial Online Services Private Limited (step-down subsidiary); (x) Indivinity Clothing Retail Private Limited; (xi) Jaypore E-Commerce Private Limited; (xii) Jaypore Fashions Inc (step-down subsidiary); (xiii) Next Tree Products Private Limited (step-down subsidiary); (xiv) Pratyaya E-Commerce Private Limited (step-down subsidiary); (xv) Sabyasachi Calcutta LLP; (xvi) Sabyasachi Inc (step-down subsidiary); (xvii) Styleverse Lifestyle Private Limited (step-down subsidiary); and (xviii) TG Apparel & Decor Private Limited.
TCNS Merger Scheme	Scheme of arrangement amongst TCNS Clothing Company Limited and our Company and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013
Unaudited September 2024 Results	The unaudited consolidated financial results of our Company, ABFRL Employee Welfare Trust, our Subsidiaries and the Associate for the quarter and six months ended September 30, 2024 prepared by the Company pursuant to Regulation 33 and Regulation 52 of the SEBI Listing Regulations
Wazir	Wazir Advisors Private Limited
Whole-time Directors	Whole-time directors of our Company. For details, see "*Board of Directors and Senior Management*" on page 202.

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	The issue and allotment of Equity Shares pursuant to this Issue

Term	Description
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Form	The form (including any revisions thereof) which has been submitted pursuant to which a Bidder has indicated its interest to subscribe for the Equity Shares of our Company pursuant to the Issue
Bid Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bidder(s)	An Eligible QIB who has made a Bid pursuant to the terms of this Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders submitted their Bids including any revision and/or modifications thereof
Book Running Lead Managers/ BRLMs	Avendus Capital Private Limited, Goldman Sachs (India) Securities Private Limited and Jefferies India Private Limited
CAN/ Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price, and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such Eligible QIBs
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue has been made, i.e., January 21, 2025
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which was finalised by our Company in consultation with the BRLMs
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law. In relation to the Issue, this term shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs, participating through Schedule II of the FEMA Rules. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made. Further, except as provided in (ii) above, other non-resident QIBs (including FVCIs) are not permitted to participate in the Issue. For further details, see, "*Issue Procedure – Eligible QIBs*" on page 239.
Escrow Account	The account titled "ABFRL QIP ESCROW A/C" opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue has been deposited
Escrow Bank	Axis Bank Limited
Escrow Agreement	The escrow agreement dated January 15, 2025 entered into amongst our Company, the Escrow Bank and the BRLMs for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the issue.
Floor Price	The floor price ₹ 271.28 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended.
Issue	The offer, issuance and Allotment of 6,85,83,059 Equity Shares each at a price of ₹ 271.30 per Equity Share, including a premium of ₹ 261.30 per Equity Share,

Term	Description
	aggregating to ₹ 1,860.66 crores pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	January 21, 2025 the last date up to which the Application Forms and the Bid Amount was accepted by our Company (or the BRLMs, on behalf of our Company)
Issue Opening Date	January 16, 2025 the date on which the acceptance of the Application Forms and the Bid Amount was commenced by our Company (or the BRLMs, on behalf of our Company)
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs submitted their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ 271.30
Issue Size	The aggregate size of the Issue, up to 6,85,83,059 Equity Shares aggregating to ₹ 1,860.66 crores
Monitoring Agency	ICRA Limited
Monitoring Agency Agreement	Agreement dated January 15, 2025 entered into by and between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the Net Proceeds of the Issue, after deducting fees, commissions and expenses of the Issue
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Pay-In Date	Last date specified in the CAN for the payment of application monies by Bidders in the Issue
Placement Agreement	The placement agreement dated January 16, 2025 entered into between our Company and the BRLMs
Placement Document	This placement document dated January 21, 2025 to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The preliminary placement document dated January 16, 2025 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
QIBs/ Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation Letter	The letter from our Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts on the date of issuance of CAN
Relevant Date	January 16, 2025 which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decided to open the Issue
Stock Exchanges	Together, BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the application amount along with the Application Form and who have been Allocated Issue Shares
U.S. QIBs	"qualified institutional buyers" as defined under Rule 144A of the Securities Act
Wilful Defaulter or Fraudulent Borrower	An entity or person categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, Maharashtra, India

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Civil Code	The Indian Code of Civil Procedure, 1908
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Companies Act/ Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
DIN	Director Identification Number
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EBITDA Margin	EBITDA / Revenue from Operations
EGM	Extraordinary general meeting
ESOPs	Employee stock options
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year/ Fiscal/ FY	A period of 12 months ending March 31, unless otherwise stated
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GIR	General Index Register
GoI/ Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
IAS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	The Institute of Chartered Accountants of India

Term	Description
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act, 2013
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/IT Act	The Income tax Act, 1961
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Net worth	Net worth is aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation; which we have calculated as owner equity which is share capital plus other equity plus share application money pending allotment.
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
Return on Average Capital Employed	Earnings before interest and tax/average capital employed
Revenue	Revenue from operations is net of Goods and Service Tax as applicable.
Rs/Rupees/Indian Rupees	The legal currency of India
RoC / Registrar of Companies	Registrar of Companies, Maharashtra at Mumbai
RSUs	Restricted stock units
Rule 144A	Rule 144A under the U.S. Securities Act
SARs	Stock appreciation rights
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. QIBs	Qualified institutional buyers as defined in Rule 144A
U.S. Securities Act	United States Securities Act of 1933, as amended
USA/ U.S./ United States	The United States of America

Term	Description
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Technical and Industry Terms

Term	Description
D2C	Direct-to-Consumer
Digital First Brands	Digital first fashion and lifestyle brands within TMRW
EBO	Exclusive brand outlet
Ethnic Wear	Includes Sabyasachi, Shantnu & Nikhil, Tarun Tahiliani, House of Masaba, TASVA and Jaypore
FCE	Final Consumption Expenditure
LFS	Large format stores
Lifestyle Brands	Primarily western wear brands such as Louis Philippe, Van Heusen, Allen Solly, Peter England, and Simon Carter, along with youth wear brands such as American Eagle, sportswear brand, Reebok and the innerwear business under Van Heusen
Like-to-Like Store Growth	Defined as sales growth that reflects the performance of stores that were operational for the entire duration of comparative periods
Luxury Retail	Brands that provide bridge to luxury and luxury platform including The Collective, Galeries Lafayette and select mono brands
MBO	Multi-brand outlet
PFCE	Private Final Consumption Expenditure
SKU	Stock keeping unit
Value and Masstige Fashion Retail	Comprises Pantaloons and Style Up brands

SUMMARY OF BUSINESS

We are one of the largest pure-play fashion and lifestyle companies in India in terms of revenue in Fiscal 2024 (*Source: Wazir Report*) with a bouquet of fashion brands and retail formats across segments, categories, occasions and price points.

Our Company's portfolio is structured to capture the following major consumption themes in the fashion and apparel space:

Western Wear Brands

Our lifestyle brands primarily play in the western wear brands segment with brands such as Louis Philippe, Van Heusen, Allen Solly, Peter England, and Simon Carter, along with youth wear brands such as American Eagle, sportswear brand Reebok and the innerwear business under Van Heusen.

Value and Masstige Fashion Retail

In a large segment of value and masstige fashion, our play is through Pantaloons and Style Up brands.

Ethnic Wear

We have one of the most diverse and comprehensive ethnic wear portfolios in India, featuring premium and designer-led brands that cater to a wide audience across various occasions and price ranges. (*Source: Wazir Report*) Our brands include Sabyasachi, Shantnu & Nikhil, Tarun Tahiliani, House of Masaba, TASVA, Jaypore and TCNS brands.

Luxury Retail

A fast-growing bridge to luxury and luxury platform of The Collective, Galeries Lafayette and select mono brands are our vehicles to operate in this segment.

Digital First Brands

We operate in this space through a portfolio of digital first fashion and lifestyle brands within the TMRW venture.

Proposed Restructuring

With an aim of establishing a leadership position in the Indian fashion and lifestyle space, we have, over the past few years created multiple platforms across key consumption themes in the Indian fashion market. As part of our strategic growth measures, we are undertaking certain restructuring of our businesses, as set forth below:

Proposed demerger of western wear brands into Aditya Birla Lifestyle Brands Limited

On April 19, 2024, our Company approved a vertical demerger of western wear brands within the Madura Fashion and Lifestyle's business from our Company into a newly incorporated entity named as Aditya Birla Lifestyle Brands Limited ("**ABLBL**"). This demerger proposes to enable creation of two separately listed entities; each possessing distinct capital structures and parallel value creation opportunities. We believe that the demerger will also unlock value for the overall business portfolio for existing shareholders through price discovery of the individual entities and will encourage stronger capital market outcomes.

On receipt of necessary approvals, the demerger will be implemented through a scheme of arrangement. Upon completion of this demerger, as per the share entitlement ratio recommended by the independent valuer and opined on by fairness opinion advisor, the shareholders of our Company will get one share of ABLBL for every one share in our Company.

We believe that the beneficial ownership of the shareholders of the demerged company will not have any economic impact pursuant to the demerger.

Proposed Aditya Birla Lifestyle Brands Limited

The proposed portfolio of ABLBL will encompass the lifestyle brands of Louis Philippe, Van Heusen and Allen Solly, Peter England. Additionally, it will include youth-fashion western wear brands of American Eagle, innerwear business under Van Heusen and the sportswear business of Reebok.

These brands operate within a vast total addressable market, benefiting from an established operating model. Over the years, this portfolio has carved out a leadership position in the market, consistently delivering business outcomes across revenue growth, profitability, cash flow and return on capital employed. (*Source: Wazir Report*)

Through its diversified brand mix, operating model and well-honed strategy, the business is strategically positioned to continue scaling in India's growing fashion and lifestyle market.

We expect this restructuring to result in the right operating architecture for both companies with sharper focus on their individual business strategies. Separately listed companies will also help attract specific investors basis their business profile and unlock value for the overall business portfolio through price discovery of the individual entities for existing shareholders.

Proposed demerged Aditya Birla Fashion and Retail Limited

Demerged Aditya Birla Fashion and Retail Limited will comprise:

- Masstige and Value retail – Pantaloons and Style Up;
- Ethnic wear portfolio;
    - Designer led brands of Sabyasachi, Shantnu & Nikhil, Tarun Tahiliani, and House of Masaba; and
    - Premium wear ethnic brands of TASVA, Jaypore and TCNS brands
- Luxury retail business – The Collective, select mono brands and Galeries Lafayette
- Digital first portfolio - TMRW

The demerged Aditya Birla Fashion and Retail Limited will include constituents that operate in several high-growth segments. Our Company has play in both established segments (ethnic and value) and new, previously unaddressed segments (digital and luxury). As each component of the portfolio is gradually building scale, we expect to require capital investment in the medium term to fund growth of these businesses. The strategy is to leverage the brand portfolio and build a wide distribution network to achieve a market leadership position in each of the constituent businesses.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 52, 86, 250, 233 and 271 respectively.

Issuer	Aditya Birla Fashion and Retail Limited
Face value	₹ 10 per Equity Share
Issue Price	₹ 271.30 per Equity Share (including a premium of ₹ 261.30 per Equity Share)
Floor Price	₹ 271.28 per Equity Share, calculated on the basis of Regulation 176 under Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price.
Issue Size	Issue of 6,85,83,059 Equity Shares, aggregating to ₹ 1,860.66 crores, at a premium of ₹ 261.30 each. A minimum of 10% of the Issue Size, i.e., at least 68,58,306 Equity Shares shall be available for Allocation to Mutual Funds only and the balance 6,17,24,753 Equity Shares were available for Allocation to all Eligible QIBs, including Mutual Funds.
Date of Board resolution authorizing the Issue	January 15, 2025
Date of Shareholders' resolution authorizing the Issue	September 19, 2024
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 271 and 106.
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form has been delivered and who are eligible to bid and participate in the Issue. FVCIs are not permitted to participate in the Issue. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 233, 252 and 262, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form have been delivered has been determined by our Company in consultation with the BRLMs.
Equity Shares issued and outstanding immediately prior to the Issue	1,07,12,23,766 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	1,13,98,06,825 Equity Shares of face value of ₹ 10 each, being fully paid-up
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 and Section 62 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 233.
Listing and trading	Our Company has obtained in-principle approvals, each dated January 15, 2025 each from BSE and NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges after

<table>
<tr><td></td><td>Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue.

The trading of the Equity Shares would be in dematerialised form and only in the cash segment of each of the Stock Exchanges.</td></tr>
<tr><td>Lock-up</td><td>For details of the lock-up, see “Placement – Lock-up” on page 250.</td></tr>
<tr><td>Transferability restrictions</td><td>The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See “Issue Procedure”, “Selling Restrictions” and “Purchaser Representations and Transfer Restrictions” on pages 233, 252 and 262, respectively.</td></tr>
<tr><td>Use of proceeds</td><td>The gross proceeds from the Issue are aggregating to ₹ 1,860.66 crores. The net proceeds from the Issue, after deducting fees, commissions and Issue related expenses of ₹ 32 crores is approximately ₹ 1,828.66 crores.

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Amount to be funded from Net Proceeds</th></tr>
<tr><td>i.</td><td>Prepayment and / or repayment, in full or in part, of all or a portion of certain of the outstanding borrowings (including interest thereon) availed for the Remaining Business of our Company</td><td>1,400.00</td></tr>
<tr><td>ii.</td><td>General corporate purposes*^</td><td>428.66</td></tr>
<tr><td colspan="2">Total Net Proceeds^</td><td>1,828.66</td></tr>
</table>
* The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds.
^ To be determined upon finalization of the Issue Price and updated in the Placement Document.

See “Use of Proceeds” on page 86 for information regarding the use of Net Proceeds from the Issue.</td></tr>
<tr><td>Risk factors</td><td>See “Risk Factors” on page 52 for a discussion of risks you should consider before investing in the Equity Shares.</td></tr>
<tr><td>Indian taxation</td><td>For details of statement of possible tax benefits available to the Company and to shareholders of the Company under the applicable laws in India, see “Taxation” on page 275.</td></tr>
<tr><td>Closing Date</td><td>The Allotment of the Equity Shares is expected to be made on or about January 21, 2025.</td></tr>
<tr><td>Ranking and dividends</td><td>The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank pari passu with the existing Equity Shares of our Company, including rights in respect of voting and dividends.

The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’</td></tr>
</table>

<table>
<tr><td></td><td colspan="2">meetings in accordance with the provisions of the Companies Act. Please see “Dividends” and “Description of the Equity Shares” on pages 106 and 271, respectively.</td></tr>
<tr><td>Voting Rights</td><td colspan="2">See “Description of the Equity Shares” on page 271.</td></tr>
<tr><td rowspan="3">Security Codes/ Symbols for the Equity Shares</td><td>ISIN</td><td>INE647O01011</td></tr>
<tr><td>BSE Code</td><td>535755</td></tr>
<tr><td>NSE Code</td><td>ABFRL</td></tr>
</table>

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Consolidated Financial Statements and the Interim Consolidated Financial Statements. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*", on pages 107 and 311, respectively.

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SUMMARY OF CONSOLIDATED BALANCE SHEET

₹ in crores

Particulars				As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS						
I	Non-current assets					
	(a)	Property, plant and equipment		1,337.46	1,009.13	631.20
	(b)	Capital work-in-progress		171.07	145.68	102.57
	(c)	Right-of-use assets		4,306.76	3,623.44	2,522.93
	(d)	Investment property		3.62	3.66	1.92
	(e)	Goodwill		3,200.99	2,329.70	2,209.20
	(f)	Other intangible assets		3,017.72	1,393.46	693.99
	(g)	Intangible assets under development		-	58.02	0.64
	(h)	Financial assets				
		(i)	Investment in joint venture	83.09	73.58	68.57
		(ii)	Other investments	21.03	10.57	7.32
		(iii)	Loans	0.45	1.15	1.56
		(iv)	Security deposits	499.73	434.31	323.58
		(v)	Other financial assets	323.10	244.86	3.32
	(i)	Deferred tax assets		657.20	408.50	380.46
	(j)	Non-current tax assets (net)		25.94	6.42	22.81
	(k)	Other non-current assets		70.69	128.75	101.97
Total - Non-current assets				**13,718.85**	**9,871.23**	**7,072.04**
II	Current assets					
	(a)	Inventories		4,505.34	4,214.38	2,929.59
	(b)	Financial assets				
		(i)	Current investments	880.71	182.43	608.14
		(ii)	Loans	10.55	10.04	7.14
		(iii)	Security deposits	137.95	97.09	118.96
		(iv)	Trade receivables	1,278.81	886.44	756.43
		(v)	Cash and cash equivalents	454.03	692.69	118.22
		(vi)	Bank balance other than Cash and cash equivalents	8.36	8.37	2.31
		(vii)	Other financial assets	105.03	71.23	43.56
	(c)	Other current assets		1,311.43	1,007.38	750.17
	Total - Current assets			**8,692.21**	**7,170.05**	**5,334.52**
	TOTAL - ASSETS			**22,411.06**	**17,041.28**	**12,406.56**

Particulars			As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES					
I	Equity				
	(a)	Equity share capital	1,015.01	948.79	938.29
	(b)	Other equity	3,018.77	2,394.50	1,835.03
	Equity attributable to owners of the Company		**4,033.78**	**3,343.29**	**2,773.32**
	(c)	Non-controlling interest	687.23	2.71	15.20
	Total - Equity		**4,721.01**	**3,346.00**	**2,788.52**

II	**Non-current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	2,511.56	1,507.62	777.97
		(ii)	Lease liabilities	4,087.66	3,346.23	2,076.46
		(iii)	Deposits	280.16	253.22	228.36
		(iv)	Other financial liabilities	1,446.77	1,117.09	421.92
	(b)	Deferred tax liabilities		660.93	251.68	211.94
	(c)	Provisions		73.95	111.73	101.68
	(d)	Other non-current liabilities		27.56	20.20	11.73
	Total - Non-current liabilities			**9,088.59**	**6,607.77**	**3,830.06**
III	**Current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	1,693.62	797.90	454.36
		(ii)	Lease liabilities	1,158.56	921.11	791.63
		(iii)	Trade payables			
			Total outstanding dues of micro enterprises and small enterprises	323.90	120.63	87.44
			Total outstanding dues of creditors other than micro enterprises and small enterprises	3,811.76	3,725.49	3,323.12
		(iv)	Deposits	276.98	189.91	152.62
		(v)	Other financial liabilities	374.38	497.00	336.90
	(b)	Liabilities for current tax (net)		3.21	0.41	2.29
	(c)	Provisions		199.26	133.30	101.32
	(d)	Other current liabilities		759.79	701.76	538.30
	Total - Current liabilities			**8,601.46**	**7,087.51**	**5,787.98**
	TOTAL - EQUITY AND LIABILITIES			**22,411.06**	**17,041.28**	**12,406.56**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in crores

Particulars			Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations		13,995.86	12,417.90	8,136.22
II	Other income		237.58	116.46	100.55
III	**Total income (I + II)**		**14,233.44**	**12,534.36**	**8,236.77**
IV	**Expenses**				
	(a)	Cost of materials consumed	1,459.65	1,245.88	867.18
	(b)	Purchase of stock-in-trade	4,627.23	5,546.76	3,793.42
	(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	180.35	(1,240.66)	(940.43)
	(d)	Employee benefits expense	1,826.25	1,563.36	1,158.53
	(e)	Finance costs	876.61	472.36	350.71
	(f)	Depreciation and amortisation expense	1,655.23	1,226.96	997.03
	(g)	Rent expense	970.48	897.02	393.22
	(h)	Other expenses	3,479.29	2,911.96	1,764.38
	Total expenses		**15,075.09**	**12,623.64**	**8,384.04**
V	**Profit/(Loss) before Share in Profit/ (Loss) of Joint Venture and Tax (III - IV)**		(841.65)	(89.28)	(147.27)
VI	Add: Share in Profit / (Loss) of Joint Venture		12.75	6.84	2.34
VII	**Profit/(Loss) before tax (V+ VI)**		**(828.90)**	**(82.44)**	**(144.93)**
VIII	**Income tax expense**				
	(a)	Current tax	35.11	15.92	20.89
	(b)	Current tax relating to earlier years	0.09	(2.22)	-
	(c)	Deferred tax	(128.19)	(36.67)	(47.46)
			(92.99)	**(22.97)**	**(26.57)**
IX	**Profit/(Loss) for the year (VII - VIII)**		**(735.91)**	**(59.47)**	**(118.36)**
X	**Other comprehensive income/ (loss)**				
	Items that will not be reclassified to profit or loss				
		(a) Re-measurement gains/ (losses) on defined benefit plans	(6.78)	(0.68)	1.82
		Income tax effect on above	1.76	0.14	(0.35)
		(b) Fair value gains/ (losses) on equity instruments	3.62	3.26	0.64
		Income tax effect on above	(0.91)	(0.82)	(0.16)
	Items that will be reclassified to profit or loss				
		(a) Exchange differences on translation of foreign operations	0.29	0.05	0.10
		Income tax effect on above	-	-	-
		(b) Effective Portion of Cashflow Hedge	(0.12)	0.75	-

		Income tax effect on above	0.04	(0.26)	-
	Total other comprehensive income/ (loss) for the year		**(2.10)**	**2.44**	**2.05**
XI	**Total comprehensive income/ (loss) for the year (IX + X)**		**(738.01)**	**(57.03)**	**(116.31)**
XII	**Profit/(Loss) attributable to**				
	- Owners of the Company		(628.02)	(36.00)	(108.72)
	- Non-controlling interest		(107.89)	(23.47)	(9.64)
			(735.91)	**(59.47)**	**(118.36)**
XIII	**Other comprehensive income/ (loss) attributable to**				
	- Owners of the Company		(1.59)	2.36	1.99
	- Non-controlling interest		(0.51)	0.08	0.06
			(2.10)	**2.44**	**2.05**
XIV	**Total comprehensive income/ (loss) attributable to**				
	- Owners of the Company		(629.61)	(33.64)	(106.73)
	- Non-controlling interest		(108.40)	(23.39)	(9.58)
			(738.01)	**(57.03)**	**(116.31)**
XV	**Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2023 and March 31, 2022: ₹ 10)]**				
	Basic (₹)		(6.52)	(0.38)	(1.18)
	Diluted (₹)		(6.51)	(0.38)	(1.18)

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

₹ in crores

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities			
Profit/(Loss) before tax	**(828.90)**	**(82.44)**	**(144.93)**
Adjustments for:			
Depreciation and amortisation expense	1,655.23	1,226.96	997.03
Finance costs	876.61	472.36	348.40
Gain on retirement of right-of-use assets	(50.07)	(19.75)	(14.85)
Rent concession on lease rentals	-	(0.22)	(219.18)
(Profit)/ Loss on sale/ discard of property, plant and equipment	4.48	0.13	(2.66)
Share-based payment to employees	25.35	31.29	29.13
Interest income	(26.26)	(10.21)	(9.38)
Liabilities no longer required written back	(9.17)	(2.48)	(2.10)
Net gain on sale of current investments	(36.79)	(23.26)	(20.23)
Net Unrealised exchange (gain)/ loss	13.20	(0.99)	3.69
Expense/ (income) on financial assets/ liabilities that are designated as fair value through profit or loss	(73.74)	(42.39)	(28.16)
Provision for doubtful debts, deposits and advances	12.17	3.33	7.17
Bad debts written off	2.37	-	1.22
Share of (profit)/ loss of Joint Venture	(12.75)	(6.84)	(2.34)
Operating profit before working capital changes	**1,551.73**	**1,545.49**	**942.81**
Changes in working capital:			
(Increase)/ decrease in trade receivables	(174.42)	(107.64)	(155.51)
(Increase)/ decrease in inventories	230.86	(1,223.92)	(1,082.63)
(Increase)/ decrease in other assets	(133.03)	(247.20)	(196.59)
Increase/ (decrease) in trade payables	(62.35)	361.83	1,259.83
Increase/ (decrease) in provisions	(8.78)	15.28	15.59
Increase/ (decrease) in other liabilities	(19.53)	289.82	183.45
Cash generated from/(used) in operations	**1,384.48**	**633.66**	**966.95**
Income taxes paid (net of refund)	(43.08)	2.54	(16.44)
Net cash flows from/(used) in operating activities	**1,341.40**	**636.20**	**950.51**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	(747.03)	(681.32)	(347.95)
Consideration paid for acquisition of subsidiaries (net of cash acquired)	(1,608.51)	(175.71)	-
Purchase of equity investments	(6.82)	-	-
Purchase of current investments	(19,002.83)	(12,791.69)	(10,008.14)
Treasury shares issued /(purchased) by ESOP Trust	-	-	1.37

Proceeds from sale of property, plant and equipment and intangible assets	5.90	10.54	29.49
Proceeds from sale/ maturity of current investments	18,341.34	13,240.71	9,764.54
Interest received	26.32	10.24	9.24
Net cash flows from/ (used) in investing activities	**(2,991.63)**	**(387.23)**	**(551.45)**
Cash flows from financing activities			
Proceeds from issue of equity shares	7.30	3.55	0.49
Proceeds from Rights Issue (net off share issue expenses)	-	0.22	247.12
Proceeds from Preferential Issue (net off share issue expenses)	1,425.00	769.05	-
Treasury shares issued /(purchased) by ESOP Trust	3.69	(11.91)	-
Proceeds from non-current borrowings (net off charges)	1,484.87	1,085.68	414.34
Proceeds/ (repayments) from current borrowings (net)	655.82	365.07	432.35
Repayment of non-current borrowings	(353.37)	(462.50)	(750.74)
Repayment of lease liabilities	(995.54)	(891.01)	(560.87)
Interest paid	(816.20)	(532.65)	(309.66)
Net cash flows/ (used) in financing activities	**1,411.57**	**325.50**	**(526.97)**
Net (decrease)/ increase in cash and cash equivalents	**(238.66)**	**574.47**	**(127.91)**
Cash and cash equivalents at the beginning of the year	692.69	118.22	246.13
Cash and cash equivalents at the end of the year	**454.03**	**692.69**	**118.22**
Components of Cash and cash equivalents			
Balances with banks - on current accounts	383.60	153.61	36.75
Balances with banks - on deposit accounts (original maturity less than 3 months)	0.09	501.49	50.44
Balances with credit card companies	40.98	16.95	11.19
Balances with e-wallet companies	2.21	4.38	1.91
Cash on hand	22.01	13.04	13.67
Cheques/ drafts on hand	5.14	3.22	4.26
Total Cash and cash equivalents	**454.03**	**692.69**	**118.22**

SUMMARY OF INTERIM SPECIAL PURPOSE CONDENSED CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2024 AND INTERIM SPECIAL PURPOSE CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2023

₹ in crores

Particulars				**As at September 30, 2024**	**As at September 30, 2023**
ASSETS					
I	**Non-current assets**				
	(a)	Property, plant and equipment		1,347.39	1,224.51
	(b)	Capital work-in-progress		201.88	137.33
	(c)	Right-of-use assets		4,472.80	4,525.91
	(d)	Investment property		3.60	3.63
	(e)	Goodwill		3,343.57	3,156.87
	(f)	Other intangible assets		3,233.36	2,949.47
	(g)	Intangible assets under development		0.22	4.71
	(h)	Financial assets			
		(i)	Investment in joint venture	-	73.52
		(ii)	Other investments	94.24	14.20
		(iii)	Loans	0.30	0.79
		(iv)	Security deposits	502.53	506.72
		(v)	Other financial assets	316.14	275.34
	(i)	Deferred tax assets		380.24	608.76
	(j)	Non-current tax assets (net)		34.99	23.59
	(k)	Other non-current assets		105.43	108.56
	Total - Non-current assets			**14,036.69**	**13,613.91**
II	**Current assets**				
	(a)	Inventories		4,490.44	4,973.35
	(b)	Financial assets			
		(i)	Current investments	512.66	229.82
		(ii)	Loans	9.06	11.50
		(iii)	Security deposits	170.20	104.01
		(iv)	Trade receivables	1,706.41	1,632.71
		(v)	Cash and cash equivalents	249.28	230.79
		(vi)	Bank balance other than Cash and cash equivalents	7.38	5.15
		(vii)	Other financial assets	142.41	76.55
	(c)	Other current assets		1,352.16	1,423.76
	Total - Current assets			**8,640.00**	**8,687.64**
	TOTAL - ASSETS			**22,676.69**	**22,301.55**
EQUITY AND LIABILITIES					
I	**Equity**				
	(a)	Equity share capital		1,071.16	949.17

	(b)	Other equity		3,030.83	1,990.17
	Equity attributable to owners of the Company			**4,101.99**	**2,939.34**
	(c)	Non-controlling interest		(0.27)	732.95
	Total - Equity			**4,101.72**	**3,672.29**
II	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i)	Borrowings	3,226.11	2,388.09
		(ii)	Lease liabilities	4,186.25	4,222.91
		(iii)	Deposits	303.55	258.85
		(iv)	Other financial liabilities	1,805.22	1,310.19
	(b)	Deferred tax liabilities		361.50	641.65
	(c)	Provisions		78.16	132.38
	(d)	Other non-current liabilities		28.66	21.57
	Total - Non-current liabilities			**9,989.45**	**8,975.64**
III	**Current liabilities**				
	(a)	Financial liabilities			
		(i)	Borrowings	1,302.12	2,432.59
		(ii)	Lease liabilities	1,284.70	1,131.18
		(iii)	Trade payables		
			Total outstanding dues of micro enterprises and small enterprises	295.63	300.16
			Total outstanding dues of creditors other than micro enterprises and small enterprises	4,056.60	4,231.91
		(iv)	Deposits	301.03	245.78
		(v)	Other financial liabilities	272.96	285.78
	(b)	Liabilities for current tax (net)		2.22	-
	(c)	Provisions		210.45	156.91
	(d)	Other current liabilities		859.81	869.31
	Total - Current liabilities			**8,585.52**	**9,653.62**
	TOTAL - EQUITY AND LIABILITIES			**22,676.69**	**22,301.55**

SUMMARY OF INTERIM SPECIAL PURPOSE CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024 AND INTERIM SPECIAL PURPOSE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

₹ in crores

Particulars			For the six months ended September 30, 2024	For the six months ended September 30, 2023
I	Revenue from operations		7,071.68	6,422.50
II	Other income		99.37	106.03
III	**Total income (I + II)**		**7,171.05**	**6,528.53**
IV	**Expenses**			
	(a)	Cost of materials consumed	689.03	707.48
	(b)	Purchase of stock-in-trade	2,294.07	2,506.21
	(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	92.37	(263.96)
	(d)	Employee benefits expense	987.73	860.65
	(e)	Finance costs	469.54	395.67
	(f)	Depreciation and amortisation expense	896.94	755.78
	(g)	Rent expense	444.16	436.64
	(h)	Other expenses	1,844.61	1,559.82
	Total expenses		**7,718.45**	**6,958.29**
V	**Profit/(Loss) before Share in Profit/ (Loss) of Associate and Joint Venture, exceptional items and Tax (III - IV)**		(547.40)	(429.76)
VI	Exceptional items		23.11	-
VII	**Profit/(Loss) before Share in Profit/ (Loss) of Associate and Joint Venture and Tax (V + VI)**		(524.29)	(429.76)
VIII	Add: Share in Profit / (Loss) of Associate/Joint Venture		(3.54)	(0.09)
IX	**Profit/(Loss) before tax (VII+ VIII)**		**(527.83)**	**(429.85)**
X	**Income tax expense**			
	(a)	Current tax	2.73	0.02
	(b)	Current tax relating to earlier years	-	0.01
	(c)	Deferred tax	(100.94)	(67.92)
			(98.21)	**(67.89)**
XI	**Profit/(Loss) for the year (IX- X)**		**(429.62)**	**(361.96)**
XII	**Other comprehensive income/ (loss)**			
	Items that will not be reclassified to profit or loss			
		(a) Re-measurement gains/ (losses) on defined benefit plans	(1.21)	(2.63)
		Income tax effect on above	0.39	0.81
		(b) Fair value gains/ (losses) on equity instruments	3.34	3.62
		Income tax effect on above	(0.84)	(0.91)
	Items that will be reclassified to profit or loss			
		(a) Exchange differences on translation of foreign	0.13	0.20

		operations		
		Income tax effect on above	-	-
		(b) Effective Portion of Cashflow Hedge	(0.44)	0.24
		Income tax effect on above	0.04	(0.08)
	Total other comprehensive income/ (loss) for the year		**1.41**	**1.25**
XIII	**Total comprehensive income/ (loss) for the year (XI + XII)**		**(428.21)**	**(360.71)**
XIV	**Profit/(Loss) attributable to**			
	- Owners of the Company		(347.35)	(320.58)
	- Non-controlling interest		(82.27)	(41.38)
			(429.62)	**(361.96)**
XV	**Other comprehensive income/ (loss) attributable to**			
	- Owners of the Company		1.24	1.17
	- Non-controlling interest		0.17	0.08
			1.41	**1.25**
XVI	**Total comprehensive income/ (loss) attributable to**			
	- Owners of the Company		(346.11)	(319.41)
	- Non-controlling interest		(82.10)	(41.30)
			(428.21)	**(360.71)**
XVII	**Earnings per equity share [Nominal value of share ₹ 10 (September 30, 2023 : ₹ 10)]**			
	Basic (₹)		(3.41)	(3.34)
	Diluted (₹)		(3.41)	(3.34)

SUMMARY OF INTERIM SPECIAL PURPOSE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024 AND INTERIM SPECIAL PURPOSE CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

₹ in crores

Particulars	**For the six months ended September 30, 2024**	**For the six months ended September 30, 2023**
Cash flows from operating activities		
Profit/(Loss) before tax	**(527.83)**	**(429.85)**
Adjustments for:		
Depreciation and amortisation expense	979.76	755.78
Finance costs	469.54	395.67
Gain on retirement of right-of-use assets	(17.51)	(17.12)
(Profit)/ Loss on sale/ discard of property, plant and equipment	(3.12)	2.55
Share-based payment to employees	10.60	15.19
Interest income	(8.34)	(18.31)
Liabilities no longer required written back	(2.41)	(1.17)
Net gain on sale of current investments	(22.41)	(20.79)
Net Unrealised exchange (gain)/ loss	12.77	8.10
Expense/ (income) on financial assets/ liabilities that are designated as fair value through profit or loss	(40.72)	(19.42)
Remeasurement of interest held in an erstwhile Joint Venture	(121.44)	-
Provision for doubtful debts, deposits and advances	4.86	0.30
Bad debts written off	0.42	-
Share of (profit)/ loss of Joint Venture and Associate	3.54	0.09
Operating profit before working capital changes	737.71	671.02
Changes in working capital:		
(Increase)/ decrease in trade receivables	(427.23)	(589.61)
(Increase)/ decrease in inventories	33.99	(304.25)
(Increase)/ decrease in other assets	(58.95)	(294.66)
Increase/ (decrease) in trade payables	201.01	416.88
Increase/ (decrease) in provisions	5.58	9.67
Increase/ (decrease) in other liabilities	50.91	64.98
Cash generated from/ (used) in operations	543.02	(25.97)
Income taxes paid (net of refund)	(11.31)	(12.07)
Net cash flows from/ (used) in operating activities	531.71	(38.04)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(276.35)	(403.17)
Consideration paid for acquisition of subsidiaries (net of cash acquired)	(127.42)	(1,608.52)

Investment in Associate	(73.09)	-
Purchase of current investments	(8,567.12)	(8,824.75)
Proceeds from sale of property, plant and equipment and intangible assets	16.32	3.45
Proceeds from sale/ maturity of current investments	8,968.87	8,798.15
Interest received	8.28	18.30
Net cash flows from/ (used) in investing activities	(50.51)	(2,016.54)
Cash flows from financing activities		
Proceeds from issue of equity shares	7.65	6.04
Treasury shares issued /(purchased)by ESOP Trust	4.93	2.73
Proceeds from non-current borrowings (net off charges)	733.21	1,312.45
Proceeds/ (repayments) from current borrowings (net)	14.70	1,448.99
Repayment of non-current borrowings	(426.25)	(338.64)
Repayment of lease liabilities	(560.26)	(455.61)
Interest paid	(459.93)	(383.28)
Net cash flows from/ (used) in financing activities	(685.95)	1,592.68
Net (decrease)/ increase in cash and cash equivalents	(204.75)	(461.90)
Cash and cash equivalents at the beginning of the year	454.03	692.69
Cash and cash equivalents at the end of the year	249.28	230.79
Components of Cash and cash equivalents		
Balances with banks - on current accounts	200.39	175.68
Balances with banks - on deposit accounts (original maturity less than months)	0.03	0.13
Balances with credit card companies and e-wallet companies	34.02	33.90
Cash on hand	11.31	13.35
Cheques/ drafts on hand	3.53	7.73
Total Cash and cash equivalents	**249.28**	**230.79**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the (i) six months period ended September 30, 2024, and (ii) year ended March 31, 2024, (iii) year ended March 31, 2023 and (iv) year ended March 31, 2022, as per Ind AS 24, see "*Financial Statements*" on pages 340, 471, 607 and 724, respectively.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not exhaustive and are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India and other jurisdictions we operate in. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. Each risk should be considered carefully, and the order in which the risks are presented does not reflect their relative importance or likelihood of occurrence. In order to obtain a more detailed understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Legal Proceedings" on pages 176, 155, 107, and 290, respectively, as well as the other financial information contained in this Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved, and should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue.

This Placement Document contains certain forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Placement Document. For further information, see "Forward-Looking Statements" on page 20.

In this section, unless otherwise indicated or the context otherwise requires, a reference to "our Company" is a reference to Aditya Birla Fashion and Retail Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Aditya Birla Fashion and Retail Limited, its subsidiaries, trust, joint venture and its associate on a consolidated basis.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the six months ended September 30, 2024 and September 30, 2023, included herein is derived from the Interim Special Purpose Condensed Consolidated Financial Statements and the Half Yearly Consolidated Financial Statements, respectively, included in this Placement Document. For further information, see "Financial Statements" on page 311.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Assessment of Indian Apparel Market" dated December 1, 2024 (the "**Wazir Report**") prepared and issued by Wazir Advisors Private Limited ("**Wazir**"), appointed by us on November 1, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the Wazir Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Wazir Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see "Risk Factors – Industry information included in this Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose. Any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 70.*

Internal Risk Factors

1. We are exposed to the risks emanating from the proposed restructuring of some of our operations.

On April 19, 2024, our Company approved a vertical demerger of western wear brands from our Company into a newly incorporated entity named as Aditya Birla Lifestyle Brands Limited ("**ABLBL**"). On receipt of necessary approvals, including approvals from the relevant regulatory authorities, shareholders, and lenders, the demerger will be implemented through a scheme of arrangement ("**Demerger Scheme**"). While we have received in-principle approvals dated October 28, 2024 and October 30, 2024 from NSE and BSE, respectively, in relation to the Demerger Scheme, it has not yet been approved by the National Company Law Tribunal. Pursuant to the directions of the National Company Law Tribunal, a meeting of the equity shareholders of the Company will be convened on January 21, 2025 to seek their approval for the Demerger Scheme. Upon completion of this demerger, as per the share entitlement ratio recommended by the independent valuer and opined on by fairness opinion advisor, the shareholders of our Company will get one share of ABLBL for every one share in our Company.

The demerger process involves several risks and uncertainties. The successful execution of the demerger is contingent upon receiving necessary approvals. Any delays or failure to obtain these approvals could adversely impact the timeline and successful implementation of the demerger. The complexity of implementing the demerger through a scheme of arrangement may pose operational challenges and result in unforeseen costs or delays. Further, our Board may decide to not proceed with the demerger. There is also a risk that the restructuring may not be effectuated as planned, which could disrupt our operations and negatively impact our business. If we are unable to achieve our business objectives for our Company and ABLBL, the anticipated benefits of the proposed restructuring may not be realized fully or at all or may take longer or cost more to realize than expected.

Upon successful implementation of the demerger, the demerged Aditya Birla Fashion and Retail Limited will include constituents that operate in several high-growth segments, as mentioned below:

- Masstige and value retail – Pantaloons and Style Up;
- Ethnic wear portfolio;
  - Designer led brands of Sabyasachi, Shantnu & Nikhil, Tarun Tahiliani, and House of Masaba; and
  - Premium wear ethnic brands of TASVA, Jaypore and TCNS brands
- Digital first portfolio - TMRW
- Luxury retail business – The Collective, select brands and Galeries Lafayette.

(collectively, the "**Post Demerger Business**")

Despite their established market presence, the Post Demerger Business will need to continue delivering strong business outcomes in terms of revenue growth, profitability, cash flow, and return on capital employed. There is a risk that we may not be able to perform as well as anticipated. This could result in lower-than-expected financial performance and could negatively impact the overall value creation for shareholders.

Our operations encompass a collection of widely recognized brands and retail formats that cater to a broad range of consumer needs. The table below sets out the revenues generated from each of our business segments and as a percentage of our revenue from operations.

Business Segments	**Six months ended September 30, 2024**		**Six months ended September 30, 2023**	
	Amount (₹ crore)	**Percentage of Revenue from Operations (%)**	**Amount (₹ crore)**	**Percentage of Revenue from Operations (%)**
Madura Fashion and Lifestyle	3,774.36	53.37%	3,800.03	59.17%
Pantaloons	2,183.54	30.88%	2,099.52	32.69%
Ethnic and others	1,362.74	19.27%	657.84	10.24%
Inter segment revenue	(248.96)	(3.52)%	(134.89)	(2.10)%
Revenue from Operations	**7,071.68**	**100.00%**	**6,422.50**	**100.00%**

Our Company, as on the date of this Placement Document, derives a substantial portion of its revenues from the Madura Fashion and Lifestyle business segment. As such, the proposed demerger of Madura Fashion and Lifestyle's business from our Company into a newly incorporated entity may have an adverse effect on and the cash flows of our Company. Further, the brands under ABLBL post-merger may not be able to generate revenue in line with their past performance. The demerger will necessitate enhancing operational efficiency, exploring new revenue streams, and potentially increasing market share within existing segments. The imperative to maintain overall financial performance will be heightened, necessitating strategic measures to drive growth and sustain profitability. The demerger would be given effect only after completion of the Issue.

2. Our business depends on our ability to obtain and retain quality retail spaces.

Our success depends on our ability to identify and acquire retail spaces at key shopping locations with attractive commercial propositions, high footfall, suitable locations and reasonable costs. Set forth below is the number of our stores as of the dates indicated.

Particulars	As of September 30, 2024	As of September 30, 2023	As of March 31,		
			2024	2023	2022
Number of stores owned and operated by our Company	1,859	1,420	1,813	1,361	1,015
Number of franchisee led stores	2,679	2,636	2,851	2,616	2,453

We or our franchisees do not own the stores from where we operate our businesses. We or our franchisees take property through lease or license which vary from a period of three to twenty three years. Such leasehold and license basis arrangements expire from time to time and require renewal or escalations in rentals/ license fee from time to time during the lease/ license period. If we are unable to renew these agreements on favourable terms, or at all, we may be required to relocate operations and incur additional costs in such relocation. Further, if we are unable to identify and obtain suitable locations for our expansion and enter into leasehold or rental agreements on terms commercially beneficial to us, or at all, it may adversely affect our expansion and growth plans.

We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease/ leave and license agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations. In the past, we have been involved in litigations relating to our leased / licensed premises including for claims for damages. It may also lead to termination of our leases or disputes that may arise with store owners which may result in closure of our stores, thus affecting our expansion and growth plans, results of operations, cash flows and financial condition.

We are affected by competition from other large retailers for real estate resources on which our stores are located. Due to increased competition, we may also face increased lease expenses and rent. Increases in rent, particularly amidst sluggish demand environment, raise concerns about the long-term viability of stores with lower sales. Such pressures can potentially compress profit margins and result in financial losses, posing challenges to the sustainability of those retail locations.

3. The fashion and retail industry is highly competitive. If we do not respond to competition effectively, our results of operation, financial condition and cash flows may be adversely affected.

We operate in a highly competitive industry which is characterised by rapid shifts in consumer trends and technology and our market share may be adversely impacted by the significant number of competitors in our industry that may compete more effectively than us. These frequent changes and their impact on consumer demand may result in both price and demand volatility. Due to the nature of our business, we face competition from various kinds of players including, players operating in retail, wholesale and e-commerce space. We compete with international, national and local department stores, specialty and discount store chains, independent retail stores and internet businesses that market similar lines of merchandise as us. Many of our competitors are, and many of our potential competitors may be, larger, have substantially greater financial, marketing and other resources and, therefore, may be able to adapt to changes in customer requirements more quickly, devote greater resources to the marketing and sale of their products or adopt more aggressive pricing policies than we can. Further, foreign investment restrictions, if liberalized further, may intensify competition.

We face a variety of competitive challenges, including:

- anticipating and quickly responding to changing consumer demands;
- maintaining favourable brand recognition and effectively marketing our products to consumers in diverse markets;
- developing innovative, high-quality products in sizes, colours and styles that appeal to consumers;
- sourcing raw materials and manufacturing merchandise efficiently;
- correctly pricing our products to remain competitive while achieving a customer perception of comparatively higher value;
- using discounting as a strategy to attract customers, forcing a need to balance between margins and meeting consumer demand;
- regional players which may have a fixed clientele base and wider penetration in certain geographical areas;
- delivering strong e-commerce capabilities and integrating online and offline channels seamlessly to ensure a unified and cohesive customer experience;
- providing strong and effective marketing support;
- store locations, maintaining high levels of footfalls in our retail stores, and consumer traffic to our online stores;
- staying ahead in technology, such as using AI for trend analysis, virtual try-ons, and personalized recommendations;
- entry of newer and better equipped competitors;
- loss of skilled personnel to competitors;
- product quality issues and return of products by customers that may affect our reputation; and
- building and retaining a loyal customer base through loyalty programs, personalized marketing, and community building.

Some of our competitors may have advantages over us on account of, among other things, more prominent locations of their stores, stronger brand recognition among consumers, scalable and differentiated business model, more efficient distribution networks, better trained employees, greater geographic reach, broader product ranges or access to a large pool of financial resources. Further, certain regional and national competitors may rapidly expand value fashion formats in untapped locations and markets, and may continue to experience strong demand due to successful capturing of significant share in the unorganized market. Since such markets tend to experience quality retail for the first time, the nature of these retail offerings might commoditise fashion for the customers. As a result, in order to establish ourselves in these markets, we will need to create brands and propositions that creates a customer connect to our brand identity along with providing access to high value and therefore we may face challenges in establishing ourselves in these markets.

Additionally, we are also witnessing a growth in the competition from online retailers who have been able to offer products at competitive prices and attract younger customers. Due to various factors, including efficient logistics management and strategic tie-ups, online retailers are not only able to offer more discounts, but also a wider range of apparels and accessories. Due to the above reasons, online retailing has been witnessing noticeable growth in the recent years and increased competition from them could reduce footfalls and sales in our stores. There is no assurance that we would be able to effectively offset the advantages that our competitors may have and grow our business, or that the competition we face would not drain our financial or other resources. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on marketing, may affect the competitiveness of our business model, which may adversely affect our results of operation, financial condition and cash flows.

4. Any deterioration in the public perception of the brands sold by us could affect our customer footfall at stores and can adversely impact our reputation, business, financial condition, cash flows and results of operations.

Our ability to attract and retain customers is dependent upon public perception and recognition of the quality associated with the apparel and accessories brands sold by us. Since our customers rely on us for the quality of our products, we could suffer reputational damage if there are any quality concerns regarding the products we sold. Any loss of confidence on the part of our customers would be difficult and costly to re-establish. The public perception of our brands may also be affected by several other factors, such as:

- decline in the quality of merchandise from our vendors;

- occurrence of accidents or injuries, natural disasters, crime or similar events at our stores and/or factory outlets;
- competition;
- negative reviews of our store and/or brands;
- any dissatisfaction amongst our channel partners and vendors;
- failure to protect our intellectual property leading to counterfeit products and merchandise being sold under our logo;
- any negative media coverage, social media backlash, or involvement in controversies including environmental or social issues; and
- poor or inconsistent service in stores, online, or through customer support channels.

If the perceived quality of our brands declines, or if our reputation is damaged, our business, financial condition, cash flows and results of operations could be adversely affected. Our failure to adequately protect our intellectual property rights could diminish the value of our brand and reduce demand for our merchandise. See "*Risk Factors - Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation.*" on page 67. Maintaining and enhancing our brands may require us to make substantial investments in areas such as outlet operations, employee training, branding, marketing and advertising, and these investments may not be successful. If our marketing and advertising campaigns are poorly executed, or customers lose confidence in our brand for any reason, it could harm our ability to attract and retain customers. We have not faced any material instances in the past three Fiscals and six months ended September 30, 2024, where any of our advertisements or products were recalled due to public perception and public backlash. The following table sets forth our advertisement and sales promotion expenses for the periods indicated:

Particulars	**Six months ended September 30, 2024**	**Six months ended September 30, 2023**	**Fiscal**		
			2024	**2023**	**2022**
Advertisement and sales promotion expenses (₹ crore)	385.85	305.90	760.03	652.48	292.98
Advertisement and sales promotion expenses, as a percentage of total expenses (%)	5.00%	4.40%	5.04%	5.17%	3.49%

Our products are appreciated by consumers for their quality and fit, and distinctive branding has differentiated our products in the marketplace. As such, our intellectual property rights are our valuable assets that are critical to our success. We intend to continue to vigorously protect our intellectual property rights and brand against infringement, but we may not be successful in doing so. The unauthorized reproduction or other misappropriation of our trademark would diminish the value of our brand, which could reduce demand for our products or the prices at which we can sell our products.

5. Our manufacturing facilities are subject to operating risks. Any shutdown of our manufacturing facilities caused by unforeseen events may adversely affect our business, financial condition, results of operations and cash flows.

Our manufacturing facilities are subject to operating risks and we may encounter manufacturing problems or experience difficulties or delays in production as a result of occurrence of the following events or any other events beyond our control:

- forced or voluntary closure of manufacturing facilities, including as a result of regulatory actions;
- problems with supply chain continuity, including as a result of natural or man-made disasters at any of our manufacturing facilities;
- manufacturing shutdowns, breakdown or failure of equipment, inefficient equipment performance, obsolescence of our equipment and production facilities, industrial accidents and the need to comply with the directives of relevant government authorities;
- local community, political or other opposition;
- labour disputes, strikes, lock-outs that may result in temporary shutdowns or manufacturing disruptions;
- any changes in the availability of power or water availability which impacts the entire region;
- failure of a supplier to provide us with the critical raw materials or components for an extended period of

time, which could impact continuous supply; and
- changes in political relationships between India and the countries which are significant for our business operations, and local political tensions.

Except pursuant to the lockdown restrictions imposed by the Government of India to address the COVID-19 pandemic in Fiscal 2022, our manufacturing facilities have not faced any disruptions or shut downs in the last three Fiscals and six months ended September 30, 2024. There is no assurance that our business and financial results may not be adversely affected by any disruption of operations at our manufacturing facilities, including as a result of any of the factors mentioned above, in the future, which may adversely affect our business, financial condition, results of operations and cash flows. Further, the lease of our manufacturing facility located in Krishnagiri, Tamil Nadu, expired on July 31, 2024. While our Company is in the process of renewing the same we cannot assure you that we will be able to renew this lease on commercially acceptable terms or at all.

6. We face the risk of our designs being out of trend.

Our success is largely dependent upon our ability to gauge the ever-evolving fashion tastes of our customers and to provide merchandise that satisfies customer demand in a timely manner. The retail apparel business fluctuates according to changes in consumer preferences dictated, in part, by fashion and season. To the extent we misjudge the market for our merchandise or the products suitable for our market, our sales may get adversely affected. We might not always be able to design our products in line with the evolution of the markets and thus be exposed to the risk of inability to create popular designs. We are also to a large extent dependent on functional experts such as designers who can identify and predict the emerging trends based on analysis of customer preferences.

Typically, we keep inventory relating to a particular season at our stores and thereafter try to liquidate any unsold inventory during end of season sales and any leftovers through factory outlets and other depletion channels. However, we face a risk of changing fashion trends and consumer preferences in India, which may result in unsold inventory being left for longer durations. We cannot assure you that we will be able to dispose such unsold inventory profitably, or at all. Our success depends upon our ability to forecast, anticipate and respond to changing consumer preferences and fashion trends in a timely manner. Any failure by us to identify and respond to such emerging trends in consumer preferences could have a material adverse effect on our business and profitability. Further, any mismatch between our forecasts, our planning and the actual purchase by customers can impact us adversely, leading to excess inventory, additional working capital requirements and requiring us to resort to higher markdown and thus lower margins in order to clear such inventory.

7. We may require additional capital and financing in the future and our operations could be curtailed if we are unable to obtain the required additional capital and financing when needed.

Our operations are capital intensive. The following table sets forth our capital expenditure and working capital utilization for the periods indicated:

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal		
			2024	2023	2022
Capital expenditure* (₹ crore)	183.54	391.18	729.41	644.96	309.08
Working capital utilization** (₹ crore)	1,844.62	2,073.99	1,648.49	1,254.70	275.46

**Capital Expenditure comprises amounts spent on freehold land, freehold building, plant and equipment, leasehold improvements, computers, furniture and fixtures, office equipment, vehicles and computer software. Capital expenditure excludes additions on account of business combination.*
***Working capital utilization is calculated by deducting total trade payables from the sum of inventory and trade receivables.*

The actual amount and timing of our future capital requirements either in the form of debt or equity may differ from estimates as a result of, among other factors, unforeseen events beyond our control, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, weather related delays, technological changes and additional market developments and new opportunities in the industries where we operate. While we have not faced any such instances in the past three Fiscals and the six months ended September 30, 2024 where we were unable to raise debt or equity capital in a timely manner, we cannot assure you that such instances will not occur in the future.

Our sources of additional capital, where required to meet our capital expenditure plans or funding working capital requirement, may include the incurrence of debt or the issuance of equity or debt securities or a combination of both. Further, our budgeted resources may prove insufficient to meet our requirements which could drain our internal accruals or compel us to raise additional capital. If we are required to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

8. *Slower turnaround and longer gestation of newer businesses and acquisitions made by our Company may have an adverse effect on our ability to manage our business.*

Over the past several years, our Company has strategically diversified into multiple categories through organic expansion and targeted acquisitions. For further information, see "*Our Business – Acquisitions, Investments and Partnerships*" on page 199. The timeline for scaling the acquired businesses to their full potential may vary, and the development trajectory could differ from initial business plans and estimates. Further, we may not be able to realise the expected synergies of these new businesses and acquisitions. In the business environment, especially when expanding into new markets or launching new brands, factors such as market demand, competition, economic conditions, consumer behaviour, and operational challenges can influence outcomes to a varying extent.

In the future as well, we may undertake acquisitions, investments, joint ventures or other strategic alliances to expand our business operations. Such acquisitions may expose us to new operational, regulatory, market and geographic risks as well as risks associated with additional capital requirements as well as other considerable risks, including:

- our inability to integrate new operations, personnel, products, and technologies;
- unforeseen or hidden liabilities, including exposure to lawsuits associated with newly acquired companies;
- the diversion of resources from our existing businesses;
- failure to comply with laws and regulations as well as industry or technical standards of the domestic/overseas markets into which we may expand;
- our inability to generate sufficient revenues to offset the costs and expenses of such acquisitions or strategic investment; and
- potential loss of employees or harm to customer relationships.

Any of these events could disrupt our ability to manage our business, which in turn could have an adverse effect on our financial condition, cash flows and results of operations. Such risks could also result in our failure to derive the intended benefits of the acquisitions, and we may be unable to recover our investment in such initiatives.

9. *We may not be successful in implementing and managing our expansion and growth strategy effectively.*

Our ability to manage our expansion effectively and execute our growth strategy predominantly depends on our ability to grow and manage our business and operations, which could be adversely affected by many factors, including general political and economic conditions, government policies or strategies in respect of specific industries, prevailing interest rates, and labour costs, among others. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, execute our business strategies successfully or respond to competitive pressures. Additional difficulties in executing our growth strategy, particularly in new geographical locations, may include, among others, obtaining applicable regulatory approvals and other permits; managing local operational, capital investment or sourcing regulatory requirements; managing fluctuations in the economy and financial markets, as well as credit risks; and managing possible unfavourable labour conditions or employee strikes. We cannot assure you that our growth and expansion strategy will continue to be successful or will continue to grow at historical rates or that we will be able to execute our business plans efficiently in a cost-effective manner.

Expansion of our distribution footprint will subject us to various challenges associated with establishing and conducting operations, including:

- identify and obtain suitable store locations and negotiate acceptable leases for these locations;

- delay in implementation due to, among other causes, delays in completion of shopping malls in which we propose to open our stores;
- cessation of relationships with marquee brands and designers;
- achieving anticipated levels of patronage for new stores;
- hire, train and retain qualified store managers and sales people;
- compliance with local laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- language barriers;
- lack of brand recognition and ability to understand consumer preferences and local trends in such new regions;
- uncertainty with new local business partners;
- manage and expand our backend infrastructure to accommodate growth;
- Government development or construction plans around our planned sites which could have an impact on the external traffic flow to our stores, if any.

Further, the success of the operation of our new stores may be affected by various challenges, including:

- our ability to successfully integrate the new stores with our existing operations and achieve related synergies;
- manage inventory effectively to meet the needs of new and existing stores on a timely basis;
- economic slowdown in a particular area or city/region;
- competition from incumbent and new retailers selling similar apparels in the region; and
- changing consumer demographics and lifestyle choices in a particular market.

Our plans to expand our store base may not be successful and the implementation of these plans may not result in an increase in our revenues even though they increase our costs. Additionally, new stores that we open may place increased demands on our existing financial, operational, managerial and administrative resources, which could cause us to operate less effectively. Our new stores may not be immediately profitable and, as such, we may incur losses until these stores become profitable. Any failure to successfully operate new stores would adversely affect our results of operations. Further, in the event we are not able to maintain or grow the revenue contribution from our current stores, or if our new stores do not meet the performance expectations, it may result in closure of such stores. Similarly, if we are not able to generate value from our other modes of distribution, our business may be adversely affected. While we intend to continue to expand our operations, we may not be able to sustain historic growth levels and may not be able to leverage our experience in our existing markets in order to grow our business in new markets. Our inability to properly manage our growth may have an adverse effect on our business, results of operations and financial condition.

10. Current trends of discounting and pricing strategies may adversely affect the value of our brand and our sales.

We use pricing and branding strategies to maintain the image and value of our brand. If our customers perceive that the prices of our products are not in line with the quality of our products, our sales may be directly impacted. We may not always be able to offer our products at prices which represent value for money. Our competitors, on the other hand, may have pricing advantages due to various factors such as different scales of operations and sizes of distribution centres. The trend of deep discounting and aggressive pricing strategies currently prevailing in the market, poses challenges to maintaining brand value and sustainable sales.

High levels of discounting, especially on e-commerce platforms, can create an environment where customers expect lower prices, potentially devaluing the perceived worth of the products. This price-sensitive behaviour often leads to an erosion of brand loyalty as consumers may prioritize cost savings over brand affinity, making it harder to retain customers without offering frequent promotions. Additionally, one of the principal elements of our business model is extensive distribution network with a wide geographical presence. Therefore, in the present situation any shift from brick and mortar to online retail by customers may affect us adversely.

11. We rely on third party vendors for sourcing merchandise for certain brands and our retail operations. Any shortcomings in the quality of merchandise supplied by such vendors could adversely impact our reputation, business, financial condition, cash flows and results of operations.

The products sold by us at our stores and online channels are sourced from a wide variety of vendors. While we oversee the manufacturing process and track timelines, we do not own these operations and rely on our partners to supply finished goods in sufficient quality and quantity. Inventory planning is based on demand forecasts, and disruptions in our supply chain may result in inventory shortfalls or the inability to place products at desired locations, impacting sales and operations. Any failure in meeting quality requirements or timely deliveries, particularly during peak demand seasons, can lead to sales losses and damage to brand reputation. Future challenges in procuring finished products of the necessary quality and quantity could negatively impact our growth, financial health, and market expansion, particularly as our business operations scale and require new partnerships. Further, if the scale of our business operations expands, or we enter new markets, we may need to engage new third party vendors. Our inability to identify and retain third party vendors could adversely affect our business, cash flows, financial condition, and results of operation.

12. The success of our business is dependent on an agile and efficient supply chain management. Any disruptions or delays in the supply of our products could hamper our operations and adversely impact our business and results of operations.

We strive to keep optimum inventory at our stores and distribution centres to control our working capital requirements. Our inventory turnover days for the six months ended September 30, 2024 and 2023, and Fiscals 2024, 2023 and 2022 were 114.49, 128.75, 112.14, 103.55 and 105.67 respectively. Inefficient supply chain management may lead to unavailability of right or adequate merchandise resulting in a mismatch between customer requirements and products available at our stores. Ensuring shelf availability for our products warrants quick turnaround time and high level of coordination with suppliers. Our inability or failure to maintain a balance between optimum inventory levels and our product offerings at our stores may adversely affect our business, results of operations, cash flows and financial condition. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale in our stores and our distribution centres. Furthermore, if we underestimate customer demand for our products, we may need to place additional orders, the majority of which will likely need to be outsourced to third-party manufacturers. Any disruptions or delays in the supply of our products could hamper our operations and adversely impact our business and results of operations.

13. We do not have long-term contracts for the purchase of raw materials. We typically source such raw materials by placing purchase orders from time to time. Any delay, interruption or reduction in the supply of raw materials to manufacture our products or volatility in the prices of raw materials, may adversely affect our business, results of operations, financial condition and cash flows.

We do not have long-term contracts for the purchase of raw materials. We typically source such raw materials by placing purchase orders from time to time. In the absence of long-term contracts, we cannot assure you that we will be able to continue to obtain adequate or continuous supplies of our raw materials, in a timely manner or at all, in the future.

Any reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, may have an adverse effect on our ability to manufacture our products in a timely or cost effective manner. We may also be required to replace a supplier if its products do not meet our quality standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by market conditions. We cannot assure you that we will not face any such instances in the future. Any such occurrence in the future may adversely affect our business, results of operations, cash flows and financial condition.

14. Failure to successfully develop and manage new store design concepts could adversely affect our results of operations.

The introduction and growth or maintenance of new store design concepts as part of our overall growth and productivity strategies could strain our financial and management resources and is subject to a number of other risks, including customer acceptance, product differentiation, competition and maintaining desirable locations. These risks may be compounded during difficult economic climates or any future economic downturn. There can be no assurance that new store designs will achieve or maintain sales and profitability levels that justify the required investments.

If we are unable to successfully develop new store designs, or if consumers are not receptive to the products, design layout, or visual merchandising, our results of operations and financial results could be adversely affected. In addition, the failure of new store designs to achieve acceptable results could lead to unplanned store closures and/or impairment and other charges, which could adversely affect our results of operations and ability to grow.

15. Our operations could be adversely affected by strikes or increased wage demands by our employees or any other kind of disputes with our employees.

As of September 30, 2024, we had over 35,000 permanent employees. We may be subject to employee unrest, operational slowdowns and increased wage costs, which may adversely affect our business and results of operations. Some of our employees are unionized as on the date of this Placement Document. Union organizing efforts or collective bargaining negotiations could lead to strikes by our employees, which could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Furthermore, in the event that all or part of our employees are represented by one or more labour union, we may face higher employee costs and increased risks of work stoppages, slowdowns and/or strikes, which could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Although we have not experienced any strikes or employee unrest in the six months ended September 30, 2024 and the past three Fiscals, we cannot assure you that we will not experience disruptions in future due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. In the event our employee relationships deteriorate there could be an adverse impact on our operations. We are also subject to, and may continue to contest, regulatory claims alleging defaults in relation to employee wage payments and contributions. Any such actions could adversely affect our business, results of operations and financial condition.

We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. If labour laws become more stringent, it may become more difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

16. The international brands distributed by us are not owned by us and are sold pursuant to long term agreements with brand owners.

We have entered into agreements with the brands owners of certain international brands, pursuant to which we distribute certain products using such brands in India. These agreements typically range for a period of up to 30 years, and contain certain performance obligations and are also capable of being terminated. The termination or non-renewal of any of these agreements may have an adverse effect on our business and results of operations. If we fail to honour any performance obligations included in these agreements, such agreements may not be continued or renewed by the brand owners. Accordingly, if our agreements are not renewed or are renewed on the terms and conditions that are not favourable to us, our business, cash flows, financial condition and results of operation may be adversely affected. Further, these agreements have short termination notice period. In case such existing agreements are terminated or we are unable to renew agreements with such international brands, or if there are legal complications in relation to these agreements pursuant to their multi-jurisdictional nature, our results of operations may be affected.

17. We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, results of operations, cash flows and financial condition.

We have entered into various financing arrangements with various lenders for short-term and long terms facilities. As of September 30, 2024, our total outstanding borrowings (including long term and short term borrowings) amounted to ₹ 4,528.23 crore. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditure and reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions.

Our financing arrangements include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions including altering our capital structure or constitutional documents, further issuance of any Equity Shares, effecting any scheme of amalgamation or arrangement or reconstruction, changing the management and dilution of Promoter' shareholding. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. We have received all consents required from our lenders in connection with the Issue.

In terms of security, we are required to create a mortgage or charge over our current assets, movable and immovable properties. We may also be required to furnish additional security if required by our lenders. Additionally, these financing agreements also require us to maintain certain financial ratios such as debt service ratio, and interest service ratio. While there has been no breach of such covenants in the past three Fiscals and the six months ended September 30, 2024, we cannot assure you that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. Further, there has been no re-scheduling/ re-structuring in relation to borrowings availed by us from any financial institutions or banks in the past three Fiscals and the six months ended September 30, 2024.

18. We are subject to payment-related risks, including risks associated with cash payments, online payment mechanisms and payment processing risks.

We accept various payment methods from customers for purchase of our products, including, cash (within applicable norms), credit and debit cards, and UPI and digital wallet transactions and we may offer different payment options over time. For several payment mechanisms, including credit and debit cards, we pay bank interchange and other fees, which may increase over time, thereby increasing our operating costs which may adversely affect our results of operations. We use payment gateways of various third parties to provide payment processing services, including the processing of credit and debit cards of our customers. Our business may be disrupted if any of these payment gateways becomes unwilling or unable to provide these services to us. We are required to comply with payment card network operating rules, which are set and interpreted by the payment card networks for the third-party payment processors. The payment card networks may adopt new operating mechanisms or interpret or re-interpret existing rules, as revised by regulatory authorities such as RBI, from time to time, in ways that might prohibit us from providing certain services to our customers or be costly to implement. If we fail to comply with these rules or requirements by service providers including in connection with nodal accounts, we may be subject to fines or indemnities or higher transaction fees or lose our ability to accept credit and debit card payments from our customers or facilitate other types of online payment mechanisms, which may adversely affect our business operations. In case fraudulent transactions occur due to payments made via credit cards, including international credit card transactions, and become excessive, they could potentially result in our losing the right to accept credit cards for payment. Occurrence of any or all of the events mentioned above may adversely affect our business, financial condition, cash flows and results of operations.

19. Eight of our eleven manufacturing facilities in India are located in the state of Karnataka, India which exposes our operations to risks arising from local and regional factors such as adverse social and political events, weather conditions and natural disasters.

Eight of our eleven manufacturing facilities in India are located in the state of Karnataka, India. Owing to the geographic concentration of our manufacturing facilities in Karnataka, India, our operations are susceptible to local and regional factors, such as civil unrest as well as other adverse social, economic and political events in the state of Karnataka, weather conditions, natural disasters, regional conflicts and other unforeseen events and circumstances. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in the state of Karnataka, or changes in policies of the state or local governments or the government of India or adverse developments related to competition in the state of Karnataka, may adversely affect our business, financial conditions, cash flows, and results of operations.

20. We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our business, results of operations, cash flows and financial condition.

We are required to obtain certain approvals, registrations, permissions and licenses under various regulations, guidelines, circulars and statutes regulated by the relevant authorities in India for our stores operations. We need to apply for certain approvals and make applications for renewal of approvals that expire from time to time, in the ordinary course of our business. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, cash flows and financial condition. Any such occurrence in the future may adversely affect our business, results of operations, cash flows and financial condition.

21. Our Company may undertake a fund-raise by way of preferential issue, after completion of the Issue which is subject to the corporate approvals and other considerations.

Subject to approval of our Shareholders, and other requisite approvals, the Board has passed a resolution on January 15, 2025, approving the raising of funds for: a) an amount aggregating up to ₹ 1,297.50 crore by issuance of up to 4,08,72,580 Equity Shares of the Company at a price of ₹ 317.45 each to one of the Promoter Group entities; and b) an amount aggregating up to ₹ 1,081.25 crore by issuance of up to 3,96,97,838 Equity Shares of the Company at a price of ₹ 272.37 to certain QIBs in the Non-Promoter Group category, by way of a preferential issue. The same has also been disclosed to the Stock Exchanges. However, we may not be able to complete the preferential issuance in a timely manner or at all if we do not receive the approval of our Shareholders or any other regulatory and statutory approvals required for the preferential issuance or if the proposed allottees to the preferential issue do not subscribe to the preferential issuance. Further, the terms of the preferential issuance as currently approved by the Board maybe amended or modified. A successful completion of the preferential issuance, to the extent subscribed by our Promoter, may result in an increase in the shareholding of our Promoters in the Company and may result in dilution of shareholding of the successful allottees in the Issue as well as other shareholders of our Company. For details, see "*Capital Structure*" on page 93.

22. Non-compliance with existing or changes to environmental, health and safety, labour laws and other applicable regulations by us may adversely affect our business, financial condition, results of operations and cash flows.

Our operations are subject to extensive laws and government regulations, including in relation to safety, health and environmental protection. We are also subject to the laws and regulations governing relationships with employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour, work permits, maintenance of regulatory and statutory records and making periodic payments. We may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. We may become involved or liable in litigation or other proceedings and consequently incur increased costs or penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations. We have incurred and expect to continue incurring costs for compliance with all applicable health and safety, and labour laws and regulations. We cannot assure you that we will be able to comply with all applicable environmental, health, safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of our production and operations. We may, in future, be held liable for any regulatory lapses and non-compliances and incur increased costs or be subject to penalties, which are not covered by the insurance we currently carry. Any of the above may adversely affect our business, financial condition, results of operations and cash flows. Being a listed company, we are also required to comply with various provisions under the SEBI Listing Regulations including in relation to prior intimations for Board meetings, intimations for material events, intimations for outcome of Board meetings etc. We may in the past not have been in strict compliance with these requirements and the Stock Exchanges may find us in violation of the provisions of the SEBI Listing Regulations and impose penalties on us. Any non-compliances identified in the future may result in penalties being levied on us.

23. We have incurred losses in the past and we may continue to incur losses in the future which could have an

adverse effect on our business, results of operations and cash flows.

We have, in the past, incurred losses in our operations, as set forth below and we may continue to incur losses in the future.

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit/(loss) for the year/period (₹ crores)	(429.62)	(361.96)	(735.91)	(59.47)	(118.36)

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 107. We cannot assure you that we will not incur losses in the future which may adversely affect our business, price of our Equity Shares, overall market perception of our Company, results of operations and cash flows.

24. We have witnessed negative cash flows from operating activities in six months ended September 30, 2023. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and our financial condition.

The following table sets forth certain information relating to our cash flows from / (used in) operating activities for the periods indicated:

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
		(₹ crore)			
Net cash flows from/ (used in) operating activities	531.71	(38.04)	1,341.40	636.20	950.51

Negative operating cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be adversely affected. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" and "*Selected Financial Information*" on pages 145 and 38.

25. Our statutory auditors have included certain emphasis of matter in relation to our financial statements. We cannot assure you that any such emphasis of matter or other qualifications will not be included by our statutory auditors in the future.

Our statutory auditors have included certain emphasis of matter in relation to our financial statements. We cannot assure you that any such emphasis of matter or other qualifications will not be included by our statutory auditors in the future. For details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Auditor Observations and Emphasis of Matter*" on page 151 and "*Legal Proceedings - Reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of the Preliminary Placement Document and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remarks*" on page 294.

26. Our business is subject to seasonal and cyclical volatility.

The fashion and retail consumer spending is heavily dependent on the economy, season and, to a large extent, on various occasions such as festivities and weddings, and our success is dependent on our ability to meet such requirements in a timely manner. These seasonal variations in consumer demand subject our sector to a considerable degree of volatility. As a result, our revenue and profits may vary during different quarters of a financial year and certain periods may not be indicative of our financial position for a full financial year or future quarters or periods and may be below market expectations. Further, any unanticipated decrease in demand for our products during our peak selling season could result in higher closing inventory position, which may lead to sale and liquidation of inventory getting delayed against the trajectory under normal course of business, which could adversely affect our financial position and business operations.

Fluctuations in the apparel retail market affect the inventory owned by apparel retailers, since merchandise usually must be manufactured in advance of the season and frequently before fashion trends. In addition, the cyclical nature of retail apparel business requires us to carry a significant amount of inventory, especially prior to peak selling seasons when we build up our inventory levels. As a result, we will be vulnerable to demand and pricing shifts and to suboptimal selection and timing of merchandise production. If sales do not meet expectations, too much inventory may lower planned margins. Our brand image may also suffer if customers believe we are no longer able to offer the latest fashion. The occurrence of these events could adversely affect our cash flows, financial condition and business operations.

27. Any failure to maintain high-quality standards of our products may adversely affect our business, results of operations, reputation and cash flows.

Our reputation and success are heavily dependent on the quality of our products. We face several risks related to product quality, including inferior quality of the raw materials, supplier and vendor quality control, and manufacturing defects, any of which can result in defective products reaching our customers, leading to increased returns and damage to our brand reputation. Any failure to maintain high-quality standards of our products may adversely affect our business, results of operations, reputation and cash flows.

28. The quality of customer service at our stores is critical to our success and reputation. Any decline in the quality of customer service could adversely affect our business, financial condition, results of operations, and cash flows.

Our business is manpower intensive and our sales personnel play a crucial role in ensuring quality customer service at our stores through interacting with the customers, building rapport and representing our brand. We face several risks related to customer service, including the ability to hire, train, and retain qualified staff, maintaining consistent service standards across all locations, and effectively managing customer complaints and feedback. Poor customer service can result in negative customer experiences, leading to a decline in customer satisfaction and loyalty. This can negatively impact our sales and market share, as dissatisfied customers are less likely to return and more likely to share their negative experiences with others, both in person and through online reviews and social media. Additionally, any failure to address customer complaints promptly and effectively can further damage our reputation and lead to a loss of trust. Any significant issues with customer service could adversely affect our business, financial condition, results of operations, and cash flows.

29. Certain of our brand are dependent on key individuals. Any negative publicity regarding such persons could have an adverse impact on such brands which in turn could adversely affect our results of operations and financial condition.

We have entered into joint ventures, partnerships, and associations with certain brands that are dependent on key individuals and their reputations, such as Sabyasachi Mukherjee and Tarun Tahiliani. The success and brand value of these collaborations are significantly influenced by the public perception and continued involvement of such key persons.

Any adverse events affecting the reputation or availability of these individuals could negatively impact the associated brands and, consequently impact, our Company's brand and business operations. This includes, but is not limited to, personal controversies, health issues, or any other factors that may diminish their public standing or ability to contribute to the brand.

The loss of reputation or the departure of these key persons could lead to a decline in consumer confidence and demand for the products associated with these brands, thereby adversely affecting our financial performance and market position.

30. Our Company and Promoter are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, financial condition, cash flows and results of operations.

There are outstanding legal and regulatory proceedings involving our Company and our Promoter which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, continuity of our management, business, cash flows, financial condition and results of operations.

Further, for the quarters ended December 31, 2023 and March 31, 2024, NSE and BSE had imposed fines on Aditya Birla Sun Life Insurance Company Limited ("**ABSLI**"), wherein one of our Directors, Kumar Mangalam Birla, is also a director, aggregating to ₹ 74,340 each, for delayed compliance with Regulation 6(1) of SEBI Listing Regulations, i.e., appointment of qualified company secretary as the compliance officer beyond the period of three months from the date of such vacancy. ABSLI has paid the fine and complied with Regulation 6(1) of the SEBI Listing Regulations by appointing the company secretary and compliance officer with effect from February 15, 2024.

We cannot assure you that any of these matters will be settled in favour of our Company, or our Promoter, respectively, or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, cash flows, results of operations and our reputation. For further information, see "*Legal Proceedings*" on page 290.

31. We depend on our senior management and qualified and skilled personnel, and if we are unable to recruit and retain senior management, qualified and skilled personnel, our business and our ability to operate or grow our business may be adversely affected.

Our Senior Management and Key Managerial Personnel have substantial experience and have contributed to the growth of our business. For further details, see "*Board of Directors and Senior Management*" on page 202. Our future performance would depend on the continued service of our senior management, Key Managerial Personnel, qualified and skilled personnel, and the loss of any senior employee and the inability to find an adequate replacement may adversely affect our business, cash flows, financial condition, results of operations and prospects. Our future success, among other factors, will depend upon our ability to continue to attract, train and retain qualified personnel with critical expertise, know-how and skills that are capable of helping us. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future, which may adversely affect our business, financial conditions, cash flows and results of operations.

The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. The specialised skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply.

Our inability to hire, train and retain a sufficient number of qualified personnel could impair the success of our operations. This could have an adverse effect on our business, financial conditions, cash flows and results of operations.

32. We are exposed to risks associated with engaging contract labour for our operations.

We engage independent contractors through whom we engage contract labour for performance of certain of our operations. As of September 30, 2024, we have engaged over 23,000 contract labourers. Although we do not engage these contract labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Further, under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be directed to absorb some of these contract labourers as our employees. Any such orders from a court or any other regulatory authority may adversely affect our results of operations.

33. We may not have adequate insurance and may be unable to secure additional insurance to cover all losses we may incur in our business operations or otherwise.

We maintain insurance coverage in such amounts and against such risks which we believe are in accordance with industry practice. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation. Furthermore, we may not be able to secure any additional insurance coverage on commercially reasonable terms or at all.

In addition, we may not be able to maintain insurance of the nature or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our reputation, business and results of operations.

We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully or on time. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have an adverse effect on our business, financial condition, cash flows, and results of operations.

34. Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation.

Our Company and our Subsidiaries have registered certain trademarks. As of September 30, 2024, we have 1,718 trademarks registered in the name of our Company. For further information, see "*Our Business – Intellectual Property*" on page 201. The use of our registered trademarks or logos by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. The measures we take to protect our registered trademarks may not be adequate to prevent unauthorized use of our registered trademarks by third parties.

We have applied for the registration of certain trademarks. We cannot assure you that such registration of our trademarks will be granted to us in a timely manner, or at all. As a result, we may not be able to prevent infringement of our trademarks until such time that such registration is granted. Further, the defence of intellectual property suits and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert the efforts and resources of our technical and management personnel. We may not achieve a favourable outcome in any such litigation.

35. If we inadvertently infringe on the intellectual property rights of others, our business and results of operations may be adversely affected.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may force us to alter our brands, obtain licences or cease some of our operations. Further, intellectual property rights in relation to international brands licensed to us may face infringement which may impact our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be subject to costly litigation or may be required to obtain a licence, modify our existing business plan or cease the use of such intellectual property. Effectuating such changes can be extremely costly. Further, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

36. Any failure or material weakness of our internal controls system could cause operational errors or incidents of fraud, which would adversely affect our reputation, business, results of operations, cash flows and financial

condition.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Internal control systems comprising policies and procedures are designed to ensure sound management of our operations, safekeeping of assets, optimal utilisation of resources, reliability of financial information and ensuring compliance. The systems and procedures are periodically reviewed and routinely tested and cover all functions and business areas.

While we believe that we have adequate controls, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness.

37. Losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.

Our business and the retail industry, in general, face challenges such as shoplifting by customers, pilferage by employees, and inventory discrepancies due to logistical errors and mismanagement. Increased losses may necessitate additional investments in security systems and surveillance measures, potentially raising our operational costs and impacting profitability. Despite implementing various security protocols and cash management procedures, there is no guarantee these measures will fully prevent such incidents. Cash transactions, inherent to our operations, also carry risks such as robbery, fraud, and challenges in safely transferring cash from stores to banks. Increasing security measures may not completely eliminate these risks, and the associated costs could adversely affect our financial performance.

38. Any significant disruptions or inefficiencies in our warehousing and logistics operations could adversely affect our business, financial condition, results of operations, and cash flows.

We rely on a network of third-party logistics providers to manage various aspects of our supply chain, including transportation, warehousing, and distribution. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lockouts, shortage of labour, delays and disruption of transportation services for events such as weather-related problems and accidents. If we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations and financial condition may be adversely affected. Further, movement of goods encounters additional risks such as accidents, pilferage, and our inability to claim insurance may adversely affect our operations, results of operations and financial condition.

Our warehousing setup integrates both third-party logistics providers and leased warehouses, which exposes us to several risks. Any disruption in the services provided by our logistics partners, such as delays, errors in inventory management, or logistical failures, could adversely affect our ability to meet customer demands and maintain service levels. Additionally, issues related to the leasing of warehouses, such as lease renewals, cost escalations, or space constraints, could impact our storage capacity and operational flexibility. Any significant disruptions or inefficiencies in our warehousing and logistics operations could adversely affect our business, financial condition, results of operations, and cash flows.

39. Compliance with data privacy norms may require us to incur expenditure, which may adversely impact our financial condition and cash flows.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur expense and devote considerable time to compliance efforts. The existing data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remains uncertain. Data privacy laws, rules and regulations are also subject to changes and may become more restrictive in the future. Changes or further restrictions in data privacy laws, rules and regulations could have an adverse effect on our business, cash flows, financial condition and results of operations. The cost and operational consequences of implementing further data protection measures could be significant and this may have an adverse effect on our business, cash flows, financial condition and results of operations.

40. We have certain contingent liabilities that have been disclosed in our financial statements, which if materialize, may adversely affect our results of operations, cash flows and financial condition.

As of September 30, 2024, our contingent liabilities as per Ind AS 37 that have been disclosed in our financial statements, were as follows:

Particulars	Amount (₹ crore)
Claims against our Company not acknowledged as debts	
Commercial taxes	18.76
Excise duty	2.20
Customs duty	9.73
Bank Guarantees	27.20
Textile committee cess	0.75
Income Tax	11.56
Others*	22.13
Total	**92.34**

** Pertains to claims made by third parties, pending settlement which are considered not tenable.*

For further information, see *"Financial Statements"* on page 311.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations.

41. Technology failures could disrupt our operations and adversely affect our business operations and financial performance.

We make use of digital platforms and analytics and are extending the reach of our products and brands through omnichannel platforms. Further, we use relevant technology for supporting our operations, including property management, material procurement, running loyalty programs and customer amenities. Our ability to operate seamlessly depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis. These technologies may undergo enhancements from time to time and our inability to maintain or upgrade the technologies used by us for operations, could materially and adversely affect our operations. The table below sets forth information technology expenses incurred by us for the periods indicated:

Particulars	Six months ended September 30,	
	2024	2023
Information technology expenses (₹ crore)	117.48	110.04
Information technology, as a percentage of total expenses (%)	1.52%	1.58%

Particulars	Fiscal		
	2024	2023	2022
Information technology expenses (₹ crore)	220.89	193.56	138.71
Information technology, as a percentage of total expenses (%)	1.47%	1.53%	1.65%

If we do not allocate and effectively manage the resources necessary to implement and sustain the proper IT infrastructure, we could be subject to operational inefficiencies. Challenges relating to the revamping or implementation of new IT structures can also subject us to certain errors, inefficiencies, and disruptions. Our IT systems may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Furthermore, some of our technological implementation may not result in the expected efficiencies and benefits we anticipate, which could adversely affect our operations and financial condition.

42. Our Promoter, members of the Promoter Group, Directors and Key Managerial Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits.

Our Promoter, members of the Promoter Group, Directors and Key Managerial Personnel may be interested in our Company to the extent of the Equity Shares and/or employee stock options held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For further details on our shareholding, see "*Capital Structure"* on page 93.

43. Our Promoter and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Issue and their interests may differ from those of the other shareholders.

Our Promoter and members of the Promoter Group collectively hold 49.25% of the paid-up equity share capital of our Company on a fully diluted basis. After the completion of the Issue, our Promoter along with the members of Promoter Group will continue to collectively hold majority of the shareholding in our Company and will continue to exercise control over our business policies and affairs and all matters requiring Shareholders' approval. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoter and members of our Promoter Group as our controlling shareholders could conflict with our interests or the interests of our other shareholders. We cannot assure you that the Promoter and members of our Promoter Group will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

44. We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. All such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions. Further, it is likely that we may enter into additional related party transactions in the future. Such future related party transactions may potentially involve conflicts of interest. The table below sets forth details of absolute sum of all related party transactions and the percentage of such related party transactions to our revenue from operations in the periods indicated:

Particulars	**Six months ended September 30, 2024**	**Six months ended September 30, 2023**
	(₹ crore, except percentages)	
Sum of all Related Party Transactions	42.73	50.30
Revenue from Operations (₹ crore)	7,071.68	6,422.50
Sum of all Related Party Transactions as a Percentage of Revenue from Operations (%)	0.60%	0.78%

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
	(₹ crore, except percentages)		
Sum of all Related Party Transactions	105.18	86.89	61.88
Revenue from Operations (₹ crore)	13,995.86	12,417.90	8,136.22
Sum of all Related Party Transactions as a Percentage of Revenue from Operations (%)	0.75%	0.70%	0.76%

45. Industry information included in this Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose. Any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

We have availed the services of an independent third-party research agency, Wazir Advisors Private Limited, appointed by us pursuant to an engagement letter dated November 1, 2024, to prepare an industry report titled "*Industry Assessment of Indian Apparel Market*" dated December 1, 2024, for the purposes of inclusion of such information in this Placement Document to understand the industry in which we operate. The Wazir Report has been commissioned by our Company exclusively in connection with the Issue for a fee. The Wazir Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Further the commissioned report is not a recommendation to invest or divest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Placement Document, when making their investment decisions.

46. Certain non-GAAP financial measures relating to our operations and financial performance have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.

Certain non-GAAP financial measures relating to our operations and financial performance have been included in this Placement Document. We compute and disclose such non-GAAP financial measures as we consider such information to be useful measures of our business and financial performance.

These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

47. Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business, financial conditions, cash flows and results of operations.

The cost and availability of capital depends on our credit ratings. The following table sets forth our details of credit rating as of the date of this Placement Document:

Rating Agency	Instruments	Credit Rating
ICRA	Non-Convertible debentures	AA+
India Ratings	Non-Convertible debentures	AA+
Crisil	Non-Convertible debentures	AA+
ICRA	Commercial Paper	A1+
India Ratings	Commercial Paper	A1+
Crisil	Commercial Paper	A1+

Credit ratings reflect the opinion of the rating agency on our management, track record, diversified clientele, increase in scale and operations and margins, medium term revenue visibility and operating cycle.

While we have not experienced downgrading in our credit ratings received during the past three Fiscals and the six months ended September 30, 2024, any downgrade in our credit ratings or our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, could increase borrowing costs, will give the right to our lenders to review the facilities availed by us under our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows.

48. Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital

requirements, capital expenditures and financial condition.

We have not declared dividend in the last three fiscals and the six months ended September 30, 2024. The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

49. Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, cash flows, financial condition and results of operations may be adversely affected.

We intend to use the Net Proceeds for the purposes described in "*Use of Proceeds*" on page 86. The objects of the Issue and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency. The proposed utilization of Net Proceeds is based on our current business plan, management estimates, prevailing market conditions and other commercial considerations, which are subject to change and may not be within the control of our management. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

50. Our Company proposes to utilize a portion of the Net Proceeds to repay certain borrowings availed by our Company.

Our Company intends to use a certain portion of the Net Proceeds for the repayment of certain borrowings of our Company. Further, our Company may refinance/ roll over some or all of such identified borrowings in the ordinary course of business depending on the requirements of our Company. Accordingly, our Company may utilise the Net Proceeds for repayment of such refinanced/rolled over borrowings or fresh borrowings obtained by our Company. However, the repayment/ prepayment of the identified borrowings are subject to various factors including, commercial considerations, market conditions, cost of borrowings and conditions attached to such borrowings including prepayment penalties. While we believe that utilization of Net Proceeds for repayment of borrowings would help us to reduce our cost of debt and enable the utilization of our funds for further investment in business growth and expansion, the repayment of loans will not result in the creation of any tangible assets for our Company.

51. We avail unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans may adversely affect our business, results of operations, financial condition and cash flows.

From time to time, we avail unsecured loans, which may be recalled at any time, with or without the existence of an event of default, on short or no notice. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lender to give us extensions or to refrain from exercising such recalls, which may adversely affect our business, results of operations, financial condition and cash flows.

52. Our ability to raise foreign capital under the FDI route is constrained by Indian law and we may be subject to various conditions if we propose to raise foreign capital through the FDI route. If the Government of India reduces the permissible limit of foreign direct investment or imposes restrictive conditions in the future, our ability to raise foreign capital could be adversely affected and consequently, this may adversely affect our business, prospects and results of operations.

We are involved in the business of multi brand trading. Under the FEMA Rules, foreign direct investment of up to 51% of our paid-up capital is allowed under the Government route and the FEMA Rules prescribe certain conditions which are required to be complied with for the purposes of receiving FDI including inter alia minimum capitalisation of USD 100 million and mandatory investment of 50% of such capitalisation in 'back-end infrastructure' within three years and procurement of at least 30% of the value of manufactured/processed products shall be sourced from Indian micro, small and medium industries which have a total investment in plant and machinery not exceeding USD 2 million. Further, one of the conditions with respect to receipt of foreign capital under the FDI route is that the respective State Governments/Union territories to implement the FDI policy. Our Company presently does not propose to raise any foreign capital or in the Issue through the FDI route and accordingly, our Company does not comply with these conditions. However, in the event that our Company proposes to raise foreign capital in the future through the FDI route, then we would be required to file an application with the Department for Promotion of Industry and Internal Trade ("**DPIIT**") in accordance with applicable law. We cannot assure you that we will be able to comply with any of these conditions in the future or will be able to obtain approval from DPIIT for FDI in our Company and in case we are not able to obtain FDI in the future, it may adversely affect our growth plans and business prospects. Further, in accordance with FEMA Rules, we propose to allow participation by only Eligible FPIs in the non-resident category in the Issue through the portfolio investment scheme under Schedule II of the FEMA Rules, as the case may be, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment is the sectoral cap applicable to our Company on a fully diluted basis. We cannot assure you that the Government will continue to allow current level of participation by the aforesaid investors in the sector in which we operate or that the Government of India will not impose any further conditions with respect to such investments. Any adverse decision by the Government of India in this regard could adversely affect our business, prospects, results of operations and trading price of our Equity Shares. Furthermore, as an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies.

Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt by our Company may have an adverse effect on our business growth, financial condition, results of operations and price of our Equity Shares.

53. Any failure to comply with sanctions administered by the United States or other governments could adversely affect our business and reputation.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Our foreign customers may be located in jurisdictions to which certain OFAC administered and other sanctions apply. Although we endeavour to conduct our activities in compliance with applicable laws and regulations, we cannot guarantee full compliance. We cannot assure you that persons and/or entities with whom we may engage in future transactions will not become the subject of sanctions-related prohibitions or restrictions, or that sanctions will not be imposed on the persons with whom we currently engage or countries in which we currently conduct business. Our failure to successfully comply with applicable sanctions may expose us to adverse legal and business consequences, including civil or criminal penalties, government investigations, and reputational harm. Further, certain of our Promoters and members of the Promoter Group may be, and in the past have been, designated as politically exposed person, which makes us susceptible to additional compliance requirements.

External Risk Factors

54. Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.

Our business, financial performance, cash flow and results of operations could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Our business, cash flows, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The GoI and state governments may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI, state governments and other regulatory bodies, or impose onerous requirements.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. For instance, the GoI has recently introduced the Code on Social Security, 2020 ("**Social Security Code**"); the Occupational Safety, Health and Working Conditions Code, 2020; the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labour legislations (collectively, the "**Labour Codes**"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund. Additionally, the Wages Code restricts the portion of wages that can be excluded from calculations for employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the total wages paid to employees. The enforcement of these laws could lead to higher employee and labour costs, which in turn could have a detrimental effect on our operational results, cash flow, business, and overall financial health.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our financial conditions, cash flows and results of operations.

55. Purchases of retail apparel merchandise are generally discretionary and economic conditions may cause a decline in consumer spending which could adversely affect our business and financial performance.

Our operations and performance depend significantly on worldwide economic conditions and their impact on levels of consumer spending, particularly in discretionary areas, such as apparel. Our business and financial performance, including our sales may be adversely affected by any future decrease in economic activity in the country that could potentially cause a decline in consumer spending. Consumers are generally more willing to make discretionary purchases, including purchases of fashion products, during periods in which favourable economic conditions prevail. A decrease in consumer discretionary spending may decrease the demand for our products. In addition, reduced consumer spending may cause us to lower prices, suffer significant product returns from our customers or drive us to offer additional products at promotional prices, any of which would have a negative impact on our profits. Our ability to meet customers' demands depends, in part, on our ability to obtain timely and adequate delivery of materials from our suppliers. An unfavourable global financial situation may materially adversely affect the ability of our suppliers to obtain financing for significant purchases and operations. If certain key suppliers were to become capacity constrained or insolvent as a result of a financial crisis, it could result in a reduction or interruption in supplies or a significant increase in the price of supplies which in case is passed on to the consumers may adversely impact consumer spending and therefore our financial results. These and other economic factors could have a material adverse effect on demand for our products and on our financial condition, cash flows and operating results. In addition, as a result of decreased revenues and working capital, we may be required to seek additional financing which may not be available on acceptable terms or at all.

56. Political, economic or other factors including but not limited to any changes in laws, rules and regulations and legal uncertainties that are beyond our control may have an adverse impact on our business, financial

condition, results of operations and cash flows.

The following external risks may have an adverse impact on our business, financial condition, results of operations and cash flows, should any of them materialize:

- increase in interest rates may adversely impact our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- high rates of inflation may increase our employee costs and decrease demand for our products and services, which may have an adverse effect on our profitability and competitive advantage, to the extent that we are unable to pass on increased employee costs by increasing cost of our products and services;
- a downgrade of India's sovereign rating by international credit rating agencies may adversely impact our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- a change in the trade policies, in terms of tariff and non-tariff barriers, in the countries from which we import raw materials and to which we export our products, may have an adverse effect on our profitability;
- a decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy as well as the valuation of the Indian Rupee, which may adversely impact our financial condition;
- political instability, resulting from a change in government or in economic and fiscal policies, may adversely affect economic conditions in India;
- the occurrence of natural or man-made disaster or epidemic or pandemic may adversely affect economic conditions in India; and
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the financial markets, which may impact our business, financial condition, results of operations and cash flows.

Any of the aforementioned may adversely impact our operations business, financial condition, results of operations and cash flows.

57. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics and man-made disasters, including acts of war, terrorist attacks and other events such as political instability, including strikes, demonstrations, protests, marches or other types of civil disorder, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn adversely affect our business, financial condition, cash flows and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and the COVID-19. As a result, any future outbreak of a contagious disease could have an adverse effect on our business and the trading price of the Equity Shares.

58. The price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Issue Price, or at all.

Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after the Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Placement Document. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- changes in accounting standards, policies, guidance, interpretations of principles;

- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and
- the public's reaction to our press releases and adverse media reports.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

59. An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of one year from the date of allotment of such Equity Shares.

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in the Issue, investors subscribing the Equity Shares in the Issue may only sell such Equity Shares on NSE or BSE and may not enter into any off-market transactions in respect of such Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares subscribed by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares subscribed by investors.

60. A downgrade in ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

61. We may be affected by competition laws in India, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results of operations.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was recently notified. The Competition Amendment Act amends the Competition Act and give the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anticompetitive agreements and abuse of dominant position.

62. Financial and political instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. Ongoing conflicts across the world could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability including possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects.

63. The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.

Any change in Indian tax laws could have an effect on our operations. The Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any substantial precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the GoI has amended the Income-tax Act, 1961 ("**IT Act**") to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, we are required to withhold tax on such dividends distributed at the applicable rate.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. There is no certainty on the impact that the prevailing tax laws may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

64. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our financial statements are prepared in accordance with Ind AS. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should be limited accordingly.

65. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

66. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

67. Rights of shareholders of companies under Indian law may be more limited than under the laws of other

jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including those in relation to class actions under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

68. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

69. We may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

We may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

70. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gains exceeding ₹125,000, realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the rate of 12.5% (plus applicable surcharge and health and education cess). This beneficial provision is, *inter alia*, subject to payment of STT. The exemption of ₹125,000 will not apply if the listed equity shares are sold using any platform other than a recognized stock exchange and on which no STT has been paid. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in India at the rate of 20% (plus applicable surcharge and health and education cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates. Non-resident investors may claim relief under the beneficial provisions, if any, of the treaty between India and the country of which such investor is resident, read with the Multilateral Instrument, if and to the extent applicable. However, generally, Indian tax treaties do not limit India's right to impose a tax on capital gains arising from the sale of shares of an Indian company. As a result, non-resident investors may be liable for tax in India as well as in their own jurisdiction on a gain realized upon the sale of equity shares. They may, however, be eligible for tax credit in their home country as per the law prevailing in the home country. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

71. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior approval of the RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

The Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

72. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular

point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares, which may be adversely affected at a particular point in time.

73. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Lead Manager or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

It may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India.

In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. For details on recognition and enforcement of foreign judgments in India, see "*Enforcement of Civil Liabilities*" on page 22. A party seeking to enforce a foreign judgment in India may be required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to repatriate outside India any amount recovered pursuant to execution. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

Further, a party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

74. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

75. Fluctuations in the exchange rate between the Rupee and the U.S. dollar could have an adverse effect on the

value of our Equity Shares, independent of our operating results.

Our Equity Shares are quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Rupees and subsequently converted into U.S. dollars for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by Shareholders. The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares, independent of our operating results.

76. Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operations and financial condition of our Company, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

77. U.S. holders should consider the impact of the passive foreign investment company ("PFIC") rules in connection with an investment in our Equity Shares.

A non-U.S. corporation will be a PFIC if either (i) 75% or more of its gross income is passive income or (ii) 50% or more of the total value of its assets is attributable to assets, including cash, that produce or are held for the production of passive income. Our Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Based on the current and expected composition of our Company's and the Subsidiaries income and assets, including the expected cash proceeds from this offering, our Company does not expect to be a PFIC for the current year or any future years. However, no assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's and the Subsidiaries' income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 1,07,14,29,270 Equity Shares have been issued and 1,07,12,23,766 Equity Shares have been subscribed and paid up. The face value of the Equity Shares is ₹10 per Equity Share. The Equity Shares have been listed on BSE and NSE since July 17, 2013. The Equity Shares are listed and traded on BSE under the scrip code 535755 and symbol ABFRL on BSE and on NSE.

On January 20, 2025 the closing price of the Equity Shares on BSE and NSE was ₹ 282.60 and ₹ 282.65 per Equity Share, respectively. Since, the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

1. The following tables set out the reported high, low and average of the closing prices of the Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for Fiscals 2024, 2023 and 2022.

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ Cr)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ Cr)**	**Average price for the year (₹)**
2024	262.80	February 7, 2024	93,75,464	242.86	189.85	May 22, 2023	81,01,174	153.62	219.73
2023	358.15	November 1, 2022	26,54,345	94.69	208.60	March 28, 2023	10,99,009	22.87	281.82
2022	314.30	January 19, 2022	30,83,401	96.23	164.55	April 19, 2021	31,44,326	51.98	240.46

(Source: www.nseindia.com)

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ Cr)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ Cr)**	**Average price for the year (₹)**
2024	262.80	February 7, 2024	2,76,858	7.17	189.85	May 22, 2023	5,19,698	9.86	219.74
2023	358.00	November 1, 2022	1,21,354	4.33	208.75	March 27, 2023	89,253	1.87	281.21
2022	314.30	January 19, 2022	1,87,454	5.84	164.55	April 19, 2021	3,20,374	5.30	240.46

(Source: www.bseindia.com)

Note:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
3. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*

2. The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ Cr)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ Cr)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ Cr)**
December 2024	322.20	December 2, 2024	57,34,832	183.38	277.90	December 30, 2024	39,28,790	109.60	297.46	5,06,00,993	1,526.82
November 2024	315.70	November 28, 2024	73,78,380	232.81	284.40	November 21, 2024	18,40,073	52.70	298.93	8,07,20,941	2,436.61
October 2024	352.35	October 1, 2024	35,01,076	122.85	300.30	October 25, 2024	40,79,477	122.15	326.70	6,76,22,540	2,234.04
September 2024	352.10	September 27, 2024	2,12,37,721	754.27	309.15	September 6, 2024	24,26,890	75.29	329.08	13,30,04,264	4,451.37
August 2024	337.35	August 1, 2024	62,85,259	214.50	311.10	August 14, 2024	15,86,347	49.33	320.10	9,66,41,556	3,104.91
July 2024	343.70	July 31, 2024	70,31,409	242.75	313.15	July 22, 2024	40,02,618	125.93	326.56	12,50,84,058	4,087.94

(Source: www.nseindia.com)

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ Cr)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ Cr)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ Cr)**
December 2024	322.10	December 2, 2024	1,24,846	3.99	277.80	December 30, 2024	72,963	2.04	297.39	28,04,649	82.56
November 2024	315.65	November 28, 2024	1,86,929	5.90	284.45	November 21, 2024	94,259	2.70	298.94	31,06,440	93.53
October 2024	352.25	October 1, 2024	93,915	3.29	299.95	October 25, 2024	1,32,369	3.96	326.75	25,63,197	84.23
September 2024	352.15	September 27, 2024	5,73,143	20.40	309.55	September 6, 2024	97,250	3.02	329.06	43,98,308	147.35
August 2024	336.85	August 1, 2024	2,45,578	8.37	310.80	August 14, 2024	95,122	2.96	320.01	30,12,244	97.13
July 2024	344.05	July 31, 2024	2,07,185	7.15	312.90	July 22, 2024	1,56,265	4.91	326.49	1,72,37,564	559.78

(Source: www.bseindia.com)

Note:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
3. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*

- The following tables set forth the market price on the Stock Exchanges on August 28, 2024 being the first working day following the dissemination of the notice for the approval of the proposed Issue, as approved by the board of directors, for the annual general meeting held on September 19, 2024 for the approval of the Issue:

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (₹ Cr)**
321.60	323.40	312.05	314.85	1,58,83,263	503.18

(Source: www.nseindia.com)

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (₹ Cr)**
321.30	323.10	312.10	314.75	2,68,658	8.52

(Source: www.bseindia.com)

- The following tables set forth the market price on the Stock Exchanges on January 16, 2025 being the first working day following the Board approval date for the Issue:

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (₹ Cr)**
270.00	277.00	267.45	276.45	36,49,711	99.77

(Source: www.nseindia.com)

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (₹ Cr)**
270.00	277.10	267.50	276.50	1,64,915	4.50

(Source: www.bseindia.com)

USE OF PROCEEDS

The Issue is being undertaken in accordance with Chapter VI of SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013, including the rules made thereunder, to the extent applicable.

The gross proceeds from the Issue shall aggregate to ₹ 1,860.66 crores (the "**Gross Proceeds**"). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue of approximately ₹ 32 crores, shall be approximately ₹ 1,828.66 crores (the "**Net Proceeds**").

Purposes of the Issue

Subject to compliance with applicable laws and regulations, and as approved by the Board of Directors, we intend to use the Net Proceeds towards the following objects:

i. Prepayment and / or repayment, in full or in part, of all or a portion of certain of the outstanding borrowings (including interest thereon) availed for the Remaining Business of our Company; and
ii. General corporate purposes.

(collectively, referred to hereinafter as the "**Use of Proceeds**").

Our main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enable us to undertake the Use of Proceeds contemplated by us.

Requirement of funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(in ₹ crores)

Sr. No.	Particulars	Amount to be funded from Net Proceeds
i.	Prepayment and / or repayment, in full or in part, of all or a portion of certain of the outstanding borrowings (including interest thereon) availed for the Remaining Business of our Company	1,400.00
ii.	General corporate purposes*^	428.66
Total Net Proceeds^		**1,828.66**

** The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds.*
^ To be determined upon finalization of the Issue Price and updated in the Placement Document.

Utilization of Net Proceeds and Deployment

The fund requirements, the proposed deployment of funds and the intended use of the Net Proceeds as set-out above are based on our current business plans, management estimates of future growth projections of our Company, current circumstances of our business, prevailing market conditions and other commercial and technical factors, which are subject to change. The fund requirements and proposed deployment of funds described herein have not been appraised by any bank or financial institution or any other independent agency.

We currently propose to deploy the Net Proceeds by the end of Fiscal 2026. However, we may have to revise our funding requirements and deployment from time to time on account of various factors, such as, financial and market conditions, competition, price fluctuations, business and strategy, and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable law.

If the actual utilisation towards the Use of Proceeds is lower than the proposed deployment such balance will be used towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds, in accordance with the applicable laws. In the event that estimated utilization out of the Net Proceeds is not completely met by the end of Fiscal 2026, the same shall be utilized in the subsequent Fiscals or, if required, the amount scheduled for deployment in a specific Fiscal may be utilized in an earlier Fiscal, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular Object *vis-à-vis* the utilization of Net Proceeds.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and/or any additional equity and/or debt arrangements from existing and future lenders.

Details of the Use of Proceeds

1. Prepayment and / or repayment, in full or in part, of all or a portion of certain of the outstanding borrowings (including interest thereon) availed for the Remaining Business of our Company

We avail fund-based and non-fund-based facilities in the ordinary course of business from various banks/ financial institutions. The borrowing arrangements entered into by us include, *inter alia*, term loans, non-convertible debentures and working capital facilities. As of December 15, 2024, the Remaining Business of our Company had indebtedness (fund-based) amounting to ₹ 2,729.54 crores outstanding. We propose to utilize a portion of the Net Proceeds amounting to ₹ 1,400.00 crores for prepayment or repayment, in full or in part, of certain outstanding borrowings availed for the Remaining Business of our Company, including outstanding interest on such borrowings.

The selection of borrowings proposed to be prepaid and/or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including outstanding interest, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment charges and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The amounts proposed to be prepaid and / or repaid against each borrowing facility below is indicative and our Company may utilize the Net Proceeds to prepay and / or repay the facilities disclosed below in accordance with commercial considerations.

Our Company has obtained necessary consents, wherever required, from the lenders as per the requirements under the borrowing arrangements. Further, the outstanding amounts under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Accordingly, we may utilize the Net Proceeds for part prepayment of any such facilities. Furthermore, pursuant to the terms of the borrowing arrangements, pre-payment of certain indebtedness may attract pre-payment charges as prescribed by the respective lender. Such pre-payment charges, as applicable, will also be funded out of the Net Proceeds and/or internal accruals.

We believe that such repayment and/or pre-payment of certain loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness. Further, it will reduce our debt-servicing costs and improve our debt equity ratio and enable utilization of our accruals for further investment towards our business growth and expansion. Additionally, reduction of debt will enhance the strength of our balance sheet for pursuing future business growth and expansion opportunities. The outstanding borrowings availed by our company as per the schedule below:

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S. No.	Name of the borrower	Name of lender	Nature of borrowing	Date of sanction letter / facility agreement	Amount sanctioned as on December 15, 2024 (In ₹ crores)	Principal amount outstanding along with interest accrued as on December 15, 2024 (In ₹ crores)*	Tenor	Interest Rate (% p.a.)	Purpose for which loan was sanctioned and utilized	Prepayment penalty, if any	Whether the loan has been utilised for the purpose?
1	ABFRL	Federal Bank Limited	Term Loan	March 28, 2023	500.00	501.63	5 years	7.95%	Capital Expenditure	1% p.a.	Yes
2	ABFRL	Axis Bank Limited	Term Loan	April 25, 2023	600.00	602.01	7 years	8.15%	Capital expenditure and re-payment of existing debt	0.5% of amount prepaid	Yes
3	ABFRL	NCD Series 10[#] INE647O08123	NCDs	September 7, 2023	750.00	764.74	7 years	7.57%	Acquisition of TCNS Clothing Co. Limited's shares, long term working capital, general corporate purpose	Nil	Yes
4	ABFRL	NCD Series 11[#] INE647O08131	NCDs	September 12, 2024	500.00	510.12	2 years 4 months	7.86%	Re-payment of existing debt, long term working capital, general corporate purpose	Nil	Yes
5	ABFRL	State Bank of India	Working Capital	June 29, 2021	200.00	200.59	3 months	7.22%	To meet the working capital requirement	1.00% of the amount prepaid	Yes
					150.00	150.44	2 months	7.15%			
		Total			**2,700.00**	**2,729.54**					

**Outstanding amount is calculated only for fund-based facilities*

[#] Listed non-convertible debentures

Certified by our independent chartered accountant, Suresh Surana & Associates LLP, Chartered Accountants, by way of their certificate dated January 16, 2025.

Note: Outstanding borrowings in the above table represent borrowings in respect of remaining business (i.e. all the business, units, divisions, undertakings, and assets and liabilities of the Company other than Madura Fashion and Lifestyle Business which is proposed to be demerged vide board resolution dated April 19, 2024)

Given the nature of the borrowings and the terms of repayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ 428.66 crores, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding the growth of potential businesses within the Remaining Business of our Company, marketing and brand building, distribution expansion, any additional capital expenditure, repayment or prepayment of our borrowings including interest or related borrowing costs thereon, and business development initiatives, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum and timing of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds our Company shall invest such proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market / mutual funds, in accordance with applicable laws. Provided that, in accordance with applicable laws, we undertake to not utilize the proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

Monitoring Utilization of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the Monitoring Agency for monitoring the utilisation of Gross Proceeds as the size of our Issue exceeds ₹ 100.00 crores. The Monitoring Agency will monitor the utilization of the Gross Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Gross Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such currently unutilised Gross Proceeds. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company at www.abfrl.com, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our financial results. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Use of Proceeds; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Use of Proceeds as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee.

Other Confirmations

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, members of Senior Management and / or Key Managerial Personnel are not eligible to subscribe in the Issue.

Further, since the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at September 30, 2024 derived from the Interim Special Purpose Condensed Consolidated Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 52, 107 and 311, respectively.

(in ₹ crores)

Particulars	Pre-Issue as at September 30, 2024	As adjusted for the Issue*#^
Borrowings		
Current Borrowings (I)	1,302.12	1,302.12
Non-Current Borrowings (II)	3,226.11	3,226.11
Total borrowings (III = I + II)	**4,528.23**	**4,528.23**
Equity		
Equity share capital (IV)	1,071.16	1,139.74
Other Equity (V)	3,030.83	4,822.91
Non-controlling interest (VI)	(0.27)	(0.27)
Total Equity (VII = IV +V+ VI)	**4,101.72**	**5,962.38**
Ratio: Non-current borrowings /Total Equity (VIII= II/VII)	**0.79**	**0.54**
Ratio: Total borrowings/ Total Equity (IX = III/ VII)	**1.10**	**0.76**

#Adjustments do not include Issue related expenses
^As adjusted to reflect the number of Equity Share issued pursuant to the Issue
**Figures are not adjusted for any changes other than Equity Shares issued pursuant to the Issue*

Notes:

(1) *These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended).*
(2) *The Board has passed a resolution on January 15, 2025, approving the raising of funds for: a) an amount aggregating up to ₹ 1,297.50 crore by issuance of up to 4,08,72,580 Equity Shares of the Company at a price of ₹ 317.45 each to one of the Promoter Group entities; and b) an amount aggregating up to ₹ 1,081.25 crore by issuance of up to 3,96,97,838 Equity Shares of the Company at a price of ₹ 272.37 to certain QIBs in the Non-Promoter Group category, by way of a preferential issue. The same has also been disclosed to the Stock Exchanges.*

CAPITAL STRUCTURE

The share capital of our Company as on date of this Placement Document is as follows:

(in ₹, except share data)

Particulars	Aggregate nominal value# (in ₹)
Authorised Share Capital	
2,03,60,00,000 Equity Shares of face value of ₹ 10 each	20,36,00,00,000
5,00,000 8% Redeemable Cumulative Preference Shares of face value of ₹ 10 each	50,00,000
15,000 6% Redeemable Cumulative Preference Shares of face value of ₹ 100 each	15,00,000
95,00,000 Preference Shares of face value of ₹ 10 each	9,50,00,000
2,00,00,000 Preference Shares of face value of ₹ 1 each	2,00,00,000
Issued share capital prior to the Issue	
1,07,14,29,270 Equity Shares of face value of ₹10 each*	10,71,42,92,700
11,10,000 Preference Shares of face value of ₹ 10 each	1,11,00,000
Subscribed and paid-up share capital prior to the Issue	
1,07,12,23,766 Equity Shares of face value of ₹10 each*	10,71,22,37,660
11,10,000 Preference Shares of face value of ₹ 10 each	1,11,00,000
Present Issue in terms of this Placement Document(1)	
6,85,83,059 Equity Shares of face value of ₹10 each at a premium of ₹ 261.30(2) aggregating to ₹ 1,860.66 crores	68,58,30,590
Issued share capital after the Issue	
1,14,00,12,329 Equity Shares of face value of ₹10 each	11,40,0123,290
11,10,000 Preference Shares of face value of ₹ 10 each	1,11,00,000
Subscribed and paid-up share capital after the Issue	
1,13,98,06,825 Equity Shares of face value of ₹10 each	11,39,80,68,250
11,10,000 Preference Shares of face value of ₹ 10 each	1,11,00,000
Securities premium account	
Prior to the Issue(2) (in ₹ crore)	5,260.20
After the Issue (3) (4) (in ₹ crore)	7,052.28

 # Except for securities premium account

On effectiveness of the Madura Scheme, our Company had issued 67,98,19,778 Equity Shares to the shareholders of ABNL and MGLRCL. On January 27, 2016, 67,60,37,600 Equity Shares were allotted to the shareholders of ABNL and MGLRCL. Pursuant to clause 21 of the Madura Scheme, the allotment of 37,82,178 Equity Shares to 3,475 Non-Resident Shareholders, including four Overseas Corporate Bodies ("OCBs**") of ABNL ("**NRE Shareholders**") was kept pending until receipt of applicable regulatory approvals. Thereafter, from time to time, the Company has allotted 37,65,325 Equity Shares to 3,471 NRE Shareholders in terms of applicable law and 16,853 Equity Shares held by four OCBs remain pending for allotment and have been kept in abeyance, until receipt of regulatory approvals. Further, 1,88,651 Equity Shares issued by the Company pursuant to a rights issue dated July 28, 2020, have been kept in abeyance on account of certain pending regulatory clearances. Accordingly, the difference of 2,05,504 Equity Shares in the issued and subscribed paid up capital of the Company is due to the 2,05,504 Equity Shares which are in abeyance.*

(1) The Issue was approved by the Board of Directors at its meeting held on January 15, 2025. Our Shareholders, through a special resolution at the Annual General Meeting, approved the Issue on September 19, 2024.

(2) As on the date of this Placement Document.

(3) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue without adjusting for the Issue related expenses.

(4) Subject to finalization of Allotment.

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Placement Document is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares
April 20, 2007	50,000	10	10	Cash	Initial subscription to MOA	50,000
March 31, 2009	99,50,000	10	10	Cash	Further issue	1,00,00,000
Pursuant to the composite scheme of arrangement between our Company, Aditya Birla Nuvo Limited, Madura Garments Exports Limited, MG Lifestyle Clothing Company Private Limited and their respective shareholders and creditors ("**2009 Scheme**"), sanctioned by the High Court of Gujarat at Ahmedabad by way of an order dated January 28, 2010, the issued, paid-up and subscribed capital of our Company was brought down by ₹ 19,09,50,000, by cancellation of 95,00,000 equity shares of face value ₹10 each, 95,00,000 8% Redeemable Cumulative Preference Shares of face value ₹10 each, and 9,500 6% Redeemable Cumulative Preference Shares of ₹ 100 each. Thus, the issued, subscribed and paid up capital of our Company was brought down from ₹ 20,10,00,000, comprising 1,00,00,000 Equity Shares of face value ₹10 each, 1,00.00,000 8% Redeemable Cumulative Preference Shares of face value ₹10 each and 10,000 6% Redeemable Cumulative Preference Shares of face value ₹100 each, to ₹1,00,50,000, comprising 5,00,000 Equity Shares of face value ₹10 each, 5,00,000 8% Redeemable Cumulative Preference Shares of face value ₹10 each and 500 6% Redeemable Cumulative Preference Shares of face value ₹100.						5,00,000
April 8, 2013	4,59,77,011	10	174	Other than cash	Conversion of optionally fully convertible debentures	4,64,77,011
April 19, 2013	4,63,16,518	10	-	Other than cash	Allotment pursuant to the Pantaloons Scheme	92,793,529
January 21, 2016	11,597	10	102.10	Cash	Allotment pursuant to ESOS 2013	92,805,126
January 27, 2016	67,60,37,600	10	-	Other than cash	Allotment pursuant to Madura Scheme	76,88,42,726
August 22, 2016	2,27,809	10	-	Other than cash	Allotment pursuant to Madura Scheme	76,90,70,535
August 22, 2016	1,859	10	102.10	Cash	Allotment pursuant to ESOS 2013	76,90,72,394
September 23, 2016	21,290	10	-	Other than cash	Allotment pursuant to Madura Scheme	76,90,93,684
October 7, 2016	28,674	10	-	Other than cash	Allotment pursuant to Madura Scheme	76,91,22,358
November 9, 2016	92,704	10	-	Other than cash	Allotment pursuant to Madura Scheme	76,92,15,062
December 5, 2016	2,06,439	10	-	Other than cash	Allotment pursuant to Madura Scheme	76,94,21,501
December 16, 2016	2,39,022	10	102.10	Cash	Allotment pursuant to ESOS 2013	76,98,85,614

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares
	2,25,091		10			
January 6, 2017	3,46,552	10	-	Other than cash	Allotment pursuant to Madura Scheme	77,02,32,166
February 6, 2017	16,201	10	102.10	Cash	Allotment pursuant to ESOS 2013	77,03,87,121
	1,38,754		10			
February 14, 2017	1,13,268	10	-	Other than cash	Allotment pursuant to Madura Scheme	77,05,00,389
March 10, 2017	5,843	10	102.10	Cash	Allotment pursuant to ESOS 2013	77,05,27,154
	20,922		10			
April 4, 2017	9,96,022	10	-	Other than cash	Allotment pursuant to Madura Scheme	77,15,23,176**
April 28, 2017	5,709	10	10	Cash	Allotment pursuant to ESOS 2013	77,15,28,885
July 11, 2017	6,364	10	10	Cash	Allotment pursuant to ESOS 2013	77,15,97,318
	56,226		102.10			
	5,843		118.20			
August 16, 2017	28,501	10	-	Other than cash	Allotment pursuant to Madura Scheme	77,16,25,819
September 8, 2017	5,000	10	10	Cash	Allotment pursuant to ESOS 2013	77,16,36,662
	5,843		102.10			
November 29, 2017	24,209	10	10	Cash	Allotment pursuant to ESOS 2013	77,16,83,978
	23,107		102.10			
January 24, 2018	10,006	10	-	Other than cash	Allotment pursuant to Madura Scheme	77,16,93,984
April 23, 2018	9,209	10	10	Cash	Allotment pursuant to ESOS 2013	77,17,16,816
	13,623		102.10			
June 6, 2018	5,843	10	102.10	Cash	Allotment pursuant to ESOS 2013	77,17,22,659
December 3, 2018	15,532	10	178.30	Cash	Allotment pursuant to ESOS 2017	77,17,38,191
December 31, 2018	22,760	10	10	Cash	Allotment pursuant to ESOS 2013	77,17,60,951
January 17, 2019	7,203	10	178.30	Cash	Allotment pursuant to ESOS 2017	77,17,68,154
March 19, 2019	16,94,060	10	-	Other than cash	Allotment pursuant to Madura Scheme	77,34,62,214

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares
March 22, 2019	19,246	10	178.30	Cash	Allotment pursuant to ESOS 2017	77,34,81,460
April 30, 2019	4,502	10	178.30	Cash	Allotment pursuant to ESOS 2017	77,34,85,962
May 15, 2019	4,603	10	102.10	Cash	Allotment pursuant to ESOS 2013	77,35,02,196
	2,627		10			
	9,004		163.60		Allotment pursuant to ESOS 2017	
August 2, 2019	1,801	10	178.30	Cash	Allotment pursuant to ESOS 2017	77,35,03,997
September 7, 2019	3,602	10	178.30	Cash	Allotment pursuant to ESOS 2017	77,35,07,599
September 26, 2019	1,19,512	10	102.10	Cash	Allotment pursuant to ESOS 2013	77,36,27,111
November 11, 2019	7,203	10	178.30	Cash	Allotment pursuant to ESOS 2017	77,36,34,314
December 2, 2019	22,510	10	178.30	Cash	Allotment pursuant to ESOS 2017	77,36,56,824
January 30, 2020	2,78,220	10	178.30	Cash	Allotment pursuant to ESOS 2017	77,39,35,044
March 11, 2020	12,943	10	178.30	Cash	Allotment pursuant to ESOS 2017	77,39,47,987
June 13, 2020	19,422	10	10	Cash	Allotment pursuant to ESOS 2013	77,39,67,409
July 28, 2020*	9,02,77,042	10	110.00	Cash	Rights issue in the ratio of 9 (nine) Rights Equity Shares for every 77 (seventy seven) fully paid-up Equity Shares held by eligible Shareholders as on the record date, that is July 1, 2020.	86,42,44,451
September 28, 2020	9,209	10	10	Cash	Allotment pursuant to ESOS 2013	86,42,53,660
October 28, 2020	243,729	10	10	Cash	Allotment pursuant to	86,44,97,389

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares
					ESOS 2017	
November 27, 2020	9,209	10	10	Cash	Allotment pursuant to ESOS 2013	86,46,64,507
	1,57,909		10		Allotment pursuant to ESOS 2017	
December 30, 2020	27,162	10	10	Cash	Allotment pursuant to ESOS 2017	86,46,91,669
January 28, 2021	7,31,70,731	10	205.00	Cash	Preferential issue	93,78,62,400
January 28, 2021	10,926	10	10	Cash	Allotment pursuant to ESOS 2017	93,78,73,326
March 3, 2021	24,875	10	10	Cash	Allotment pursuant to ESOS 2017	93,78,98,201
May 5, 2021	9,995	10	10	Cash	Allotment pursuant to ESOS 2017	93,75,40,654
June 7, 2021	12,140	10	10	Cash	Allotment pursuant to ESOS 2017	93,75,52,794
July 6, 2021	2,000	10	10	Cash	Allotment pursuant to ESOS 2017	93,75,54,794
August 17, 2021	10,354	10	10	Cash	Allotment pursuant to ESOS 2017	93,75,66,949
	1,801		178.30			
October 13, 2021	22,851	10	10	Cash	Allotment pursuant to ESOS 2017	93,76,62,055
	72,255		178.30			
December 6, 2021	77,755	10	10	Cash	Allotment pursuant to ESOS 2017	93,77,95,895
	26,462		178.30			
	25,020		163.60			
	4,603		102.10		Allotment pursuant to ESOS 2013	
January 8, 2022	42,709	10	10	Cash	Allotment pursuant to ESOS 2017	93,81,58,073
	26,006		178.30			
	19,999		163.60			
February 2, 2022	22,511	10	10	Cash	Allotment pursuant to ESOS 2017	93,81,86,186
	5,602		178.30			
March 2, 2022	33,354	10	10	Cash	Allotment pursuant to ESOS 2017	93,83,04,034
	45,019		163.60			
	32,435		178.30			
May 2, 2022	6,070	10	10	Cash	Allotment pursuant to	93,83,18,006

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares
	7,902		178.30		ESOS 2017	
June 1, 2022	7,284	10	10	Cash	Allotment pursuant to ESOS 2017	93,83,74,310
	4,000		178.30			
	45,020		163.60			
July 1, 2022	2,922	10	102.10	Cash	Allotment pursuant to ESOS 2013	93,83,83,302
	6,070		10		Allotment pursuant to ESOS 2017	
September 2, 2022	13,354	10	10	Cash	Allotment pursuant to ESOS 2017	93,84,73,869
	75,032		178.30			
September 20, 2022	1,02,16,450	10	288.75	Cash	Preferential issue	94,86,90,319
October 3, 2022	2,000	10	10	Cash	Allotment pursuant to ESOS 2017	94,87,02,764
	10,445		178.30			
November 1, 2022	4,604	10	102.10	Cash	Allotment pursuant to ESOS 2013	94,87,22,272
	1,000		10		Allotment pursuant to ESOS 2017	
	13,904		178.30			
December 2, 2022	3,189	10	10	Cash	Allotment pursuant to ESOS 2017	94,87,52,241
	22,510		150.80			
	4,270		178.30			
January 3, 2023	2,000	10	10	Cash	Allotment pursuant to ESOS 2017	94,87,26,238
March 2, 2023	20,304	10	10	Cash	Allotment pursuant to ESOS 2017	94,87,81,334
	8,832		178.30			
March 23, 2023	3,070	10	10	Cash	Allotment pursuant to ESOS 2017	94,87,90,847
	6,443		178.30			
April 3, 2023	7,284	10	10	Cash	Allotment pursuant to ESOS 2017	94,87,98,131
May 3, 2023	15,532	10	178.30	Cash	Allotment pursuant to ESOS 2017	94,88,13,663
June 1, 2023	13,354	10	10	Cash	Allotment pursuant to ESOS 2017	94,88,31,519
	4,502		178.30			
July 5, 2023	30,349	10	10	Cash	Allotment pursuant to ESOS 2017	94,88,61,868
July 20, 2023	3,200	10	178.30	Cash	Allotment pursuant to ESOS 2017	94,88,65,068

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares
August 17, 2023	1,31,457	10	178.30	Cash	Allotment pursuant to ESOS 2017	94,89,96,525
September 2, 2023	62,034	10	178.30	Cash	Allotment pursuant to ESOS 2017	94,90,58,559
September 22, 2023	1,06,483	10	178.30	Cash	Allotment pursuant to ESOS 2017	94,91,65,042
November 17, 2023	1,000	10	178.30	Cash	Allotment pursuant to ESOS 2017	94,91,66,042
December 4, 2023	9,004	10	178.30	Cash	Allotment pursuant to ESOS 2017	94,91,75,046
March 1, 2024	2,567 9,004 10,805	10	10 163.60 178.30	Cash	Allotment pursuant to ESOS 2017	94,91,97,422
March 11, 2024	6,58,00,866	10	288.75	Cash	Conversion of warrants	1,01,49,98,288
March 11, 2024	2,070	10	10	Cash	Allotment pursuant to ESOS 2017	1,01,50,00,358
March 27, 2024	9,284	10	10	Cash	Allotment pursuant to ESOS 2017	1,01,50,09,642
May 2, 2024	6,070 2,004	10	10 178.30	Cash	Allotment pursuant to ESOS 2017	1,01,50,17,716
May 17, 2024	2,000	10	178.30	Cash	Allotment pursuant to ESOS 2017	1,01,50,19,716
July 16, 2024	12,943	10	178.30	Cash	Allotment pursuant to ESOS 2017	1,01,50,32,659
August 20, 2024	58,452	10	178.30	Cash	Allotment pursuant to ESOS 2017	1,01,50,91,111
September 5, 2024	5,57,43,053	10	-	Other than cash	Allotment pursuant to TCNS Merger Scheme	1,07,08,34,164
September 23, 2024	2,83,698 45,019	10	178.30 150.80	Cash	Allotment pursuant to ESOS 2017	1,07,11,62,881
October 16, 2024	26,250	10	178.30	Cash	Allotment pursuant to ESOS 2017	1,07,11,89,131
November 4, 2024	6,000 4,502	10	10 178.30	Cash	Allotment pursuant to ESOS 2017	1,07,11,99,633
November 18, 2024	24,133	10	178.30	Cash	Allotment pursuant to ESOS 2017	1,07,12,23,766

** The Equity Shares were partly paid-up at the time of allotment and were subsequently fully paid-up. 1,88,651 Equity Shares issued by the Company pursuant to a rights issue dated July 28, 2020, have been kept in abeyance on account of certain pending regulatory clearances. 3,67,542 Equity Shares were forfeited on March 24, 2021, due to non-payment of call money and this forfeiture was annulled on September 1, 2021. The first and/or final call on 86,900 partly paid-up shares remained unpaid as on October 31, 2022. Therefore the Company has forfeited 86,900 partly paid-up shares on November 4, 2022.*

*** 343 fractional Equity Shares allotted pursuant to the allotment dated April 4, 2017 were sold in the market and the proceeds were distributed amongst the shareholders holding fractional Equity Shares.*

Further, the Board has passed a resolution on January 15, 2025, approving the raising of funds for: a) an amount aggregating up to ₹ 1,297.50 crore by issuance of up to 4,08,72,580 Equity Shares of the Company at a price of ₹ 317.45 each to one of the Promoter Group entities; and b) an amount aggregating up to ₹ 1,081.25 crore by issuance of up to 3,96,97,838 Equity Shares of the Company at a price of ₹ 272.37 to certain QIBs in the Non-Promoter Group category, by way of a preferential issue. The same has also been disclosed to the Stock Exchanges.

Preference Share capital history of our Company

The history of the outstanding Preference Share capital of our Company as on the date of this Placement Document is provided in the following table:

Date of allotment / conversion of preference shares to Equity Shares	Number of preference shares allotted / converted to Equity Shares	Face value (₹)	Issue price per preference share (₹) including Premium	Nature of consideration	Nature of allotment	Cumulative number of preference shares	Cumulative paid-up preference share capital (₹)
8% Non-Cumulative Non-Convertible Redeemable Preference Shares							
March 27, 2024	11,10,000	10	10	Cash	Preferential issue	11,10,000	1,11,00,000

As on date of this Placement Document, no Equity Shares held by any of the Promoters in the Company are pledged.

Pre-Issue and post-Issue shareholding pattern of Company:

The pre-Issue and post-Issue equity shareholding pattern of our Company, as on December 31, 2024, is set forth below:

#	Category	Pre-Issue (as on December 31, 2024)		Post-Issue*	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
A.	**Promoter holding#**				
1.	Indian				
	Individuals / Hindu undivided family	21,56,877	0.20	21,56,877	0.19
	Bodies Corporate	52,53,60,262	49.04	52,53,60,262	46.09
	Sub-total	**52,75,17,139**	**49.24**	**52,75,17,139**	**46.28**
2.	Foreign promoter				
	Individuals (Non Resident Individuals/ Foreign Individuals)	0	0	0	0
	Others	0	0	0	0
	Sub-Total	**0**	**0**	0	0
	Sub-total (A)	**52,75,17,139**	**49.24**	**52,75,17,139**	**46.28**
B.	**Non-Promoter holding**				
1.	Institutional investors				
	Mutual Funds	11,94,92,389	11.15	13,19,28,806	11.57
	Alternate Investment Funds	11,20,606	0.10	21,34,244	0.19
	Banks	69,232	0.01	69,232	0.01
	Other Financial Institutions	30,892	0.00	30,892	0.00
	NBFCs registered with RBI	1,750	0.00	1,750	0.00
	Insurance Companies	3,52,45,813	3.29	5,10,95,425	4.48
	Others	86,944	0.01	86,944	0.01
	Sub-Total	**15,60,47,626**	**14.57**	**18,53,47,293**	**16.26**
2.	Any Other Institution (foreign)				
	(a) Foreign Portfolio Investors Category I	11,88,80,484	11.10	15,81,63,876	13.88
	(b) Foreign Portfolio Investors Category II	7,44,83,542	6.95	7,44,83,542	6.53

#	Category	Pre-Issue (as on December 31, 2024)		Post-Issue*	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
	(c) Others	32,51,047	0.30	32,51,047	0.29
	Sub-Total	**19,66,15,073**	**18.35**	**23,58,98,465**	**20.70**
3.	**Central Government/ State Government(s)**	**1,560**	**0.00**	**1,560**	**0.00**
4.	Non-Institutions				
	Directors and their relatives (excluding independent directors and nominee directors	7,08,556	0.07	7,08,556	0.06
	Key Managerial Personnel	1,24,564	0.01	1,24,564	0.01
	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	7,66,01,248	7.15	7,66,01,248	6.72
	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	5,56,60,824	5.20	5,56,60,824	4.88
	Non Resident Indians (NRIs)	55,71,083	0.52	55,71,083	0.49
	Foreign National	42,090	0.00	42,090	0.00
	Foreign Companies	-	-	0	-
	Body Corporate	3,07,25,793	2.87	3,07,25,793	2.70
	Others	1,72,01,876	1.61	1,72,01,876	1.51
	Sub-Total	**18,66,36,034**	**17.42**	**18,66,36,034**	**16.37**
	Sub-total (B)	**53,93,00,293**	**50.34**	**60,78,83,352**	**53.33**
5.	Non-Promoter non-public shareholders *(Employee Benefit Trust)*	44,06,334	0.41	44,06,334	0.39
	Sub-total (C)	44,06,334	0.41	44,06,334	0.39
	Grand Total (A+B+C)	**1,07,12,23,766**	**100.00**	**1,13,98,06,825**	**100.00**

** The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue and reflects the shareholding of all other categories as of December 31, 2024.*
 # Includes the shareholding of the members forming part of Promoter Group.

The pre-Issue and post-Issue shareholding pattern of preference shares of our Company, as on December 31, 2024, is set forth below:

Name of the Shareholder	Pre- Issue		Post-Issue	
	No. of Preference shares held	% of shareholding	No. of Preference shares held	% of shareholding
Birla Management Centre Services Private Limited	11,10,000	100%	11,10,000	100%

Employee stock option plan

ESOS 2017

Our Company, pursuant to a resolution passed by our Board on July 25, 2017 and the resolution passed by our Shareholders on August 23, 2017, adopted the Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("**ESOS 2017**") to provide competitive remuneration through the presence of a long term incentive plan and that the resulting employee ownership can facilitate a performance driven culture and contribute to the success of the Company. The ESOS 2017 is effective from September 8, 2017 and shall continue to be in effect until it is terminated by (i) the Board or (ii) the date on which all of the options and the restricted stock units available for issuance under ESOS 2017 have lapsed or have been cancelled by the Nomination and Remuneration Committee and the Nomination and Remuneration Committee does not intend to re-issue these lapsed or cancelled options or restricted stock units.

In accordance with the ESOS 2017, the Nomination and Remuneration Committee of the Board shall act as the Committee for the administration of the ESOS 2017.

The details of ESOS 2017, are as follows:

As on the date of this Placement Document, the details of total options pursuant to ESOS 2017 are as follows:

Particulars	**Number of Equity Shares**		**Total**
	ESOPs	**RSUs**	
Maximum number of shares which may be granted under the scheme (A)			1,15,73,960
Total number of options / RSUs granted (B)	41,30,821	14,66,619	55,97,440
Options / RSUs vested (C)	30,31,573	10,80,669	41,12,242
Options / RSUs exercised (D)	16,46,745	8,39,589	24,86,334
Options / RSUs lapsed or forfeited (E)	20,45,689	3,93,234	24,38,923
Total number of options / RSUs outstanding (B-D-E)	4,38,387	2,33,796	6,72,183

ESOS 2019

Our Company, pursuant to a resolution passed by our Board on July 26, 2019 and the resolution passed by our Shareholders on August 21, 2019, adopted the Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("**ESOS 2019**") to provide competitive remuneration through the presence of a long term incentive plan and that the resulting employee ownership can facilitate a performance driven culture and contribute to the success of the Company. The ESOS 2019 is effective from August 21, 2019 and shall continue to be in effect until it is terminated by (i) the Board or (ii) the date on which all of the options and the restricted stock units available for issuance under ESOS 2019 have lapsed or have been cancelled by the Nomination and Remuneration Committee and the Nomination and Remuneration Committee does not intend to re-issue these lapsed or cancelled options or restricted stock units.

In accordance with the ESOS 2019, the Nomination and Remuneration Committee of the Board shall act as the Committee for the administration of the ESOS 2019, through the ABFRL Employee Welfare Trust.

The details of ESOS 2019, are as follows:

As on the date of this Placement Document, the details of total options pursuant to ESOS 2019 are as follows:

Particulars	**Number of Equity Shares**		**Total**
	ESOPs	**RSUs**	
Maximum number of shares which may be granted under the scheme (A)			60,53,000
Total number of options / RSUs granted (B)	56,82,141	13,83,683	70,65,824
Options / RSUs vested (C)	46,39,800	9,52,258	55,92,058
Options / RSUs exercised (D)	6,92,510	4,77,747	11,70,257
Options / RSUs lapsed or forfeited (E)	16,24,646	2,18,975	18,43,621
Total number of options / RSUs outstanding (B-D-E)	33,64,985	6,86,961	40,51,946

ESOS 2024

The Aditya Birla Fashion and Retail Limited – TCNS Division Employee Stock Option Scheme 2024 ("**ESOS 2024**") has been formulated by the Nomination and Remuneration Committee of the Board on August 7, 2024 pursuant to the TCNS Merger Scheme, effective from September 1, 2024. The objective of ESOS 2024 is to administer the stock options granted by TCNS Clothing Company Limited under its ESOP schemes which have vested but not exercised and which are granted but not yet vested as on the record date of the TCNS Merger Scheme. No further grants shall be made under ESOS 2024.

ESOS 2024 scheme shall be administered by the Nomination and Remuneration Committee.

The details of ESOS 2024, are as follows:

As on the date of this Placement Document, the details of total options pursuant to ESOS 2024 are as follows:

Particulars	**Number of Equity Shares**	**Total**
	ESOPs	

Maximum number of shares which may be granted under the scheme (A)	24,36,547	24,36,547
Total number of options granted (B)	24,36,547	24,36,547
Options vested (C)	23,41,213	23,41,213
Options exercised (D)	9,167	9,167
Options lapsed or forfeited (E)	-	-
Total number of options outstanding (B-D-E)	24,27,380	24,27,380

SAR 2019

Our Company, pursuant to a resolution passed by our Board on February 4, 2019 adopted the Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019 ("**SAR 2019**") to provide long term incentive to facilitate performance driven culture among the workforce of the Company. The SAR 2019 is effective from February 4, 2019 and shall continue to be in effect until the date on which all of the stock appreciation rights ("**SARs**") available for issuance under SAR 2019 have been issued and exercised or have lapsed or have been cancelled by the Nomination and Remuneration Committee and the Nomination and Remuneration Committee does not intend to re-issue these lapsed or cancelled SARs.

In accordance with the SAR 2019, the Nomination and Remuneration Committee of the Board shall act as the Committee for the administration of the SAR 2019.

The details of SAR 2019, are as follows:

As on the date of the Placement Document, the total number of SARs outstanding pursuant to SAR 2019 as on the date of the PPD are 31,75,052 SARs, with 10,81,475 SARs corresponding to RSUs and 20,93,577 SARs corresponding to ESOPs.

SAR 2024

Our Company, pursuant to a resolution passed by our Board on August 7, 2024 adopted the Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2024 ("**SAR 2024**") to provide long term incentive to facilitate performance driven culture among the workforce of the Company. The SAR 2024 is effective from August 7, 2024 and shall continue to be in effect until the date on which all of the stock appreciation rights ("**SARs**") available for issuance under SAR 2024 have been issued and exercised or have lapsed or have been cancelled by the Nomination and Remuneration Committee and the Nomination and Remuneration Committee does not intend to re-issue these lapsed or cancelled SARs.

In accordance with the SAR 2024, the Nomination and Remuneration Committee of the Board shall act as the Committee for the administration of the SAR 2024.

The details of SAR 2024, are as follows:

As on the date of the Placement Document, the total number of SARs outstanding pursuant to SAR 2024 as on the date of the PPD are 59,02,552 SARs, with 13,71,783 SARs corresponding to PSUs and 45,30,769 SARs corresponding to ESOPs.

Other confirmations

(i) Except as stated above, our Company has not made any allotments of Equity Shares or preference shares, including for consideration other than cash, in the last one year preceding the date of this Placement Document.

(ii) There will be no change in control of our Company pursuant to the Issue.

(iii) Except as disclosed above, our Company has not allotted securities on preferential basis or private placement basis or by way of rights issue in the last one year preceding the date of this Placement Document.

(iv) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

(v) Except for the outstanding employee stock options as disclosed "*Capital Structure - Employee Stock Option Plan*" on page 102, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

(vi) Our Promoter, the Directors, Key Managerial Personnel and Senior Management of our Company do not intend to participate in the Issue.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" on page 748.

DIVIDENDS

The declaration and payment of final dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013. See *"Description of the Equity Shares*" on page 271.

Our Board may also, from time to time, declare interim dividends. Our Board has approved and adopted a formal dividend distribution policy on February 3, 2017, in terms of Regulation 43A of the SEBI Listing Regulations ("**Dividend Distribution Policy**").

In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by our Board after taking into account a number of internal and external factors including but not limited to, stability of earnings, cash flow from operations, future capital expenditure, inorganic growth plans, reinvestment opportunities, industry outlook, stage of business cycle for underlying businesses, leverage profile, capital adequacy metrics, overall economic / regulatory environment, contingent liabilities, etc.

Our Company has not declared or paid any dividend on the Equity Shares in respect of Fiscals 2024, 2023 and 2022 and since April 1, 2024, until the date of this Placement Document.

There is no guarantee that any dividends will be declared or paid in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend including interim dividend, if any, that is declared and record date thereof occurs after the Allotment. See "*Description of the Equity Shares*" on page 271. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, see "*Risk Factors – Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition.*" on page 71.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the sections "Our Business", "Risk Factors", "Financial Statements" and "Industry Overview" on pages 176, 52, 311 and 155, respectively.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 20 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" and " – Significant Factors Affecting our Results of Operations and Financial Condition" on pages 52 and 107, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In this section, unless otherwise indicated or the context otherwise requires, a reference to "our Company" is a reference to Aditya Birla Fashion and Retail Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Aditya Birla Fashion and Retail Limited, its subsidiaries, trust, joint venture and its associate on a consolidated basis. Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the six months ended September 30, 2024 and September 30, 2023, included herein is derived from the Interim Special Purpose Condensed Consolidated Financial Statements and the Half Yearly Consolidated Financial Statements, respectively, included in this Placement Document. For further information, see "Financial Statements" on page 311.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Assessment of Indian Apparel Market" dated December 1, 2024 (the "**Wazir Report**") prepared and issued by Wazir Advisors Private Limited ("**Wazir**"), appointed by us on November 1, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the Wazir Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Wazir Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see "Risk Factors – Industry information included in this Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose. Any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 70.*

Overview

For details in relation to the business of our Company, see "*Our Business*" on page 176.

PRESENTATION OF FINANCIAL INFORMATION

In this Placement Document, we have included (i) audited consolidated financial statements as of and for the years ended March 31, 2022, 2023 and 2024 along with the respective audit reports thereon; (ii) Interim Consolidated Financial Statements along with the review reports thereon; and (iii) Unaudited September 2024 Results submitted by the Company to the Stock Exchanges pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, along with the review report thereon.

The Interim Consolidated Financial Statements, Unaudited September 2024 Results and Audited Consolidated Financial Statements have been prepared in accordance with the Ind AS and Companies Act, 2013.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Evolving customer preferences, market trends and the macroeconomic trends

Economic growth in India is affected by various factors including domestic consumption and savings, rate of inflation in India, balance of trade movements, and global economic uncertainty. Consequently, future changes in the Indian economy may impact our revenues and results of operations. Post-pandemic, 2022 saw a revival of the economy, with growth gaining momentum and inflation coming down. The lingering effects of the pandemic, coupled with inflationary pressures and rising household debt, have affected consumer sentiment, leading to cautious spending habits and a temporary slowdown in discretionary purchases. (*Source: Wazir Report*)

The retail industry is characterized by changing customer preferences. Our results of operations are dependent on our ability to anticipate, gauge and respond to such changes in customer preferences and design new products or modify our existing products in line with changes in fashion trends as well as customer demands and preferences. Indian consumers are transitioning from purely need-based shopping to lifestyle-driven purchases. Consumers are increasingly choosing clothing that reflects their personality, aligns with fashion trends, and offers versatility for multiple occasions. This mindset is fuelling growth in the segment. As incomes increase, consumers are more willing to spend on premium and fashionable clothing that reflects their social status and aspirations. With the rise of social media, digital fashion platforms, and streaming services, Indian consumers are exposed to global fashion trends. (*Source: Wazir Report*) We must adapt to these evolving tastes by offering personalized experiences, trendy products, and convenient shopping options to stay competitive. Our revenues and growth are primarily influenced by the general economic environment and consumer purchase patterns.

In order to remain competitive, we are required to leverage our diverse portfolio, to effectively reach a broad spectrum of consumers. By continuously introducing innovative and attractive designs, we can keep our product offerings fresh and engaging. We believe our approach not only helps us appeal to diverse customer preferences but also enables us to sustain and potentially grow our market share, even in a challenging economic environment.

Sales of products across our brands

Over the years we have developed and introduced several brands, under which we sell products. The revenue contribution of each brand is impacted by, among other things, the number of points of sale comprising exclusive brand outlets, large format stores and multi-brand outlets as well as online channels through which products under each brand are sold, the relative recognition and customer acceptance of each brand and the marketing and advertising as well as sales and promotion activities undertaken for each brand. Further, the products under these brands are sold at a range of price points and to distinct customer categories. For example, our Lifestyle brands that include western wear brands such as Louis Philippe, Van Heusen, Allen Solly and Peter England, youth wear brands such as American Eagle, sportswear brand, Reebok and the innerwear business under Van Heusen. We also operate in the masstige and value retail segment primarily through our Pantaloons brand which has been one of the strongest brands in masstige segment of the Indian fashion retail industry over the last 25 years. (*Source: Wazir Report*) The brand offers fashionable clothing and accessories with quality and freshness to the Indian middle-class consumers across the length and breadth of the country. (*Source: Wazir Report*) Our ethnic wear portfolio caters to various segments with play across occasions and price points and includes designer led brands and premium brands. Our super-premium and luxury brands includes ‘The Collective’, Ralph Lauren, Fred Perry, Ted Baker and Hackett London. The varying designs, cost of materials and maximum retail prices across our brands, result in varying profitability across our brands. Consequently, our profit margins are impacted by the changing revenue contribution of our brands.

Our existing store performance and expansion of our store network

Our ability to continue our growth across geographies depends upon the strength of our brands, product offerings and store economics. Our ability to effectively execute our expansion strategy further depends on our ability to open new stores and operate them successfully. Fluctuations in the performance of these stores can directly impact our financial performance, as any decline in sales due to competition, changing consumer preferences, or economic conditions could impact profitability. Established stores also provide economies of scale, as the costs associated with marketing, logistics, and supply chain management are spread across a larger, consistent revenue base. Effective management of these stores, including cost control and customer service, has a direct impact on our profitability.

The following table sets out for details of our retail stores and retail area as of the dates indicated:

Particulars	As of September 30,		As of March 31,		
	2024	2023	2024	2023	2022
	(Unaudited)		(Audited)		
	(₹ crores, unless otherwise specified)				
Number of Stores[(1)]	4,538	4,056	4,664	3,977	3,468
Retail area (million square feet) [(2)]	11.98	11.19	11.92	10.76	9.22

Notes:

1. *Retail Stores refers to the number of stores operational at the end of the year / period.*
2. *Retail Area refers to rental space of stores operational at the end of the year / period.*

As a retailing company, our stores generally need to be in high visibility and high traffic locations. Our ability to effectively obtain quality commercial property to relocate existing stores or open new stores depends on the availability of commercial property that meets our criteria for customer traffic, square footage, lease economics, demographics and other factors, including our ability to negotiate terms that meet our financial targets. In addition, rising real estate prices may restrict our ability to lease new desirable locations.

Further, our ability to expand into new geographical areas or strengthen our presence in existing key markets is critical for long-term growth. By opening new stores in strategic locations, we can tap into new customer segments, increase market share, and diversify revenue streams. Successful expansion also allows us to capitalize on brand recognition and existing infrastructure, reducing the risks associated with entering completely new markets. While expanding our store network brings growth opportunities, it also poses challenges in sustaining sales over time. Entering new markets requires a deep understanding of local consumer behavior, competitive dynamics, and logistical considerations. If newly opened stores do not achieve anticipated sales targets, it can negatively impact our overall financial performance due to high initial capital expenditure and operational costs.

Any new store that we establish requires significant resources in terms of lease costs, fit-outs and refurbishments, to align the store with our preferred format, and may not be profitable immediately upon its opening or may take time to break even, and failure to do so within a reasonable period may adversely affect our profitability. Our ability to reduce our payback periods depends on our ability to negotiate commercially reasonable terms with lessors/ landlords/ mall developers, based on the store format and the location for such format, that is subject to various assumptions on demand for our products from the particular demographic at the location. In addition, new stores could impact the sales of our existing stores nearby, and there can be no assurance that sales cannibalization will not occur or become more significant in the future as we increase our presence in existing markets. An inability to appropriately identify suitable locations, or set-up the most appropriate store-format at a particular location, or to negotiate commercially reasonable lease terms, may increase our payback periods, result in store-closures, and adversely affect our results of operations and financial condition. However, with the experience of setting up stores for varied types of brands and in various parts of India and, we believe that we are well positioned to leverage on opportunities for expansion.

Quality and cost of retail space

Securing high-quality retail spaces has become increasingly difficult due to intense competition among retailers. With limited availability of prime locations, the demand for well-located, high-footfall retail spaces has surged, leading to increased rental costs. Quality retail space is crucial for brands, as location plays a significant role in attracting customers and enhancing brand visibility. However, the rising cost of prime locations can strain the profitability of businesses, especially those operating on tight margins – rendering these cost ineffective. Pushing the costs to customers can lead to driving the loyal-customer base away, and further dampen profit margins. Accordingly, identifying and obtaining quality retail spaces at commercially suitable terms becomes significant, and an inability to do so, or at all, may adversely affect our expansion and growth plans.

In addition, we may face challenges in retaining the retail spaces acquired. Lease arrangements may require renewal or escalations in rental fee from time to time during the lease period. In the event that we are unable to renew such agreements on favourable terms or in an unlikely scenario, are unable to retain such spaces, we may be required to relocate our stores and, thereby, incur additional relocation costs. Further, limited availability of suitable retail spaces in newer locations may lead to higher rental lease rates in the face of increasing competitive activity, leading to delays or cost overruns, or both, in the opening of new stores.

Competition

The Indian retail market has become increasingly competitive in recent years and this may increase in the future.

New entrants coming into retail industry may have more flexibility in responding to changing business and economic conditions and existing players may seek to consolidate their position. Due to the expansive nature of our business and presence across multiple categories and segments, we face competition from various kinds of players including, players operating in retail, wholesale and e-commerce space.

We compete with local retailers, non-branded products, economy brands and products of other established brands. In the future, some of our competitors may develop alliances to compete against us, acquire greater resources, market presence and geographic reach, as well as develop products with better brand recognition than ours. Some of our competitors may be able to procure raw materials or finished products at lower costs than us, and consequently be able to sell their products at competitive prices, thus challenging our proposition towards our customers.

Our ability to attract new consumers and retain existing consumers

Acquiring new customers is essential for expanding our market share and increasing revenue. The ability to continuously attract fresh customer helps ensuring long-term sustainability. Effective marketing, promotions, and brand positioning play crucial roles in this process. For instance, strategic campaigns targeting younger demographics or launching products tailored to emerging trends can bring new customers into our ecosystem.

Retaining existing customers is equally critical, as it tends to be more cost-effective than acquiring new ones. Loyal customers contribute to a steady stream of revenue and are more likely to make repeat purchases, try new products, and promote the brand. Our ability to sustain high retention rates is driven by consistent product quality, customer service, and engagement initiatives, such as loyalty programs or personalized offers.

Our extensive product portfolio, covering a wide range of occasions, price points, categories, and segments, positions us to cater to diverse customer preferences. Whether customers are looking for everyday essentials, luxury items, or specialty products for specific occasions, our portfolio ensures that we have options to meet their needs. This versatility allows us to attract a broader customer base, which is essential for expanding our reach across various demographic and geographic segments. This balance ensures we can adapt to shifting market conditions and consumer behaviours, which is critical for maintaining steady operations.

MATERIAL ACCOUNTING POLICIES

Current versus non-current classification

We present assets and liabilities in the Consolidated Balance Sheet based on current/ non-currentclassification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. We have identified twelve months as its operating cycle.

Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit ("**CGU**") exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow ("**DCF**") model. The cash flows are derived from the budget for the next three years and next 2 years have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that our Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by our Company.

Share-based payment

We use the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the Consolidated Statement of Profit and Loss.

Taxes

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

Provision on inventories

We have defined policy for provision on inventory for each of its business by differentiating the inventory into core and non-core (fashion) and sub-categorised into finished goods and raw materials. We provide provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

Provision for discount and sales return

We provide for discount and sales return based on season wise, brand wise and channel wise trend of previous years. We review the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

Leases

We determine 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.

We have several lease contracts that include extension and termination options. We apply 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, our 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.

Valuation of Non - controlling interest Put Option

The fair value of financial liability (put option) arising from acquisition agreements, has been determined at present value of consideration payable, using appropriate valuation model. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of the put option. Such valuation includes assumptions such as discount rate, future cashflow and EBITDA estimates. Such assumptions are reviewed at each reporting date.

Going concern

Management has considered the cash and cash equivalents and current investments at March 31, 2024, committed undrawn borrowing facilities available and also evaluated the future cash flow projections for a period of 12 months from the balance sheet date. Based on the said assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on our Company's ability to continue as a going concern, hence the consolidated financial statements have been prepared on a going concern basis.

Property, Plant and Equipment

Accounting Policy

Freehold land is carried at historical cost. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis up to the month preceding the month of deletions/ disposals. The management believes that the estimated useful lives below reflect fair approximation of the period over which the assets are likely to be used.

Assets where useful life is same as Schedule II

Assets	**Class of Assets**	**Useful life as prescribed by Schedule II of the Companies Act, 2013**
Factory buildings	Freehold buildings	30 years
Fences, wells, tube wells	Freehold building	5 years
Borewells (pipes, tubes and other fittings)	Freehold building	5 years
Plant and machinery (other than retail stores)	Plant and equipment	15 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 years

Assets where useful life differ from Schedule II

Assets	**Class of Assets**	**Useful life as prescribed by Schedule II of the Companies Act, 2013**	**Estimated useful life**
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	4 – 6 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 – 6 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	3 - 4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	5 - 7 years
Office electrical equipment	Office equipment	5 years	3 - 7 years
Air conditioner (Other than retail stores)	Office equipment	5 years	15 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	4 - 5 years

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

Leasehold assets

Assets	Estimated useful life
Leasehold improvements at stores	Lease term or management's estimate of useful life, whichever is shorter
Leasehold improvements other than stores	

Right-Of-Use Assets and Lease Liabilities

Accounting Policy

At inception of a contract, our Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, our Company assess whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- We have the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- We have the right to direct the use of the asset. We have the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, either our Company has the right to operate the asset; or our Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, our Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Where our Company is the lessee

Right-of-use assets

We recognise a right-of-use asset and a lease liability at the lease commencement date except for short-term leases which are less than 12 months and leases of low value assets. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the lease commencement date to the end of the lease term. If ownership of the leased asset transfers to our Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, our Company uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortised cost using the effective interest method.

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

We present right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Consolidated Balance Sheet.

Short-term leases and leases of low value assets

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

Where our Company is the lessor

Leases in which our Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss.

Investment Property

Estimation of fair value: The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, our Company considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Goodwill and Other Intangible Assets

Accounting Policy

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

Amortisation methods and periods

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

Intangible assets	Useful life	Amortisation method used
Computer software	3 to 4 years	Amortised on straight-line basis
Brands/ trademarks	10 years to indefinite	Amortised on straight-line basis, except where the Brand/Trademark is considered to have indefinite life
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement
Non-Compete	7 years	Amortised on straight-line basis

Disclosures with respect to Goodwill allocated to the CGUs

Value in use calculation of CGUs

The recoverable amount of the CGUs as at March 31, 2024, has been determined based on value in use using cash flow projections from financial budgets approved by senior management covering a three years period ended March 31, 2027 and cash flow projections for financial years 2028 and 2029 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. We have considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2029. The post-tax discount rate is applied to discounted cash flow projections. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.

Key assumptions used for value in use calculations

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital ("**WACC**"). The WACC takes into account both cost of debt and equity.

The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings of the respective CGU. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate

Growth rate estimates:

Rates are based on published industry research. Growth rate is based on our Company's projection of business and growth of the industry in which our Company is operating. The growth rate is in line with the long-term growth rate of the industry except for Forever 21 CGU. The growth rate of these CGUs considers our Company's plan to launch new stores/ expected same store growth, digital e-commerce and change in merchandise

Non-Current Financial Assets – Others

Accounting Policy

Financial instruments

Classification of financial assets at amortized cost - The group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, loans and security deposits.

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income ("**FVTOCI**") comprise equity securities (unlisted) which are not held for trading, and for which the Company has irrevocably elected at initial recognition to recognise changes in fair value through OCI rather than profit or loss. These are strategic investments and the Company considers this classification to be more relevant.

Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss ("**FVTPL**"):

- debt investments (bonds, debentures and mutual funds) that do not qualify for measurement at either amortised cost or FVTOCI,
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI, and
- Investments in financial instruments issued by subsidiaries, associate and joint venture, whose contractual terms are not wholly equity in nature

Derivatives

The Put and Call options on the Non-Controlling Interest ("**NCI**") in a subsidiary or to acquire equity interest held by the venture partners in a joint venture are initially measured at fair value. The subsequent changes in fair value is recognised in the Standalone Statement of Profit and Loss.

Inventories

Accounting Policy

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average cost basis.

Trade Receivables

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business and reflect our 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. We hold the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, our Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Non-Current Financial Liabilities - Others

Accounting Policy - Non-controlling interest put option

Where the group does not have present ownership interest in the shares held by the non-controlling shareholders, measured at either fair value or at the proportionate share of the acquiree's identifiable net assets, and the related put option held by the group over such non-controlling shares remains unexercised, the group accounts for the non-controlling interest and the written put option at the end of each reporting period as below:

- Group determines the amount that would have been recognised for the non-controlling interest, including an allocation to reflect the share of profit or loss, share of changes in other comprehensive income and dividends (if any) declared during the reporting period;
- The group de-recognises the non-controlling interest as if it was acquired at the end of the reporting period;
- The group recognises a financial liability in respect of the written put option at the present value of the amount payable on exercise of the non-controlling interest; and
- Difference between b) and c) is accounted for as an equity transaction

Upon exercise of the put option over the non-controlling interest the amount recognised as financial liability is extinguished by payment of the exercise price.

If the put option over the non-controlling interest remains unexercised, non-controlling interest is recognised at the amount it would have been, as if the put option had never been granted (i.e. measured initially at the date of the business combination, and remeasured for subsequent allocations of profit or loss, other comprehensive income and changes in equity attributable to the non-controlling interest). The financial liability is derecognised, with a corresponding credit to the same component of equity.

Revenue From Operations

Accounting Policy

Revenue from contracts with customers

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which our Company expect to be entitled for those goods/ services.

To recognize revenues, our 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
- Recognize revenues when a performance obligation is satisfied.

Revenue from sale of products

Revenue from sales of products is measured at the amount of transaction price (net of returns, customer incentives, discounts, variable consideration and other similar charges offered by the Company) allocated to that performance obligation.

Goods and Service Tax ("**GST**") is not received by our Company on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue

Assets and liabilities arising from right to return

We have contracts with customers which entitles us an unconditional right to return.

Right to return assets

A right of return gives our Company a contractual right to recover the goods from a customer (right to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. We have therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount we ultimately expect we will have to return to the customer. We update our estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

We have presented our right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Income from gift voucher

Gift voucher sales are recognised when the vouchers are redeemed, and the goods are sold to the customer.

Loyalty points programme

We operate a loyalty programme which allows customers to accumulate points on purchases made in retail stores. The points give rise to a separate performance obligation as it entitles them for redemption as settlement of future purchase transaction price. Consideration received is allocated between the sale of products and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of points is determined by applying statistical techniques based on the historical trends.

Transaction price allocated to reward points is deferred and recognised when points are redeemed or when the points expire. The amount of revenue is based on the value of points redeemed/ expired.

Income from services

Income from services is recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

Export incentives income

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Commission income

In case of sales of goods, where our Company is an agent in the transaction, the difference between the revenue and the cost of the goods sold is disclosed as commission income in other operating income.

Earnings Per Share ("EPS")

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

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

Summary of Other Accounting Policies

Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents assets, liabilities, income and expenses which relate to our Company as a whole and are not allocated to the segments.

Inter-segment transfers

We generally account for inter-segment sales at arm's length basis in a manner similar to transactions with third parties.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income, expense and other common assets and liabilities which are not allocated to any business segment.

Segment accounting policies

We prepare our segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of our Company as a whole.

(₹ crore)

Particulars	As on March 31, 2024					
	Madura Fashion & Lifestyle	Pantaloons	Ethnic and Others	Total Segments	Eliminations	Total
Revenue						
External customers	7,554.15	4,328.27	2,113.44	13,995.86	-	13,995.86
Inter-segment	239.57	-	76.60	316.17	(316.17)	-
Total Revenue	**7,793.72**	**4,328.27**	**2,190.04**	**14,312.03**	**(316.17)**	**13,995.86**
Segment profit/ (loss)	591.73	(83.33)	(426.09)	82.31	(911.21)	(828.90)
Total assets	8,211.08	5,358.57	7,755.33	21,324.98	1,086.09	22,411.07
Total liabilities	7,130.74	3,683.08	4,546.61	15,360.43	2,329.62	17,690.05

(₹ crore)

Particulars	As on March 31, 2023					
	Madura Fashion & Lifestyle	Pantaloons	Ethnic and Others	Total Segments	Eliminations	Total
Revenue						
External customers	7,311.04	4,110.93	995.93	12,417.90	-	12,417.90
Inter-segment	296.01	-	4.87	300.88	(300.88)	-
Total Revenue	**7,607.05**	**4,110.93**	**1,000.80**	**12,718.78**	**(300.88)**	**12,417.90**
Segment profit/ (loss)	453.29	98.65	(167.97)	383.97	(466.41)	(82.44)
Total assets	7,318.04	5,254.94	3,396.65	15,969.63	1,071.65	17,041.28
Total liabilities	6,741.18	3,640.07	2,614.56	12,995.81	699.47	13,695.28

Fair value measurements and hierarchy

We measure financial instruments, such as investments (other than equity investments in joint ventures) and derivatives at fair value at each Consolidated Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- 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 our 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.

We use valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, our 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.

Foreign currencies

Transactions and balances:

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Consolidated Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or the Consolidated Statement of Profit and Loss are also reclassified in OCI or the Consolidated Statement of Profit and Loss, respectively).

For the purposes of presenting these consolidated financial statements, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Indian Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences arising on translation for consolidation are recognised in OCI and accumulated in other equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with:

- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

- When the grant relates to an asset, it is recognised as income in Statement of Profit and Loss in equal amounts over the expected useful life of the related asset.

- When loans or similar assistance are provided by governments or related institutions, at a below-market rate of interest, the effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised and measured at fair value, and the government grant is measured as the difference between the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Consolidated Statement of Profit and Loss. Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

Taxes

Current tax

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

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

We had adopted the new tax regime in the Fiscal 2020 under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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

Property, plant and equipment

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes borrowing costs for long-term construction projects, if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to our 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 Consolidated Statement of Profit and Loss, during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any.

Based on managements' assessment, items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date the asset is ready to use or useful life of class of asset to which these assets belong.

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

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

Investment properties

Investment property is freehold land and structure, held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though our Company measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes. Fair value is determined on the basis of assessable market value of the property as per rate specified by Government Authority. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, our Company considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Consolidated Statement of Profit and Loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment properties our Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Consolidated Statement of Profit and Loss, in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and changes if any, made on prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss.

Intangible assets with indefinite useful life are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, our Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

When our Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when our Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

At the acquisition date, goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of our Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A CGU to which goodwill has been allocated is tested for impairment annually as at reporting date. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of non-financial assets

At the end of each reporting period, our Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset's or CGUs fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rates, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually as at reporting date. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss.

Reversal of impairment losses except on goodwill is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Financial instruments

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

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables which do not contain significant financing component are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Consolidated Statement of Profit and Loss are recognised immediately in the Consolidated Statement of Profit and Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For the purpose of subsequent measurement, financial instruments of our Company are classified in the following categories:

Non-derivative financial assets

Financial assets at amortised cost - Financial asset is measured at amortised cost using Effective Interest Rate ("**EIR**"), if both the conditions are met:

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

EIR method: The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Consolidated Statement of Profit and Loss and is included in the 'Other income' line item.

Financial assets at Fair Value Through Other Comprehensive Income

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest ("**SPPI**").

Financial assets included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, our Company recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the Consolidated Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Consolidated Statement of Profit and Loss.

Financial assets at Fair Value Through Profit or Loss

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (refer above) are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. We have not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when our Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Equity investments

All equity investments (other than investments in joint ventures) are measured at fair value as per Ind AS 109. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, our Company has an irrevocable election to present in other comprehensive income subsequent changes in the fair value. We make such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If our Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, our Company may transfer the cumulative gain or loss within equity.

Impairment of financial assets

We apply simplified approach of expected credit loss model for recognising impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Expected credit loss is the difference between all contractual cash flows that are due to our Company in accordance with the contract and all the cash flows that our Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

We measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, our Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If our Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, our Company again measures the loss allowance based on 12- month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, our Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, our Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, our Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, our Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the Consolidated Balance Sheet.

Non derivative financial liabilities

Classification as debt or equity

Debt and equity instruments issued by our Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by our Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of our Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of our Company's own equity instruments.

Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by our Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of our Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Financial liabilities

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by our Company, and commitments issued by our Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading, if:

- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that our Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with our Company's documented risk management or investment strategy, and information about our Company is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re- measurement recognised in the Consolidated Statement of Profit and Loss.

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the Consolidated Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in the Consolidated Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in the Consolidated Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in other comprehensive income under other equity and are not subsequently reclassified to the Consolidated Statement of Profit and Loss.

Gains or losses on financial guarantee contracts and loan commitments issued by our Company that are designated by our Company as at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Consolidated Statement of Profit and Loss as ‘Finance costs’.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Consolidated Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.

For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Consolidated Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Consolidated Statement of Profit and Loss.

De-recognition of financial assets and financial liabilities

We de-recognise a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If our Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, our Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If our Company retains substantially all the risks and rewards of ownership of a transferred financial asset, our Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss.

On de-recognition of a financial asset other than in its entirety (for example: when our Company retains an option to repurchase part of a transferred asset), our Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Consolidated Statement of Profit and Loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

We de-recognize financial liabilities only when our Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

Derivative financial instruments

We use derivative financial instruments, such as forward currency contracts and options contract in accordance with agreement, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the Consolidated Statement of Profit and Loss when the hedge item affects the Consolidated Statement of Profit and Loss or treated as basis adjustment, if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Inventories

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates.

Provisions and contingent liabilities

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when our Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our Company.

Claims against our Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Interest income

Interest income on all debt instruments is measured at amortised cost. Interest income is recorded using the effective interest rate ("**EIR**"). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, our Company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

Defined contribution plan

We make defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the Consolidated Statement of Profit and Loss, on accrual basis. We recognise contribution payable to the provident fund scheme as an expense, when an employee renders the related service. We have no obligation, other than the contribution payable to the provident fund.

Defined benefit plan

We operate a defined benefit gratuity plan in India. We contribute to a gratuity fund maintained by an independent insurance company. Our liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Consolidated Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the Consolidated Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Consolidated Statement of Profit and Loss.

Compensated absences

The employees of our Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. We record an obligation for

compensated absences in the period in which the employee renders the services that increases this entitlement. We measure the expected cost of compensated absences as the additional amount that our Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. We recognise accumulated compensated absences based on actuarial valuation in the Consolidated Statement of Profit and Loss.

We present the entire leave as a current liability in the Consolidated Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

Share-based payment

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

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

No expense is recognised for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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

We have 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. We treat trust as our extension and shares held by trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve. Share options exercised during the reporting period are settled with treasury shares.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of our Company by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance Sheet and for the purpose of the Consolidated Statement of Cash Flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of our Company's cash management.

NON-GAAP MEASURES

EBTIDA, EBTIDA Margin, EBIT, Capital Employed, Profit / (Loss) After Tax Margin, Return on Average Capital Employed, Net Debt, Net Debt to Equity and Net Working Capital (collectively, "**Non-GAAP Measures**") presented in this Placement Document are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS. Further, these Non-GAAP Measures are not measurements of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of such Non-GAAP Measures between companies may not be possible. Other companies may calculate such Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not measured of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

EBITDA / EBITDA Margin and EBIT

The table below provide a reconciliation for EBITDA / EBTIDA Margin and EBIT. EBITDA is calculated as Profit / (loss) after tax for the year / period plus total tax expense plus depreciation and amortization expense and finance costs. EBITDA Margin is calculated as EBTIDA divided by revenue from operations. EBIT is calculated as

EBTIDA less depreciation and amortization expense.

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ crore, except percentages)				
Profit / (loss) after tax for the year / period (A)	(429.62)	(361.96)	(735.91)	(59.47)	(118.36)
Total tax expense (B)	(98.21)	(67.89)	(92.99)	(22.97)	(26.57)
Finance costs (C)	469.54	395.67	876.61	472.36	350.71
Exceptional items (D)	23.11	-	-	-	-
Depreciation and Amortisation expense (E)	896.94	755.78	1,655.23	1,226.96	997.03
EBITDA (F = A + B + C - D + E)	815.54	721.60	1,702.94	1,616.88	1,202.81
Revenue from operations (G)	7,071.68	6,422.50	13,995.86	12,417.90	8,136.22
EBITDA Margin (H = F / G)	11.53%	11.24%	12.17%	13.02%	14.78%
EBIT (I = F - E)	(81.40)	(34.18)	47.71	389.92	205.78

PAT Margin

The table below provide a reconciliation for PAT Margin. PAT Margin is calculated as Profit / (loss) after tax for the year / period divided by total income.

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ crore, except percentages)				
Profit / (loss) after tax for the year / period (A)	(429.62)	(361.96)	(735.91)	(59.47)	(118.36)
Total Income (B)	7,171.05	6,528.53	14,233.44	12,534.36	8,236.77
Profit / (Loss) After Tax Margin (C = A / B)	**(5.99)%**	**(5.54)%**	**(5.17)%**	**(0.47)%**	**(1.44)%**

Net Debt

The following table provides a reconciliation for Net Debt.

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ crore, except percentages)				
Total - Equity (A)	**4,101.72**	**3,672.29**	**4,721.01**	**3,346.00**	**2,788.52**
Non Current Borrowings (B)	3,226.11	2,388.09	2,511.56	1,507.62	777.97
Non Current Lease Liabilities (C)	4,186.25	4,222.91	4,087.66	3,346.23	2,076.46
Current Borrowings (D)	1,302.12	2,432.59	1,693.62	797.9	454.36
Current Lease Liabilities (E)	1,284.70	1,131.18	1,158.56	921.11	791.63
Capital Employed (F = A + B + C+ D + E)*	14,100.90	13,847.06	14,172.41	9,918.86	6,888.94
Closing Capital Employed (G)	14,100.90	13,847.06	14,172.41	9,918.86	6,888.94
Opening Capital Employed (H)	14,172.41	9,918.86	9,918.86	6,888.94	6,276.05
EBIT (I)	(81.40)	(34.18)	47.71	389.92	205.78
Return on Average Capital Employed (J = I / ((G+H)/2))	(0.58)%	(0.29)%	0.40%	4.64%	3.13%
Total Borrowings (K = B + D)	4,528.23	4,820.68	4,205.18	2,305.52	1,232.33
Current Investments (L)	512.66	229.82	880.71	182.43	608.14
Cash and cash equivalents (M)	249.28	230.79	454.03	692.69	118.22

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ crore, except percentages)				
Bank balance other than Cash and cash equivalents (N)	7.38	5.15	8.36	8.37	2.31
Net Debt (K – L – M – N)	**3,758.91**	**4,354.92**	**2,862.08**	**1,422.03**	**503.66**

**Capital employed is calculated as total equity plus total borrowings plus total lease liabilities. Closing Capital employed refers to capital employed as at period end date. Opening Capital employed refers to Capital employed as at beginning of the respective period.*

Net Working Capital

The following table provides a reconciliation for Net Working Capital.

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ crore, except percentages)				
Inventories (A)	4,490.44	4,973.35	4,505.34	4,214.38	2,929.59
Trade Receivables (B)	1,706.41	1,632.71	1,278.81	886.44	756.43
Trade Payables: Total outstanding dues of micro enterprises and small enterprises (C)	295.63	300.16	323.9	120.63	87.44
Trade Payables: Total outstanding dues of creditors other than micro enterprises and small enterprises (D)	4,056.60	4,231.91	3,811.76	3,725.49	3,323.12
Total Trade Payables (E = C + D)	4,352.23	4,532.07	4,135.66	3,846.12	3,410.56
Net Working Capital (F = A + B – E)	**1,844.62**	**2,073.99**	**1,648.49**	**1,254.70**	**275.46**

Debt service coverage ratio

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ crore, except percentages)				
Profit / (loss) after tax for the year / period (A)	(429.62)	(361.96)	(735.91)	(59.47)	(118.36)
Add: Total tax expense (B)	(98.21)	(67.89)	(92.99)	(22.97)	(26.57)
Add: Finance costs (C)	469.54	395.67	876.61	472.36	350.71
Less: Exceptional items (D)	23.11	0	0	0	0
Add: Depreciation and Amortisation expense (E)	896.94	755.78	1,655.23	1,226.96	997.03
EBITDA (F = A + B + C+ D + E)	815.54	721.6	1,702.94	1,616.88	1,202.81
Current maturities of long term borrowings (G)	78.72	450.96	485.18	357.61	452.48
Short-term Lease Liabilities (H)	1,284.7	1,131.18	1,158.56	921.11	791.63
Debt Service coverage Ratio (in times) (F/(C+G+H))	**0.44**	**0.36**	**0.68**	**0.92**	**0.75**

Interest Coverage Ratio

The table below reconciles profit / loss after tax for the year / period to our interest coverage ratio for the years / periods indicated:

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ crore, except percentages)				
Profit / (loss) after tax for the year / period (A)	(429.62)	(361.96)	(735.91)	(59.47)	(118.36)
Add: Total tax expense (B)	(98.21)	(67.89)	(92.99)	(22.97)	(26.57)
Add: Finance costs (C)	469.54	395.67	876.61	472.36	350.71
Less: Exceptional items (D)	23.11	-	-	-	-
Profit before interest and tax **(E = A + B + C+ D)**	(81.40)	(34.18)	47.71	389.92	205.78
Interest Coverage Ratio (in times) (E/C)	**(0.17)**	**(0.09)**	**0.05**	**0.83**	**0.59**

PRINCIPAL COMPONENTS OF REVENUE AND EXPENDITURE

Income

Total income comprises revenue from operations and other income.

Revenue from operations

Revenue from operations includes (i) revenue from sale of products, which includes revenue from redemption of loyalty points; (ii) revenue from rendering of services; and (ii) other operating income i.e., scrap sales, export incentives, licence fees and royalties, commission income and others.

Other income

Other income includes (i) interest income; (ii) net gain on investment in mutual funds (including on redemption); (iii) fair value gain on financial instruments at FVTPL; (iv) gain on retirement of right-of-use assets; and (v) miscellaneous income.

Expenses

our total expenses include (i) cost of materials consumed; (ii) purchase of stock-in-trade; (iii) changes in inventories of finished goods, work-in-progress and stock-in-trade; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortisation expense; (vii) rent expense; and (viii) other expenses.

Cost of materials consumed

Cost of materials consumed include purchase of fabric.

Purchase of stock in trade

Purchase of stock-in-trade includes purchases of ready-made garments.

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

Changes in inventories of finished goods, work-in-progress and stock-in-trade includes movement in stock of finished goods, work-in-progress and stock-in-trade.

Employee benefits expense

Employee benefits expense includes (i) salaries, wages and bonus; (ii) contribution to provident and other funds; (iii) share-based payment to employees; (iv) gratuity expense; and (v) staff welfare expenses.

Finance costs

Finance costs include (i) interest expense on borrowings; (ii) interest expense on lease liabilities; (iii) other borrowing costs; (iv) interest on unwinding of other financial liabilities.

Depreciation and amortisation expense

Depreciation and amortisation expense includes (i) depreciation on property, plant and equipment; (ii) depreciation on right-of-use assets; (iii) amortisation on intangible assets.

Other expenses

Other expenses include (i) advertisement and sales promotion, (ii) outsourcing, housekeeping and security (iii) repairs and maintenance on buildings, plant and machinery and others, (iv) transportation and handling charges, (v) electricity charges, (vi) legal and professional expenses, (vii) information technology expenses, (viii) processing charges, and (ix) commission to selling agents, among others.

RESULTS OF OPERATIONS

SIX MONTHS ENDED SEPTEMBER 30, 2024 COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2023

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the six months ended September 30, 2024 and six months ended September 30, 2023:

Particulars	**Six months ended September 30, 2024**		**Six months ended September 30, 2023**	
	(₹ crore)	**Percentage of Total Income**	**(₹ crore)**	**Percentage of Total Income**
Income				
Revenue from operations	7,071.68	98.61%	6,422.50	98.38%
Other income	99.37	1.39%	106.03	1.62%
Total income (I + II)	**7,171.05**	**100.00%**	**6,528.53**	**100.00%**
Expenses				
Cost of materials consumed	689.03	9.61%	707.48	10.84%
Purchase of stock-in-trade	2,294.07	31.99%	2,506.21	38.39%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	92.37	1.29%	(263.96)	(4.04)%
Employee benefits expense	987.73	13.77%	860.65	13.18%
Finance costs	469.54	6.55%	395.67	6.06%
Depreciation and amortisation expense	896.94	12.51%	755.78	11.58%
Rent expense	444.16	6.19%	436.64	6.69%
Other expenses	1,844.61	25.72%	1,559.82	23.89%
Total expenses	**7,718.45**	**107.63%**	**6,958.29**	**106.58%**
Profit/ (loss) before Share in Profit/(loss) of Joint Venture, Exceptional items and Tax (III – IV)	**(547.40)**	**(7.63)%**	**(429.76)**	**(6.58)%**
Exceptional items	23.11	0.32%	-	-
Share in Profit/ (loss) of Joint Venture and Associate	(3.54)	(0.05)%	(0.09)	0.00%
Profit/(Loss) before tax (V+ VI)	**(527.83)**	**(7.36)%**	**(429.85)**	**(6.58)%**
Income Tax expense				
- Current tax	2.73	0.04%	0.02	0.00%
- Current tax relating to earlier years	-	-	0.01	0.00%
- Deferred tax charge/ (credit)	(100.94)	(1.41)%	(67.92)	(1.04)%
Total income tax expense	**(98.21)**	**(1.37)%**	**(67.89)**	**(1.04)%**
Net profit/(Loss) after tax (VII - VIII)	**(429.62)**	**(5.99)%**	**(361.96)**	**(5.54)%**
Other comprehensive income/ (loss)				
Items that will not be reclassified to profit or loss				
(a) Re-measurement gains/ (losses) on defined benefit plans	(1.21)	(0.02)%	(2.63)	(0.04)%
Income tax effect on above	0.39	0.01%	0.81	0.01%

Particulars	Six months ended September 30, 2024		Six months ended September 30, 2023	
	(₹ crore)	Percentage of Total Income	(₹ crore)	Percentage of Total Income
(b) Fair value gains/ (losses) on equity instruments	**3.34**	**0.05%**	**3.62**	**0.06%**
Income tax effect on above	(0.84)	(0.01)%	(0.91)	(0.01)%
Items that will be reclassified to profit or loss				
(a) Exchange differences on translation of foreign operations	0.13	0.00%	0.20	0.00%
Income tax effect on above	-	-	-	-
(b) Effective Portion of Cashflow Hedge	(0.44)	(0.01)%	0.24	0.00%
Income tax effect on above	0.04	0.00%	(0.08)	0.00%
Total other comprehensive income	**1.41**	**0.02%**	**1.25**	**0.02%**
Total comprehensive income (IX + X)	**(428.21)**	**(5.97)%**	**(360.71)**	**(5.53)%**

Income

Total income increased by 9.84% from ₹ 6,528.53 crore in the six months ended September 30, 2023 to ₹ 7,171.05 crore in the six months ended September 30, 2024, primarily due to an increase in revenue from operations.

Revenue from operations

Revenue from operations increased by 10.11% from ₹ 6,422.50 crore in the six months ended September 30, 2023 to ₹ 7,071.68 crore in the six months ended September 30, 2024. The increase was primarily due to an increase in our ethnic and others sales from ₹ 657.84 crore in the six months ended September 30, 2023 to ₹ 1,362.74 crore in the six months ended September 30, 2024.

The table below sets out the revenues generated from each of our business segments and as a percentage of our revenue from operations:

Business Segments	Six months ended September 30, 2024		Six months ended September 30, 2023	
	Amount (₹ crore)	Percentage of Revenue from Operations (%)	Amount (₹ crore)	Percentage of Revenue from Operations (%)
Madura Fashion and Lifestyle	3,774.36	53.37%	3,800.03	59.17%
Pantaloons	2,183.54	30.88%	2,099.52	32.69%
Ethnic and others	1,362.74	19.27%	657.84	10.24%
Inter segment revenue	(248.96)	(3.52)%	(134.89)	(2.10)%
Revenue from Operations	**7,071.68**	**100.00%**	**6,422.50**	**100.00%**

Other income

Other income decreased by 6.28% from ₹ 106.03 crore in the six months ended September 30, 2023 to ₹ 99.37 crore in the six months ended September 30, 2024, primarily due to decrease in total interest income from ₹ 32.88 crore in the six months ended September 30, 2023 to ₹ 25.41 crore in the six months ended September 30, 2024.

Expenses

Total expenses increased by 10.92% from ₹ 6,958.29 crore in the six months ended September 30, 2023 to ₹ 7,718.45 crore in the six months ended September 30, 2024, primarily due to an increase in employee benefits expense, finance costs, depreciation and amortisation expense, rent expense and other expenses, partially offset by a decrease in cost of materials consumed and purchase of stock-in-trade.

Cost of materials consumed

Cost of materials consumed decreased by 2.61% from ₹ 707.48 crore in the six months ended September 30, 2023 to ₹ 689.03 crore in the six months ended September 30, 2024.

Purchase of stock-in-trade

Purchase of stock-in-trade decreased by 8.46% from ₹ 2,506.21 crore in the six months ended September 30, 2023 to ₹ 2,294.07 crore in the six months ended September 30, 2024, mainly due to utilization of opening stock.

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

Changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹ (263.96) crore in the six months ended September 30, 2023 compared to ₹ 92.37 crore in the six months ended September 30, 2024.

Employee benefits expense

Employee benefits expense increased by 14.77% from ₹860.65 crore in the six months ended September 30, 2023 to ₹ 987.73 crore in the six months ended September 30, 2024, primarily due to increase in salaries, wages and bonus from ₹ 747.93 crore in the six months ended September 30, 2023 to ₹ 868.78 crore in the six months ended September 30, 2024 primarily led by consolidation of TCNS.

Finance costs

Finance cost increased by 18.67% from ₹ 395.67 crore in the six months ended September 30, 2023 to ₹ 469.54 crore in the six months ended September 30, 2024, primarily due to interest costs on account of increased borrowings.

Depreciation and amortisation expense

Depreciation and amortisation increased by 18.68% from ₹ 755.78 crore in the six months ended September 30, 2023 to ₹ 896.94 crore in the six months ended September 30, 2024, primarily on account of the acquisition of TCNS.

Rent expense

Rent expenses increased by 1.72% from ₹ 436.64 crore in the six months ended September 30, 2023 to ₹ 444.16 crore in the six months ended September 30, 2024, primarily on account of acquisition of TCNS.

Other expenses

Other expenses increased by 18.26% from ₹ 1,559.82 crore in the six months ended September 30, 2023 to ₹ 1,844.61 crore in the six months ended September 30, 2024 primarily due to acquisition of TCNS. Within other expenses (i) advertisement and sales promotion increased by 26.14% from ₹ 305.90 crore in the six months ended September 30, 2023 to ₹ 385.85 crore in the six months ended September 30, 2024 (ii) processing charges increased by 105.21% from ₹ 73.59 crore in the six months ended September 30, 2023 to ₹ 151.01 crore in the six months ended September 30, 2024 and (iii) legal and professional expenses increased by 27.20% from ₹ 98.25 crore in the six months ended September 30, 2023 to ₹ 124.98 crore in the six months ended September 30, 2024.

Profit/ (loss) before Share in Profit/(loss) of Joint Venture, Exceptional items and Tax

Loss before share in profit/(loss) of joint venture, exceptional items and tax was ₹ 547.40 crore in the six months ended September 30, 2024 compared to ₹ 429.76 crore in the six months ended September 30, 2023.

Exceptional Items

Exceptional items was ₹ 23.11 crore in the six months ended September 30, 2024 compared to nil in the six months ended September 30, 2023, primarily due to a revaluation of stakes in GFPL, which was offset by the restructuring of Forever 21.

Profit/(loss) before tax

Loss before tax was ₹ 527.83 crore in the six months ended September 30, 2024 compared to ₹ 429.85 crore in the six months ended September 30, 2023.

Tax expense

Current tax increased from ₹ 0.02 crore in the six months ended September 30, 2023 to ₹ 2.73 crore the six months ended September 30, 2024, while deferred tax credit increased from ₹ 67.92 crore in the six months ended September 30, 2023 to ₹ 100.94 crore in the six months ended September 30, 2024. As a result, total income tax expense increased from ₹ (67.89) crore in the six months ended September 30, 2023 to ₹ (98.21) crore in the six months ended September 30, 2024.

Net profit/(Loss) after tax

Loss for the year was ₹ 361.96 crore in the six months ended September 30, 2024 compared to ₹ 429.62 crore in the six months ended September 30, 2023 primarily on account of higher depreciation for brands and retail assets resulting from the acquisition of TCNS.

Total other comprehensive income/(loss)

Other comprehensive income increased from income of ₹ 1.25 crore in the six months ended September 30, 2023 to income of ₹ 1.41 crore in the six months ended September 30, 2024.

Total comprehensive income/(loss)

As a result of the foregoing, total comprehensive loss increased from loss of ₹ 360.71 crore in the six months ended September 30, 2023 to loss of ₹ 428.21 crore in the six months ended September 30, 2024.

FISCAL 2024 COMPARED WITH FISCAL 2023

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2023 and Fiscal 2024:

Particulars	Fiscal 2024		Fiscal 2023	
	(₹ crore)	Percentage of Total Income	(₹ crore)	Percentage of Total Income
Income				
Revenue from operations	13,995.86	98.33%	12,417.90	99.07%
Other income	237.58	1.67%	116.46	0.93%
Total income (I + II)	**14,233.44**	**100.00%**	**12,534.36**	**100.00%**
Expenses				
Cost of materials consumed	1,459.65	10.26%	1,245.88	9.94%
Purchase of stock-in-trade	4,627.23	32.51%	5,546.76	44.25%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	180.35	1.27%	(1,240.66)	(9.90)%
Employee benefits expense	1,826.25	12.83%	1,563.36	12.47%
Finance costs	876.61	6.16%	472.36	3.77%
Depreciation and amortisation expense	1,655.23	11.63%	1,226.96	9.79%
Rent expense	970.48	6.82%	897.02	7.16%
Other expenses	3,479.29	24.44%	2,911.96	23.23%
Total expenses	**15,075.09**	**105.91%**	**12,623.64**	**100.71%**
Profit/(Loss) before Share in Profit/ (Loss) of Joint Venture and Tax (III - IV)	**(841.65)**	**(5.91)%**	**(89.28)**	**(0.71)%**
Share in Profit / (Loss) of Joint Venture	12.75	0.09%	6.84	0.05%
Profit/(Loss) before tax (V+ VI)	**(828.90)**	**(5.82)%**	**(82.44)**	**(0.66)%**
Income Tax expense				
- Current tax	35.11	0.25%	15.92	0.13%
- Current tax relating to earlier	0.09	0.00%	(2.22)	(0.02)%

Particulars	Fiscal 2024		Fiscal 2023	
	(₹ crore)	**Percentage of Total Income**	**(₹ crore)**	**Percentage of Total Income**
years				
- Deferred tax	(128.19)	(0.90)%	(36.67)	(0.29)%
Total income tax expense	**(92.99)**	**(0.65)%**	**(22.97)**	**(0.18)%**
Profit/(Loss) for the year (VII - VIII)	**(735.91)**	**(5.17)%**	**(59.47)**	**(0.47)%**
Other comprehensive income/ (loss)				
Items that will not be reclassified to profit or loss				
(a) Re-measurement gains/ (losses) on defined benefit plans	(6.78)	(0.05)%	(0.68)	(0.01)%
Income tax effect on above	1.76	0.01%	0.14	0.00%
(b) Fair value gains/ (losses) on equity instruments	3.62	0.03%	3.26	0.03%
Income tax effect on above	(0.91)	(0.01)%	(0.82)	(0.01)%
Items that will be reclassified to profit or loss				
(a) Exchange differences on translation of foreign operations	0.29	0.00%	0.05	0.00%
Income tax effect on above	-	-	-	-
(b) Effective Portion of Cashflow Hedge	(0.12)		0.75	
Income tax effect on above	0.04		(0.26)	
Total other comprehensive income/ (loss) for the year	**(2.10)**	**(0.01)%**	**2.44**	**0.02%**
Total comprehensive income/ (loss) for the year (IX + X)	**(738.01)**	**(5.19)%**	**(57.03)**	**(0.45)%**

Income

Total income increased by 13.56% from ₹ 12,534.36 crore in Fiscal 2023 to ₹ 14,233.44 crore in Fiscal 2024, primarily due to an increase in revenue from operations and other income.

Revenue from operations

Revenue from operations increased by 12.71% from ₹ 12,417.90 crore in Fiscal 2023 to ₹ 13,995.86 crore in Fiscal 2024.

Other income

Other income increased from ₹ 116.46 crore in Fiscal 2023 to ₹ 237.58 crore in Fiscal 2024, primarily due to an increase in gain on retirement of right of use assets from ₹ 19.75 crore in Fiscal 2023 to ₹ 50.07 crore in Fiscal 2024, an increase in interest income from ₹ 10.21 crore in Fiscal 2023 to ₹ 26.26 crore in Fiscal 2024, and an increase in fair value gain on financial instruments at FVTPL from ₹ 47.25 crore in Fiscal 2023 to ₹ 75.86 crore in Fiscal 2024.

Expenses

Total expenses increased by 19.42% from ₹ 12,623.64 crore in Fiscal 2023 to ₹ 15,075.09 crore in Fiscal 2024, primarily due to an increase in cost of materials consumed, purchase of stock-in-trade, employee benefit expenses, depreciation and amortisation expense and other expenses.

Cost of materials consumed

Cost of materials consumed increased by 17.16% from ₹ 1,245.88 crore in Fiscal 2023 to ₹ 1,459.65 crore in Fiscal 2024, primarily due to higher scale of operations, growth in new lines of businesses and acquisition of TCNS.

Purchase of stock-in-trade

Purchase of stock-in-trade decreased by 16.58% from ₹ 5,546.76 crore in Fiscal 2023 to ₹ 4,627.23 crore in Fiscal

2024, mainly due to utilisation of opening stock.

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

Changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹ (1,240.66) crore in Fiscal 2023 compared to ₹ 180.35 crore in Fiscal 2024. This was primarily due to an increase in opening inventories from ₹ 2,618.04 crore in Fiscal 2023 to ₹ 4,342.76 crore in Fiscal 2024.

Employee benefits expense

Employee benefits expense increased by 16.82% from ₹ 1,563.36 crore in Fiscal 2023 to ₹ 1,826.25 crore in Fiscal 2024, primarily due to an increase in (i) salaries, wages and bonus from ₹ 1,350.08 crore in Fiscal 2023 to ₹ 1,595.76 crore in Fiscal 2024; and (ii) contribution to provident and other funds from ₹ 77.14 crore in Fiscal 2023 to ₹ 99.03 crore in Fiscal 2024. This was partially offset by a decrease in staff welfare expenses from ₹ 82.92 crore in Fiscal 2023 to ₹ 79.74 crore in Fiscal 2024.

Finance costs

Finance cost increased by 85.58% from ₹ 472.36 crore in Fiscal 2023 to ₹ 876.61 crore in Fiscal 2024, primarily due to an increase in (i) interest expense on borrowings from ₹ 142.32 crore in Fiscal 2023 to ₹ 384.68 crore in Fiscal 2024 owing to an increase in borrowings; (ii) interest expense on lease liabilities from ₹ 302.83 crore in fiscal 2023 to ₹ 433.38 crore in fiscal 2024 owing to an increase in number of stores from 3,977, as of March 31, 2023 to 4,664, as of March 31, 2024; and (iii) interest on unwinding of other financial liabilities from ₹ 26.35 crore in Fiscal 2023 to ₹ 54.29 crore in Fiscal 2024.

Depreciation and amortisation expense

Depreciation and amortisation increased by 34.90% from ₹ 1,226.96 crore in Fiscal 2023 to ₹ 1,655.23 crore in Fiscal 2024, primarily due to an increase in (i) depreciation on property, plant and equipment from ₹ 256.87 crore in Fiscal 2023 to ₹ 361.87 crore in Fiscal 2024; (ii) depreciation on right-of-use assets from ₹ 927.85 crore in Fiscal 2023 to ₹ 1,165.62 crore in Fiscal 2024; and (iii) amortisation on intangible assets from ₹ 42.24 crore in Fiscal 2023 to ₹ 127.74 crore in Fiscal 2024. This is majorly due to acquisitions, increase in store count, renovation and technology upgradation.

Rent expense

Rent expenses increased by 8.19% from ₹ 897.02 crore in Fiscal 2023 to ₹ 970.48 crore in Fiscal 2024. This was pursuant to an increase in the number of our stores and an increase in the variable rental due to higher sales during Fiscal 2024.

Other expenses

Other expenses increased by 19.48% from ₹ 2,911.96 crore in Fiscal 2023 to ₹ 3,479.29 crore in Fiscal 2024, primarily due to an increase in:

- Advertisement and sales promotion from ₹ 652.48 crore in Fiscal 2023 to ₹ 760.03 crore in Fiscal 2024;
- Repairs and maintenance-buildings, plant and machinery and others from ₹ 273.85 crore in Fiscal 2023 to ₹ 358.47 crore in Fiscal 2024;
- Outsourcing, housekeeping and security from ₹ 403.59 crore in Fiscal 2023 to ₹ 479.33 crore in Fiscal 2024;
- Electricity charges from ₹ 167.24 crore in Fiscal 2023 to ₹ 226.72 crore in Fiscal 2024;
- Legal and professional from ₹ 178.82 crore in Fiscal 2023 to ₹ 233.84 crore in Fiscal 2024;
- Processing charges from ₹ 165.19 crore in Fiscal 2023 to ₹ 220.2 crore in Fiscal 2024; and
- Transportation and handling charges from ₹ 240.34 crore in Fiscal 2023 to ₹ 285.11 crore in Fiscal 2024.

Profit/(Loss) before Share in Profit/ (Loss) of Joint Venture and Tax

Loss before share in profit of Joint Venture and tax was ₹ 841.65 crore in Fiscal 2024 compared to ₹ 889.28 crore in Fiscal 2023.

Profit/(loss) before tax

Loss before tax was ₹ 828.9 crore in Fiscal 2024 compared to ₹ 82.44 crore in Fiscal 2023.

Tax expense

Current tax increased from ₹ 15.92 crore in Fiscal 2023 to ₹ 35.11 crore in Fiscal 2024, while there was an increase in deferred tax income from ₹ 36.67 crore in Fiscal 2023 to ₹ 128.19 crore in Fiscal 2024. As a result, total income tax credit increased from ₹ 22.97 crore in Fiscal 2023 to ₹ 92.99 crore in Fiscal 2024.

Profit/(loss) for the year

Loss for the year was ₹ 735.91 crore in Fiscal 2024 compared to ₹ 59.47 crore in Fiscal 2023.

Total other comprehensive income/(loss) for the year

Other comprehensive income decreased from income of ₹ 2.44 crore in Fiscal 2023 to loss of ₹ 2.10 crore in Fiscal 2024, mainly due to re-measurement gains/ (losses) on defined benefit plans after tax.

Total comprehensive income/(loss) for the year

As a result of the foregoing, total comprehensive loss for the year increased from loss of ₹ 57.03 crore in Fiscal 2023 to loss of ₹ 738.01 crore in Fiscal 2024.

FISCAL 2023 COMPARED TO FISCAL 2022

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2022 and Fiscal 2023:

Particulars	Fiscal 2023		Fiscal 2022	
	(₹ crore)	Percentage of Total Income	(₹ crore)	Percentage of Total Income
Income				
Revenue from operations	12,417.90	99.07%	8,136.22	98.78%
Other income	116.46	0.93%	100.55	1.22%
Total income (I + II)	**12,534.36**	**100.00%**	**8,236.77**	**100.00%**
Expenses				
Cost of materials consumed	1,245.88	9.94%	867.18	10.53%
Purchase of stock-in-trade	5,546.76	44.25%	3,793.42	46.05%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,240.66)	(9.90)%	(940.43)	(11.42)%
Employee benefits expense	1,563.36	12.47%	1,158.53	14.07%
Finance costs	472.36	3.77%	350.71	4.26%
Depreciation and amortisation expense	1,226.96	9.79%	997.03	12.10%
Rent expense	897.02	7.16%	393.22	4.77%
Other expenses	2,911.96	23.23%	1,764.38	21.42%
Total expenses	**12,623.64**	**100.71%**	**8,384.04**	**101.79%**
Profit/(Loss) before Share in Profit/ (Loss) of Joint Venture and Tax (III - IV)	(89.28)	(0.71)%	(147.27)	(1.79)%
Share in Profit / (Loss) of Joint Venture	6.84	0.05%	2.34	0.03%
Profit/(Loss) before tax (V+ VI)	**(82.44)**	**(0.66)%**	**(144.93)**	**(1.76)%**
Income Tax expense				
- Current tax	15.92	0.13%	20.89	0.25%
- Current tax relating to earlier years	(2.22)	(0.02)%	-	-
- Deferred tax	(36.67)	(0.29)%	(47.46)	(0.58)%
Total income tax expense	**(22.97)**	**(0.18)%**	**(26.57)**	**(0.32)%**
Profit/(Loss) for the year (VII - VIII)	**(59.47)**	**(0.47)%**	**(118.36)**	**(1.44)%**
Other comprehensive income/ (loss)				

Particulars	Fiscal 2023		Fiscal 2022	
	(₹ crore)	Percentage of Total Income	(₹ crore)	Percentage of Total Income
Items that will not be reclassified to profit or loss				
(a) Re-measurement gains/ (losses) on defined benefit plans	(0.68)	(0.01)%	1.82	0.02%
Income tax effect on above	0.14	0.00%	(0.35)	0.00%
(b) Fair value gains/ (losses) on equity instruments	3.26	0.03%	0.64	0.01%
Income tax effect on above	(0.82)	(0.01)%	(0.16)	0.00%
Items that will be reclassified to profit or loss				
(a) Exchange differences on translation of foreign operations	0.05	0.00%	0.10	0.00%
Income tax effect on above	-	-	-	-
(b) Effective Portion of Cashflow Hedge	0.75	-	-	-
Income tax effect on above	(0.26)		-	-
Total other comprehensive income/ (loss) for the year	**2.44**	**0.02%**	**2.05**	**0.02%**
Total comprehensive income/ (loss) for the year (IX + X)	**(57.03)**	**(0.45)%**	**(116.31)**	**(1.41)%**

Income

Total income increased by 52.18% from ₹ 8,236.77 crore in Fiscal 2022 to ₹ 12,534.36 crore in Fiscal 2023, primarily due to an increase in revenue from operations and other income.

Revenue from operations

Revenue from operations increased by 52.62% from ₹ 8,136.22 crore in Fiscal 2022 to ₹ 12,417.90 crore in Fiscal 2023.

Other income

Other income increased by 15.82% from ₹ 100.55 crore in Fiscal 2022 to ₹ 116.46 crore in Fiscal 2023, primarily due to an increase in fair value gain on financial instruments at FVTPL from ₹ 33.44 crore in Fiscal 2022 to ₹ 47.25 crore in Fiscal 2023 and gain on retirement of right-of-use assets from ₹ 14.85 crore in Fiscal 2022 to ₹ 19.75 crore in Fiscal 2023. This was partially offset by a decrease in miscellaneous income from ₹ 22.65 crore in Fiscal 2022 to ₹ 15.99 crore in Fiscal 2023.

Expenses

Total expenses increased by 50.57% from ₹ 8,384.04 crore in Fiscal 2022 to ₹ 12,623.64 crore in Fiscal 2023, primarily due to an increase in cost of materials consumed, employee benefit expenses, finance costs, depreciation and amortization expense, and other expenses.

Cost of materials consumed

Cost of materials consumed increased by 43.67% from ₹ 867.18 crore in Fiscal 2022 to ₹ 1,245.88 crore in Fiscal 2023 on account of increase in revenue from operations.

Purchase of stock-in-trade

Purchase of stock-in-trade increased by 46.22% from ₹ 3,793.42 crore in Fiscal 2022 to ₹ 5,546.76 crore in Fiscal 2023 on account of increase in revenue from operations.

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

Changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹ (940.43 crore) in Fiscal 2022 compared to ₹ (1,240.66) crore in Fiscal 2023. In Fiscal 2022, opening inventory of finished goods, work-in-progress and stock-in-trade was ₹ 1,624.33 crore, while closing inventory was ₹ 2,564.76 crore. This closing inventory of 2022 of ₹ 2,564.76 crore and the inventory acquired pursuant to business combinations amounting to ₹ 53.28 crore, formed the opening inventory of Fiscal 2023, amounting to ₹ 2,618.04 crore while closing inventory for Fiscal 2023 was ₹ 3,858.70 crore.

Employee benefits expense

Employee benefits expense increased by 34.94% from ₹ 1,158.53 crore in Fiscal 2022 to ₹ 1,563.36 crore in Fiscal 2023, primarily due to an increase in salaries, wages and bonus from ₹ 1,011.77 crore in Fiscal 2022 to ₹ 1,350.08 crore in Fiscal 2023, and an increase in staff welfare expenses from ₹ 41.26 crore to ₹ 82.92 crore.

Finance costs

Finance cost increased by 34.69% from ₹ 350.71 crore in Fiscal 2022 to ₹ 472.36 crore in Fiscal 2023, primarily due to an increase in interest expense on lease liabilities from ₹ 214.27 crore in Fiscal 2022 to ₹ 302.83 crore in Fiscal 2023 owing to the increase in number of stores and fair value impact on financial instruments at FVTPL from ₹ 2.31 crore in Fiscal 2022 to ₹ 26.35 crore in Fiscal 2023.

Depreciation and amortisation expense

Depreciation and amortisation increased by 23.06% from ₹ 997.03 crore in Fiscal 2022 to ₹ 1,226.96 crore in Fiscal 2023, primarily due to an increase in depreciation on property, plant and equipment from ₹ 213.32 crore in Fiscal 2022 to ₹ 256.87 crore in Fiscal 2023 and depreciation on right-of-use assets from ₹ 762.55 crore in Fiscal 2022 to ₹ 927.85 crore in Fiscal 2023, owing to an increase in store count.

Rent expense

Rent expenses increased by 128.12% from ₹ 393.22 crore in Fiscal 2022 to ₹ 897.02 crore in Fiscal 2023. This was pursuant to an increase in the number of our stores and an increase in the variable rental due to higher sales during Fiscal 2023.

Other expenses

Other expenses increased by 65.04% from ₹ 1,764.38 crore in Fiscal 2022 to ₹ 2,911.96 crore in Fiscal 2023, primarily due to an increase in:

- Advertisement and sales promotion from ₹ 292.98 crore in Fiscal 2022 to ₹ 652.48 crore in Fiscal 2023, on account of the launch of multiple high-impact brand campaigns;
- Outsourcing, housekeeping and security from ₹ 294.03 crore in Fiscal 2022 to ₹ 403.59 crore in Fiscal 2023;
- Transportation and handling charges from ₹ 148.37 crore in Fiscal 2022 to ₹ 240.34 crore in Fiscal 2023;
- Repairs and maintenance-buildings, plant and machinery, and others from ₹ 190.54 crore in Fiscal 2022 to ₹ 273.85 crore in Fiscal 2023;
- Travelling and conveyance from ₹ 58.37 crore in Fiscal 2022 to ₹ 136.72 crore in Fiscal 2023;
- Electricity charges from ₹ 99.49 crore in Fiscal 2022 to ₹ 167.24 crore in Fiscal 2023;
- Processing charges from ₹ 98.44 crore in Fiscal 2022 to ₹ 165.19 crore in Fiscal 2023;
- Commission to selling agents from ₹ 140.30 crore in Fiscal 2022 to ₹ 205.8 crore in Fiscal 2023;
- Legal and professional from ₹ 114.95 crore in Fiscal 2022 to ₹ 178.82 crore in Fiscal 2023; and
- Information technology expenses from ₹ 138.71 crore in Fiscal 2022 to ₹ 193.56 crore in Fiscal 2023.

Profit/(Loss) before Share in Profit/ (Loss) of Joint Venture and Tax

Loss before share in profit of Joint Venture and tax was ₹ 89.28 crore in Fiscal 2023 compared to ₹ 147.27 crore in Fiscal 2022.

Profit/(loss) before tax

Loss before tax was ₹ 82.44 crore in Fiscal 2023 compared to ₹ 144.93 crore in Fiscal 2022.

Tax expense

Current tax decreased from ₹ 20.89 crore in Fiscal 2022 to ₹ 15.92 crore in Fiscal 2023, while there was a decrease in deferred tax credit from ₹ 47.46 crore in Fiscal 2022 to ₹ 36.67 crore in Fiscal 2023. As a result, total income tax credit decreased from ₹ 26.57 crore in Fiscal 2022 to ₹ 22.97 crore in Fiscal 2023.

Profit/(loss) for the year

Loss for the year was ₹ 59.47 crore in Fiscal 2023 compared to ₹ 118.36 crore in Fiscal 2022.

Total other comprehensive income/(loss) for the year

Total other comprehensive income for the year increased from ₹ 2.05 crore in Fiscal 2022 to ₹ 2.44 crore in Fiscal 2023.

Total comprehensive income/(loss) for the year

As a result of the foregoing, total comprehensive loss for the year decreased from loss of ₹ 116.31 crore in Fiscal 2022 to loss of ₹ 57.03 crore in Fiscal 2023.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through equity infusion, debt financing and funds generated from our operations.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal		
			2024	2023	2022
	(₹ crore)				
Net cash flows from/ (used) in operating activities	531.71	(38.04)	1,341.40	636.20	950.51
Net cash flows from/ (used) in investing activities	(50.51)	(2,016.54)	(2,991.63)	(387.23)	(551.45)
Net cash flows from/ (used) in financing activities	(685.95)	1,592.68	1,411.57	325.50	(526.97)
Net increase/ (decrease) in cash and cash equivalents	(204.75)	(461.90)	(238.66)	574.47	(127.91)
Cash and cash equivalents at the end of year/ period	249.28	230.79	454.03	692.69	118.22

Operating activities

Six months ended September 30, 2024

Net cash flows from operating activities was ₹ 531.71 crore in the six months ended September 30, 2024. Loss before tax was ₹ 527.83 crore in the six months ended September 30, 2024. Adjustments to reconcile profit before tax to net cash flows primarily consisted of (i) depreciation and amortisation expense of ₹ 979.76 crore; (ii) finance costs of ₹ 469.54 crore; (iii) gain on retirement of right-of-use assets of ₹ 17.51 crore; (iv) profit on sale of property, plant and equipment of ₹ 3.12 crore; (v) share-based payment to employees of ₹ 10.60 crore; (vi) interest income of ₹ 8.34 crore; (vii) liabilities no longer required written back of ₹ 2.41 crore; (viii) net gain on sale of current investments of ₹ 22.41 crore; (ix) net unrealised exchange loss of ₹ 12.77 crore; (x) income on financial assets/ liabilities that is designated as fair value through profit or loss of ₹ 40.72 crore; (xi) remeasurement of interest held in an erstwhile joint venture of ₹ 121.44 crore; (xii) provision for doubtful debts, deposits and advances of ₹ 4.86 crore; (xiii) bad debts written off of ₹ 0.42 crore; and (xvi) share of (profit)/ loss of joint venture and associate of ₹ 3.54 crore. Operating profit before working capital changes was ₹ 737.71 crore in the six months ended September 30, 2024. The changes in working capital in the six months ended September 30, 2024, included increase in trade payables of ₹ 201.01 crore, decrease in inventories of ₹ 33.99 crore, increase in provision of ₹ 5.58 crore and increase in other liabilities of ₹ 50.91 crore. This was partially offset by increase in trade receivables of ₹ 427.23

crore and increase in other assets of ₹ 58.95 crore. Accordingly, cash generated from operations in the six months ended September 30, 2024 amounted to ₹ 543.02 crore. Income taxes paid (net of refund) amounted to ₹ 11.31 crore.

Six months ended September 30, 2023

Net cash flows used in operating activities was ₹ 38.04 crore in the six months ended September 30, 2023. Loss before tax was ₹ 429.85 crore in the six months ended September 30, 2023. Adjustments to reconcile profit before tax to net cash flows primarily consisted of (i) depreciation and amortisation expense of ₹ 755.78 crore; (ii) finance costs of ₹ 395.67 crore; (iii) gain on retirement of right-of-use assets of ₹ 17.12 crore; (iv) loss on sale of property, plant and equipment of ₹ 2.55 crore; (v) share-based payment to employees of ₹ 15.19 crore; (vi) interest income of ₹ 18.31 crore; (vii) liabilities no longer required written back of ₹ 1.17 crore; (viii) net gain on sale of current investments of ₹ 20.79 crore; (ix) net unrealised exchange loss of ₹ 8.10 crore; (x) income on financial assets/ liabilities that is designated as fair value through profit or loss of ₹ 19.42 crore; (xi) provision for doubtful debts, deposits and advances of ₹ 0.30 crore; and (xii) share of (profit)/ loss of joint venture and associate of ₹ 0.09 crore. Operating profit before working capital changes was ₹ 671.02 |crore in the six months ended September 30, 2023. The changes in working capital in the six months ended September 30, 2023 included (i) increase in trade payables of ₹ 416.88 crore; (ii) increase in other liabilities of ₹ 64.98 crore and (iii) increase in provision of ₹ 9.67 crore. This was largely offset by (i) increase in trade receivables of ₹ 589.61 crore; (ii) increase in inventories of ₹ 304.25 crore; and (iii) increase in other assets of ₹ 294.66 crore. Accordingly, cash generated from operations in the six months ended September 30, 2023 amounted to ₹ 25.97 crore. Income taxes paid (net of refund) amounted to ₹ 12.07 crore.

Fiscal 2024

Net cash flow from operating activities was ₹ 1,341.40 crore in Fiscal 2024. Loss before tax was ₹ 828.90 crore in Fiscal 2024. Adjustments to reconcile profit before tax to net cash flow primarily consisted of (i) depreciation and amortisation expense of ₹ 1,655.23 crore; (ii) finance costs of ₹ 876.61 crore; (iii) gain on retirement of right-of-use assets of ₹ (50.07) crore; (iv) loss on sale/ discard of property, plant and equipment of ₹ 4.48 crore; (v) share-based payment to employees of ₹ 25.35 crore; (vi) interest income of ₹ (26.26) crore; (vii) liabilities no longer required written back of ₹ (9.17) crore; (viii) net gain on sale of current investments of ₹ (36.79) crore, (ix) net unrealised exchange loss of ₹ 13.20 crore; (x) income on financial assets/ liabilities that is designated as fair value through profit or loss of ₹ (73.74) crore; (xi) provision for doubtful debts, deposits and advances of ₹ 12.17 crore; (xii) bad debts written off of ₹ 2.37 crore; and (xiii) share of profit of Joint Venture of ₹ (12.75) crore. Operating profit before working capital changes was ₹ 1,551.73 crore in Fiscal 2024. The changes in working capital in Fiscal 2024 included increase in trade receivables of ₹ 174.42 crore, increase in other assets of ₹ 133.03 crore, decrease in trade payables of ₹ 62.35 crore, decrease in provisions of ₹ 8.78 crore, and decrease in other liabilities of ₹ 19.53 crore. This was partially offset by a decrease in inventories of ₹ 230.86 crore. Accordingly, the cash generated from operations in Fiscal 2024 amounted to ₹ 1,384.48 crore. Income taxes paid (net of refund) amounted to ₹ 43.08 crore.

Fiscal 2023

Net cash flow from operating activities was ₹ 636.20 crore in Fiscal 2023. Loss before tax was ₹ 82.44 crore in Fiscal 2023. Adjustments to reconcile profit before tax to net cash flow primarily consisted of (i) depreciation and amortisation expense of ₹ 1,226.96 crore; (ii) finance costs of ₹ 472.36 crore; (iii) gain on retirement of right-of-use assets of ₹ (19.75) crore; (iv) rent concession on lease rentals of ₹ (0.22) crore, (v) loss on sale/ discard of property, plant and equipment of ₹ 0.13 crore; (vi) share-based payment to employees of ₹ 31.29 crore; (vii) interest income of ₹ (10.21) crore; (viii) liabilities no longer required written back of ₹ (2.48) crore; (ix) net gain on sale of current investments of ₹ (23.26) crore; (x) net unrealised exchange gain of ₹ 0.99 crore; (xi) expense/ (income) on financial assets/ liabilities that is designated as fair value through profit or loss of ₹ (42.39) crore; (xii) provision for doubtful debts, deposits and advances of ₹ 3.33 crore; (xiii) share of profit of Joint Venture of ₹ (6.84) crore. Operating profit before working capital changes was ₹ 1,545.49 crore in Fiscal 2023. The changes in working capital in Fiscal 2023 included increase in trade receivables of ₹ 107.64 crore, increase in inventories of ₹ 1,223.92 crore, and increase in other assets of ₹ 247.20 crore. This was partially offset by an increase in trade payables of ₹ 361.83 crore, increase in provisions of ₹ 15.28 crore, and increase in other liabilities of ₹ 289.82 crore. Accordingly, the cash generated from operations in Fiscal 2023 amounted to ₹ 633.66 crore. Income taxes paid (net of refund) amounted to ₹ 2.54 crore.

Fiscal 2022

Net cash flow from operating activities was ₹ 950.51 crore in Fiscal 2022. Loss before tax was ₹ 144.93 crore in Fiscal 2022. Adjustments to reconcile profit before tax to net cash flow primarily consisted of (i) depreciation and amortisation expense of ₹ 997.03 crore; (ii) finance costs of ₹ 348.40 crore; (iii) gain on retirement of right-of-use assets of ₹ (14.85) crore; (iv) rent concession on lease rentals of ₹ (219.18) crore, (v) profit on sale/ discard of property, plant and equipment of ₹ 2.66 crore; (vi) share-based payment to employees of ₹ 29.13 crore; (vii) interest income of ₹ (9.38) crore; (viii) liabilities no longer required written back of ₹ (2.10) crore; (ix) net gain on sale of current investments of ₹ (20.23) crore; (x) net unrealised exchange loss of ₹ 3.69 crore; (xi) income on financial assets/ liabilities that is designated as fair value through profit or loss of ₹ (28.16) crore; (xii) provision for doubtful debts, deposits and advances of ₹ 7.17 crore; (xiii) share of profit of joint venture of ₹ 2.34 crore and (xiv) bad debts written off amounting to ₹ 1.22 crore. Operating profit before working capital changes was ₹ 942.81 crore in Fiscal 2022. The changes in working capital in Fiscal 2022 included increase in trade receivables of ₹ 155.51 crore, increase in inventories of ₹ 1,082.63 crore, and increase in other assets of ₹ 196.59 crore. This was partially offset by an increase in trade payables of ₹ 1,259.83 crore, increase in provisions of ₹15.59 crore, and increase in other liabilities of ₹ 183.45 crore. Accordingly, the cash generated from operations in Fiscal 2022 amounted to ₹ 966.95 crore. Income taxes paid (net) amounted to ₹ 16.44 crore.

Investing activities

Six months ended September 30, 2024

Net cash flows used in investing activities was ₹ 50.51 crore in the six months ended September 30, 2024. This primarily reflected (i) purchase of property, plant and equipment and intangible assets of ₹ 276.35 crore; (ii) consideration paid for acquisition of subsidiaries (net of cash acquired) of ₹ 127.42 crore; (iii) investment in Associate of ₹ 73.09 crore; and (iv) purchase of current investments of ₹ 8,567.12 crore. This was partially offset by proceeds from sale/ maturity of current investments of ₹ 8,968.87 crore.

Six months ended September 30, 2023

Net cash flows used in investing activities was ₹ 2,016.54 crore in the six months ended September 30, 2023. This primarily reflected (i) purchase of current investments of ₹ 8,824.75 crore; (ii) consideration paid for acquisition of subsidiaries (net of cash acquired) of ₹ 1,608.52 crore; and (iii) purchase of property, plant and equipment, intangible assets of ₹ 403.17 crore. This was partially offset by (i) proceeds from sale/ maturity of current investments of ₹ 8,798.15 crore.

Fiscal 2024

Net cash used in investing activities was ₹ 2,991.63 crore in Fiscal 2024. This primarily reflected (i) purchase of property, plant and equipment and intangible assets of ₹ 747.03 crore; (ii) consideration paid for acquisition of subsidiaries (net of cash acquired) of ₹ 1,608.51 crore; (iii) purchase of equity investments of ₹ 6.82 crore; (iv) purchase of current investments of ₹ 19,002.83 crore. This was partially offset by (i) proceeds from sale of property, plant and equipment and intangible assets of ₹ 5.90 crore; (ii) proceeds from sale/ maturity of current investments of ₹ 18,341.34 crore; and (iii) interest received of ₹ 26.32 crore.

Fiscal 2023

Net cash used in investing activities was ₹ 387.23 crore in Fiscal 2023. This primarily reflected (i) purchase of property, plant and equipment and intangible assets of ₹ 681.32 crore; (ii) consideration paid for acquisition of subsidiaries (net of cash acquired) of ₹ 175.71 crore; and (iii) purchase of current investments of ₹ 12,791.69 crore. This was partially offset by (i) proceeds from sale of property, plant and equipment and intangible assets of ₹ 10.54 crore; (ii) proceeds from sale/ maturity of current investments of ₹ 13,240.71 crore; and (iii) interest received of ₹ 10.24 crore.

Fiscal 2022

Net cash used in investing activities was ₹ 551.45 crore in Fiscal 2022. This primarily reflected (i) purchase of property, plant and equipment, intangible assets and capital advance of ₹ 347.95 crore; and (ii) Purchase of current investments of ₹ 10,008.14 crore. This was partially offset by (i) proceeds from sale of property, plant and equipment and intangible assets of ₹ 29.49 crore; (ii) proceeds from sale/ maturity of current investments of ₹ 9,764.54 crore; (iii) interest received of ₹ 9.24 crore; and (iv) treasury shares issued/ (purchased) by ESOP trust of

₹ 1.37 crore.

Financing activities

Six months ended September 30, 2024

Net cash flows used in financing activities was ₹ 685.95 crore in the six months ended September 30, 2024. This primarily reflected (i) interest paid of ₹ 459.93 crore; (ii) repayment of lease liabilities of ₹ 560.26 crore; and (iii) repayment of non-current borrowings of ₹ 426.25 crore. This was partially offset by proceeds from non-current borrowings (net off charges) of ₹ 733.21 crore.

Six months ended September 30, 2023

Net cash flows from financing activities was ₹ 1,592.68 crore in the six months ended September 30, 2023. This primarily reflected (i) proceeds from current borrowings (net) of ₹ 1,448.99 crore; and (ii) proceeds from non-current borrowings (net off charges) of ₹ 1,312.45 crore. This was partially offset by (i) repayment of non-current borrowings of ₹ 338.64 crore; (ii) repayment of lease liabilities of ₹ 455.61 crore; (iii) interest paid of ₹ 383.28 crore.

Fiscal 2024

Net cash from financing activities was ₹ 1,411.57 in Fiscal 2024. This primarily reflected (i) proceeds from issue of equity shares of ₹ 7.30 crore; (ii) proceeds from preferential issue (net off share issue expenses) of ₹ 1,425.00 crore; (iii) treasury shares issued by ESOP Trust of ₹ 3.69 crore; (iv) proceeds from non-current borrowings (net off charges) of ₹ 1,484.87 crore; and (v) proceeds from current borrowings (net) of ₹ 655.82 crore. This was partially offset by (i) repayment of non-current borrowings of ₹ 353.37 crore; (ii) repayment of lease liabilities of ₹ 995.54 crore; and (iii) interest paid of ₹ 816.20 crore.

Fiscal 2023

Net cash from financing activities was ₹ 325.50 in Fiscal 2023. This primarily reflected (i) proceeds from issue of equity shares of ₹ 3.55 crore; (ii) proceeds from rights issue (net off share issue expenses) of ₹ 0.22 crore; (iii) proceeds from preferential issue (net off share issue expenses) of ₹ 769.05 crore; (iv) proceeds from non-current borrowings (net off charges) of ₹ 1,085.68 crore; and (v) proceeds from current borrowings (net) of ₹ 365.07 crore. This was partially offset by (i) treasury shares purchased by ESOP trust of ₹ 11.91 crore; (ii) repayment of non-current borrowings of ₹ 462.50 crore; (iii) repayment of lease liabilities of ₹ 891.01 crore; and (iv) interest paid of ₹ 532.65 crore.

Fiscal 2022

Net cash used in financing activities was ₹ 526.97 in Fiscal 2022. This primarily reflected (i) repayment of non-current borrowings of ₹ 750.74 crore, (ii) repayment of lease liabilities of ₹ 560.87 crore; and (iii) interest paid of ₹ 309.66 crore. This was partially offset by (i) proceeds from issue of equity shares of ₹ 0.49 crore; (ii) proceeds from rights issue (net off share issue expenses) of ₹ 247.12 crore (iii) proceeds from non-current borrowings (net off charges) of ₹ 414.34 crore; and (iv) proceeds from current borrowings (net) of ₹ 432.35 crore.

INDEBTEDNESS

As of September 30, 2024, our total indebtedness was ₹ 3,758.91 crore which represented a net debt to equity ratio of 0.92. As of September 30, 2024, our total borrowings was ₹ 4,528.23 crore. The following table sets forth certain information relating to our total borrowings as of September 30, 2024, and our repayment obligations in the periods indicated:

	As of September 30, 2024			
	Payment due by period			
	Less than 1 year	**1 to 5 years**	**More than 5 years**	**Total**
	(₹ crore)			
Borrowings	1,302.12	1,886.26	1,339.86	4,528.23

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

The following table sets forth certain information relating to our contingent liabilities not provided for as of September 30, 2024:

Particulars	Amount (₹ crore)
Claims against our Company not acknowledged as debts	
Commercial taxes	18.76
Excise duty	2.20
Customs duty	9.73
Bank Guarantees	27.20
Textile committee cess	0.75
Income Tax	11.56
Others*	22.13
Total	**92.34**

** Pertains to claims made by third parties, pending settlement which are considered not tenable.*

For further information, see *"Financial Statements"* on page 311.

Except as disclosed in the Financial Statements or elsewhere in this Placement Document, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to future payments due under known contractual commitments as of September 30, 2024, aggregated by type of contractual obligation:

Particulars	As of September 30, 2024		
	Payment due by period		
	Total	Less than 1 year	1-3 years
	(₹ crore)		
Lease commitments			
Lease commitments for leases not considered in measurement of lease liabilities pertaining to short term leases*	43.13	43.13	-
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	129.55	126.67	2.88
Capital commitments of joint ventures	-	-	-
Total Contractual Obligations	172.68	169.80	2.88

**Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur.*

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the years/ periods indicated:

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ crore)				
Freehold land		-	-	-	-
Freehold buildings	10.54	-	22.65	0.53	-
Plant and equipment	20.08	32.25	67.71	64.89	80.18
Leasehold improvements	50.96	89.22	166.30	200.22	83.63
Computers	12.95	21.31	36.73	54.84	16.99
Furniture and fixtures	61.14	145.36	269.25	252.88	96.07
Office equipment	8.72	18.21	47.39	46.26	14.19
Vehicles	12.37	11.48	28.68	12.71	2.17
Computer software	6.78	73.35	90.70	12.63	15.85
Total	**183.54**	**391.18**	**729.41**	**644.96**	**309.08**

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business including sale of goods, sale of raw material and stores, purchase of goods, purchase of raw materials and stores and rent/ lease charges paid/ (received). For further information relating to our related party transactions, see "*Financial Statements*" on page 311.

CHANGES IN ACCOUNTING POLICIES

There have been no significant changes in the accounting policies of our Company, which had a material impact on us during Fiscal 2022, 2023 and 2024 and the six months ended September 30, 2023 and 2024.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance our operations. Our principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. We are exposed to market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk (including price risk). Our senior management oversees the management of these risks. It is our Company's policy that no trading in derivatives for speculative purposes may be undertaken. Our Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates. We manage our interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities denominated in foreign currency. We manage foreign currency risk by hedging its transactions using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months.

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, we periodically assess financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. Credit risk from balances with banks and financial institutions is managed by the our treasury department in accordance with our Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. We only deals with parties which has good credit rating given by external rating agencies or based on our 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 our Company. Where loans or receivables have been written off, we continue to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Consolidated Statement of Profit and Loss. We are exposed to credit risk from our operating activities (primarily trade receivables and security deposits).

Liquidity risk

We monitor our risk of shortage of funds. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. We assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. We have access to various sources of funding.

Price risk

We invest in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which we have invested, such price risk is not significant.

AUDITOR OBSERVATIONS AND EMPHASIS OF MATTER

Our statutory auditors have included the following emphasis of matter in relation to our financial statements for Fiscals 2020, 2021, 2022, 2023 and 2024, and six months ended September 30, 2023 and six months ended September 30, 2024.

Fiscal 2021 – Standalone

Emphasis of Matter

"*We draw attention to Note 40(j) of the Standalone Ind AS Financial Statements which describes management's assessment of the impact of COVID 19 pandemic on the Company's operations and carrying value of assets as at March 31, 2021. Our opinion is not modified in respect of this matter.*"

Fiscal 2021 – Consolidated

Emphasis of Matter

"*We draw attention to Note 41(j) of the Consolidated Ind AS Financial Statements which describes management's assessment of the impact of COVID 19 pandemic on the Group's and its joint venture's operations and carrying value of assets as at March 31, 2021. Our opinion is not modified in respect of this matter.*"

Fiscal 2020 – Standalone

Emphasis of Matter

"*We draw attention to Note 40(j) of the standalone Ind AS financial statements which describes management's assessment of the impact of the COVID 19 pandemic on the financial results of the Company. Our opinion is not modified in respect of this matter.*"

Fiscal 2020 – Consolidated

Emphasis of Matter

"*We draw attention to Note 41(j) of the consolidated Ind AS financial statements which describes management's assessment of the impact of the COVID 19 pandemic on the consolidated financial results of the Group. Our opinion is not modified in respect of this matter.*"

Six months ended September 30, 2023

Emphasis of Matter

"*We draw attention to Note 2.1 to the Interim Consolidated Financial Statements, which describes the basis of its preparation. The Interim Consolidated Financial Statements have been prepared in accordance with recognition and measurement principles of Ind AS 34 "Interim Financial Reporting" for the purposes of inclusion in the Offer Documents in connection with a proposed Qualified Institutional Placement of the equity shares of the Holding Company. As a result, the Interim Consolidated Financial Statements may not be suitable for any other purpose.*

These Interim Consolidated Financial Statements are not intended to, and do not, comply with the disclosure provisions applicable to the consolidated statutory financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of these Interim Consolidated Financial Statements for the purposes for which those have been prepared. Further, the comparative financial information has not been included as the same is not considered relevant for the intended purpose of preparation of the Interim Consolidated Financial Statements as fully described in the aforesaid note. Our conclusion is not modified in respect of this matter."

Six months ended September 30, 2024

Emphasis of Matter

"*We draw attention to Note 2.1 to the Interim Consolidated Financial Statements, which describes the basis of its preparation. The Interim Consolidated Financial Statements have been prepared in accordance with Ind AS 34 "Interim Financial Reporting" for the purpose of inclusion in the Offer Documents in connection with a proposed Qualified Institutional Placement of the equity shares of the Holding Company. As a result, the Interim Consolidated Financial Statements may not be suitable for any other purpose. These Interim Consolidated Financial Statements are not the statutory financial statements of the Group, and are not intended to, and do not, comply with the disclosure provisions applicable to the consolidated statutory financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of these Interim Consolidated Financial Statements for the purposes for which those have been prepared. Our conclusion is not modified in respect of this matter.*"

Also see, "*Risk Factors – Our statutory auditors have included certain emphasis of matter in relation to our audited financial statements. We cannot assure you that any such emphasis of matter or other qualifications will not be included by our statutory auditors in the future.*" on page 64 and "*Legal Proceedings - Reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of the Placement Document and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remarks*" on page 294.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Placement Document, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*– Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 107 and 52, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*– Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 107 and 52, respectively. To our knowledge, except as discussed in this Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Our business has been affected and we expect will continue to be affected by the trends identified above in " – *Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" beginning on pages 107 and 52, respectively. To our knowledge, except as described or anticipated in this Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Placement Document, including in "*Our Business*" on page 176, we have not announced and do not expect to announce in the near future any new business segments other than in the normal course of business.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Risk Factors*", "*Industry Overview*", "*Our Business*" and on pages 52, 155 and 176, respectively, for further details on competitive conditions that we face across our various business segments.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals and the six months ended September 30, 2024 and 2023 are as described in "*– Six months ended September 30, 2024 compared to Six months ended September 30, 2023*", "*– Fiscal 2024 compared to Fiscal 2023*", and "*– Fiscal 2023 compared to Fiscal 2022*" above on pages 136, 139 and 142, respectively.

SEGMENT REPORTING

During Fiscal 2024, we reorganized and restructured our internal monitoring and operations review process, which resulted in a change in the operating and reportable segments. Pursuant to this, the business of the Group is divided into three business segments - Madura Fashion & Lifestyle, Pantaloons and Ethnic & Others. These segments are the basis for management decision and hence the basis for reporting.

Our management has restated the comparative previous year amounts to reflect the new reportable segments. Based on the "management approach", as defined under Ind AS 108 - Operating segments, the Chief Operating Decision Maker (CODM) evaluates our performance and allocates the resources based on the analysis of various performance indicators by business segments. Accordingly, the business of the Group is divided into three business segments, which are as follows:

Segments	Activities
Madura Fashion & Lifestyle	Manufacturing, distribution and retailing of branded fashion apparel and accessories
Pantaloons	Retailing of apparel and accessories
Ethnic & Others	Manufacturing, distribution and retailing of branded fashion apparel and accessories

Jaypore, TG Apparel, Finesse, Forever 21, Sabyasachi, Sabyasachi Inc., Indivinity, HMLPL, Aditya Birla Digital Fashion Ventures Limited and TCNS Clothing Company Limited businesses have been included in Ethnic & Others segment, considering all of these deals into branded apparel and accessories and is viewed as branded business. Aditya Birla Garments Limited is the special purpose vehicle that holds a manufacturing facility for the Madura Fashion & Lifestyle segment. Prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS/SUPPLIERS

We are not dependent on a single or few customers or suppliers.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business is subject to seasonal variations, which include the holidays, festivals and wedding season in India. For further information, see "*Risk Factors – Our business is subject to seasonal and cyclical volatility.*" on page 64.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as set out below and elsewhere in this Placement Document, to our knowledge, no circumstances have arisen since September 30, 2024 which have materially or adversely affected or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

Intimation dated October 16, 2024 to the Stock Exchanges, Aditya Birla Digital Fashion Ventures limited, a wholly owned subsidiary of our Company has infused ₹ 75 crores of the final remaining portion of the stated primary investments into Wrogn Private Limited ("Wrogn"), thereby increasing its shareholding in Wrogn, from existing 17.10% to 32.84% on a fully diluted basis.

Further, the Board has passed a resolution on January 15, 2025, approving the raising of funds for: a) an amount aggregating up to ₹ 1,297.50 crore by issuance of up to 4,08,72,580 Equity Shares of the Company at a price of ₹ 317.45 each to one of the Promoter Group entities; and b) an amount aggregating up to ₹ 1,081.25 crore by issuance of up to 3,96,97,838 Equity Shares of the Company at a price of ₹ 272.37 to certain QIBs in the Non-Promoter Group category, by way of a preferential issue. The same has also been disclosed to the Stock Exchanges.

INDUSTRY OVERVIEW

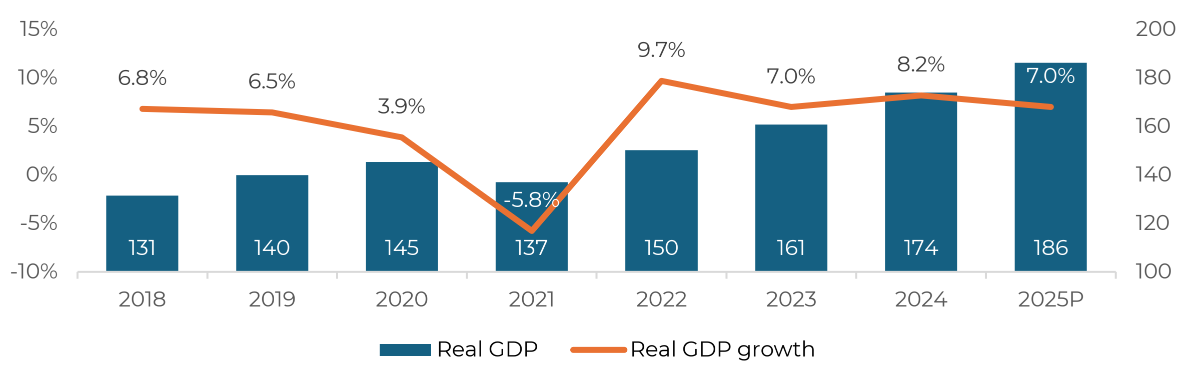
*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Assessment of Indian Apparel Market" dated December 1, 2024 (the "**Wazir Report**") prepared and issued by Wazir Advisors, exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the Wazir Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose. Any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 70. Also see, "Industry and Market Data" on page 19.*

OVERVIEW OF ECONOMY

Overview of Indian economy

India is the fifth largest economy with the real gross domestic product ("**GDP**") of ₹174 lakh crores in 2024. In the next three years, India is expected to become the third-largest economy in the world. The growing strength in both domestic and external demand has sustained the response of the various sectors on the supply side.

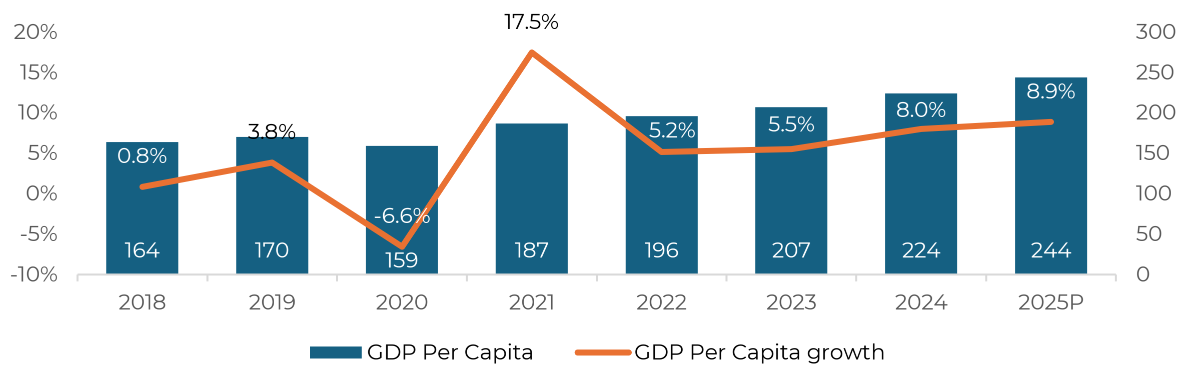
India's Real GDP and GDP Growth



Source: IMF, RBI, PIB
Note: P: Projected Data; Data represents financial year; GDP in ₹ Lakh Crores.

India's GDP per capita has shown a resilient upward trend post COVID-19 pandemic. The GDP per capita is estimated at ₹224 thousand per capita in 2024, having a year-on-year growth of 8.0%. Looking ahead, projections for 2025 anticipate GDP per capita reaching ₹244 thousand per capita, with a year-on-year growth of 8.9%. These trends indicate a robust economic growth potential for India, driven by strengthening domestic demand and structural reforms.

India's GDP Per Capita at Current Prices and GDP Per Capita Growth

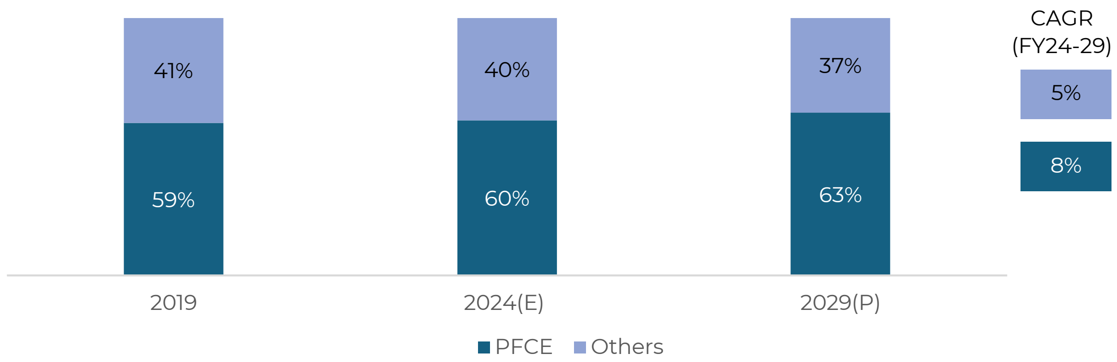


Source: IMF, RBI, PIB
Note: P: Projected Data; Data represents calendar year; GDP Per Capita in ₹ '000 per capita.

Private Final Consumption Expenditure

India is largely a consumption-led economy with Private Final Consumption Expenditure ("**PFCE**") as a share of GDP expected to increase from 59% in Fiscal 2019 to 60% in Fiscal 2024, according to MoSPI's estimates. The share of PFCE in GDP is expected to increase to 63% by Fiscal 2029 driven by a confluence of factors including a burgeoning middle class with growing purchasing power, a young and large working population along with rapid urbanization leading to lifestyle changes and increasing consumer credit availability, facilitating higher spending.

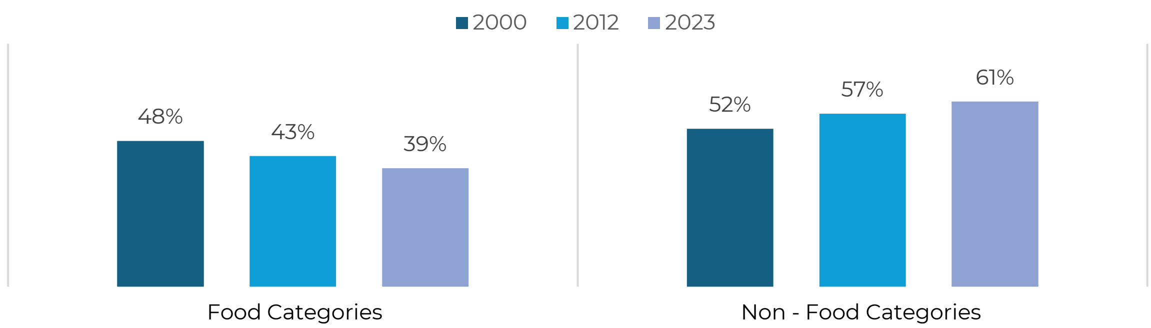
PFCE as a % of Indian GDP at Current Prices



Source: MoSPI
Note: E: Estimated data; P: Projected data; Year: Financial Year

The growth in private consumption would be driven by increasing consumption of non-food categories. The share of non-food categories in PFCE has increased from 52% in 2000 to 61% in 2023 and this trend is expected to continue.

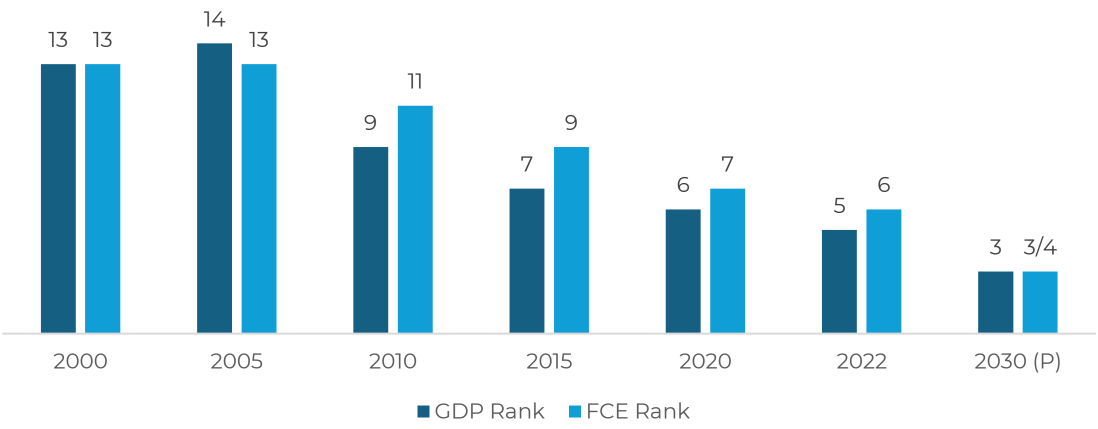
Consumption Split Between Food and Non-Food Categories in Urban Household



Source: National Sample Survey Office, Ministry of Statistics & Programme Implementation, GOI

India has ascended to the position of the world's 5th largest economy by GDP in 2022, rising from 13th place ranking in 2000. During the same period, India's ranking in Final Consumption Expenditure ("**FCE**") moved from 13th in 2000 to 6th in 2022. Looking ahead, India is on track to become the third-largest economy globally, with expectations that its FCE ranking will climb further to 4th or 3rd position globally.

Comparison of India's Global GDP and FCE Rankings (2000-2030P)

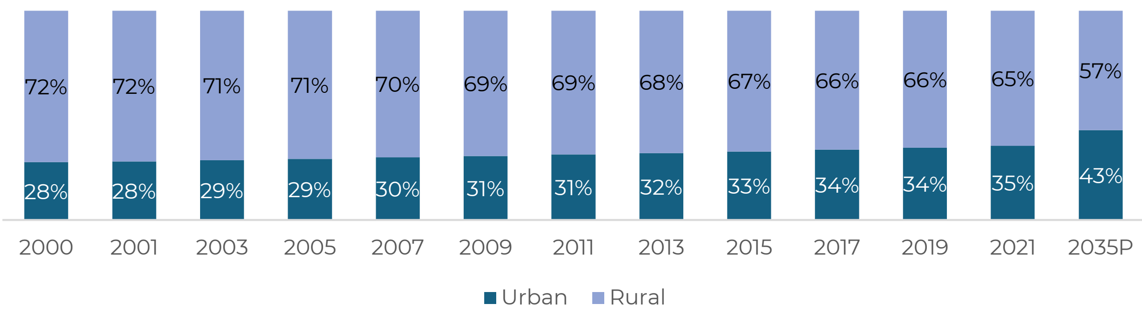


Source: IMF, World Bank, S&P Global
Note: Data represents calendar year, P: Projected Data, FCE: Final Consumption Expenditure, both FCE and GDP are at current U.S.$

Key Growth Trends

Rapid urbanization in India: Urbanisation is driving a shift in India's workforce from lower productivity (agriculture) to higher productivity sectors (services and industry). The proportion of Indians living in urban areas reached 33% in 2015. The United Nations projects that India's urbanisation rate will rise to 43% by 2035, lifting the urban population from 64 million in 1950 to 675 million in 2035.

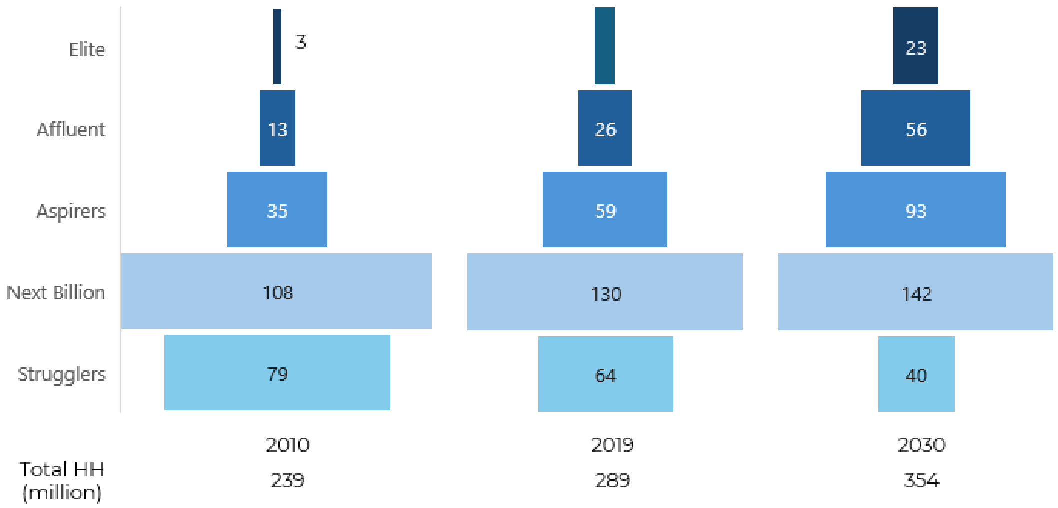
Growth of Urban vs Rural Population in India (%)



Source: UN, World Bank
Note: Calendar Year; P: Projected data

Positive demographics: By the end of this decade, an estimated 34 million new households are projected to join the Aspirers category, while 43 million households are expected to move into the Affluent and Elite segments. India stands poised to harness the benefits of this demographic dividend, driving significant growth in consumer spending, and with much rapid growth in discretionary lifestyle spends.

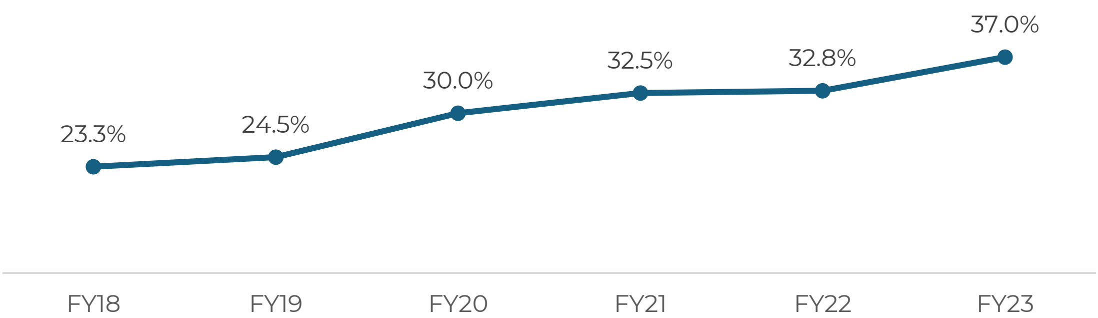
Number of Household (HH) in Different Income Brackets (Million)



Source: BCG X Rai 2022, 1. Annual HH gross income based on 2019 prices, Bloomberg,
Note: Annual Gross HH income in ₹ million p.a.: Elite (>2); Affluent (1-2); Aspirers (0.5-1); Next Billion (0.1-0.5); Strugglers (<0.15)

Rapid rise in female workforce participation is increasing household incomes: The female labor participation rate has increased from 23.3% in Fiscal 2018 to 37% in Fiscal 2023. The growth has been due social enablement coupled with focused efforts by the government and private sector employers to increase female participation in the workforce. Consequently, this has led to an increase in dual-income households, which, in turn, has led to increased discretionary expenditure and an increased demand for convenience, often due to the combined time constraints of working couples.

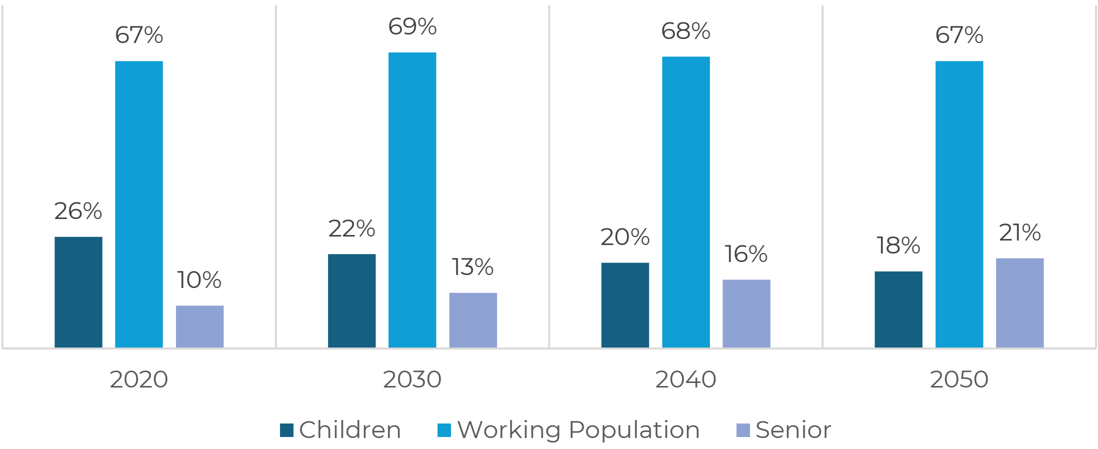
Female Workforce Participation Rate (15 Years and Above)



Source: Periodic labour force survey 2022-23, GOI

High percentage of population in working age: India's working population was estimated to be 67% of the total population in 2020 which is expected to increase to 69% by 2030. A higher proportion of the population in the working age creates potential for higher consumption.

India Demographic Trend (% of Total Population)



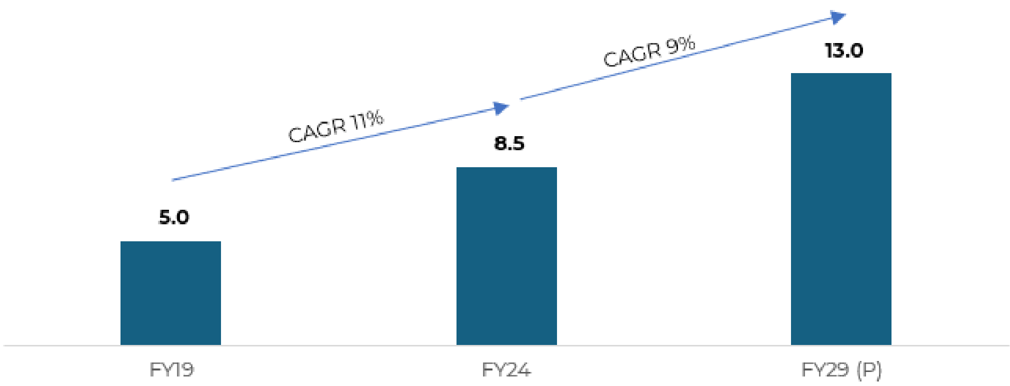
Source: World population prospects, UN
Note: Age Brackets: Children (0-14 years); Working Population (15-60 years); Senior (>60 years)

INDIAN APPAREL MARKET

Market Size and Growth

The Indian apparel market is estimated to be ₹8.5 lakh crores in Fiscal 2024 and has grown at a CAGR of 11% from Fiscal 2019 to Fiscal 2024. The market is expected to grow at CAGR of 9% to reach value of about ₹13 lakh crores by Fiscal 2029. This growth is driven by factors such as an increasing disposable income, rising working population, rapid urbanization, greater brand consciousness, increasing digitization and the expansion of organized retail and e-commerce, particularly in Tier-II and Tier-III cities.

Overall Domestic Apparel Market (₹ Lakh Crores)

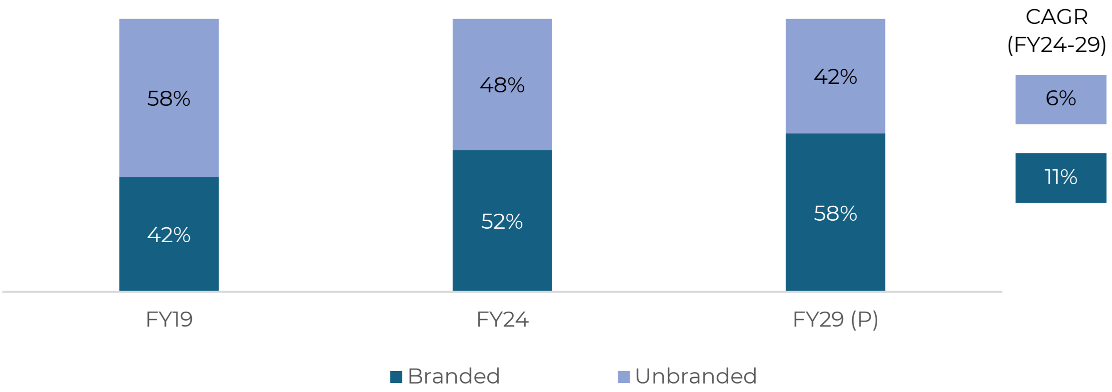


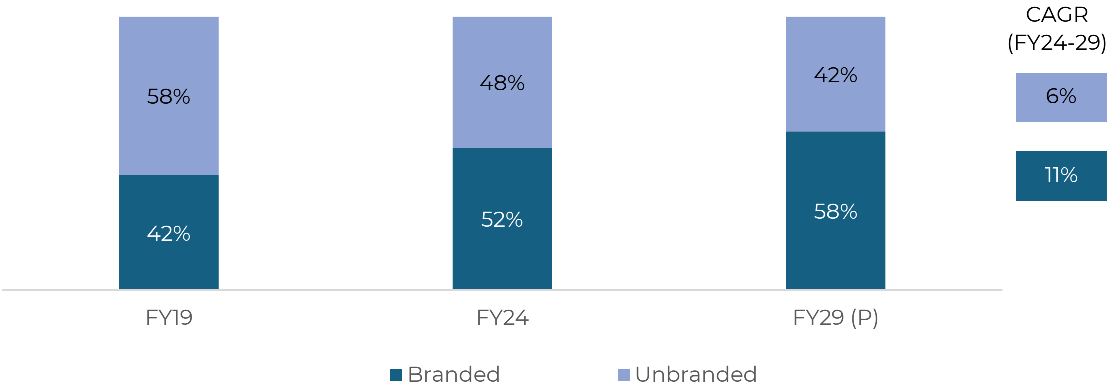
Source: Wazir Analysis

Market Segmentation by Branded and Unbranded

The branded market is estimated to be ₹4.4 lakh crores in Fiscal 2024 and contributes to 52% of the overall apparel market. The market is expected to grow at CAGR of 11% to reach value of ₹7.6 lakh crores by Fiscal 2029. The increase in branded apparel market is due to foray of international brands in India as well as rising penetration of organized retail in Tier II+ cities and growth of ecommerce.

Overall Apparel Market Segmentation by Branded & Unbranded





Source: Wazir Analysis

Market Segmentation by Channel

The decade from 2000 to 2010 saw a significant evolution in India's fashion landscape, characterized by the segmentation of fashion into categories, including formal, casual, ethnic, and footwear. This period also witnessed the rise of fashion brands, retailers, and private labels, along with the development of various retail formats such as Exclusive Brand Outlets ("**EBOs**"), category-specialist Large Format Stores ("**LFS**"), and multi-brand formats.

This transformation was fuelled by several factors,

- The entry of large conglomerates into fashion retail with multi-category, multi-format offerings,
- Heightened focus by fashion brands on supply chains and category diversification,
- Foray of leading international brands into India

These forces combined to shape the following decade (2011–2020), where organized retail became the key enabler of growth in the branded fashion segment.

At present, organized apparel retail in India reflects more than two decades of progress, during which it has developed core capabilities in product design, sourcing, merchandising, and retail. Leading retailers have invested heavily in key functional areas such as design institutionalization, assortment planning, city penetration, skill development, and retail expansion. The entry of foreign brands into the Indian market has accelerated in recent years, and this trend will continue, bolstered by 100% FDI in single-brand retail.

The traditional apparel market, comprising general trade stores and mom-and-pop stores, has been witnessing decline with increasing penetration of organized retail in Tier-II+ cities and growth of ecommerce. The organized channel, comprising Brick & Mortar ("**B&M**") and online platforms, is expected to surpass the traditional retail segment by Fiscal 2029. The traditional retail market is estimated to be ₹5.1 lakh crores in Fiscal 2024 and contributes 60% of the overall apparel market. The market is expected to grow at the slowest CAGR of 2% to reach value of ₹5.6 lakh crores by Fiscal 2029.

A notable shift in recent years has been the exponential growth of the online market, leading to the rise of strong vertical e-commerce players, marketplaces and D2C brands. The online retail is estimated to be ₹0.9 lakh crores in Fiscal 2024 and contributes 11% of the overall apparel market. The market is expected to grow at the fastest CAGR of 29% to reach value of ₹3.4 lakh crores by Fiscal 2029 aided by growth of existing players, emergence of large digital first brands and new channels like quick commerce.

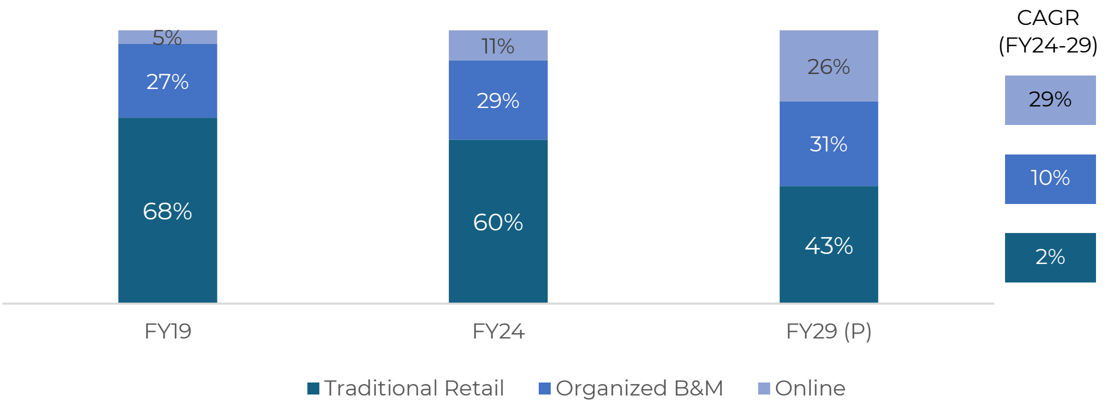
Aditya Birla Fashion and Retail Limited ("**ABFRL**") stands as a leader in the Indian fashion industry, having a diverse portfolio of prominent brands and retail formats that cater to a broad range of price points, occasions, categories, and customer segments. The Company is part of the Aditya Birla Group, which is one of the largest business groups in India.

Aditya Birla Fashion have succeeded in emerging as category leaders with a presence across price segments and a balanced portfolio across categories – Ethnic, innerwear, casual, formal, international brands and sportswear. The company and its subsidiaries are one of the largest pure-play fashion and lifestyle companies in India in terms of revenue in Fiscal 2024 with a strong bouquet of leading fashion brands and retail formats across various segments and categories with pan-India distribution.

ABFRL has a robust distribution network spanning both offline and online channels. Its offline presence has one of the most extensive networks among branded apparel players, with over 4,500 stores nationwide. Online, its presence is rapidly expanding, driven by growth in ecommerce marketplaces, individual brand websites and through digital first brands under TMRW making ABFRL as one of the largest online retailers of fashion and lifestyle products in India.

Combined, digital and offline sales of the different brands in its portfolio, ABFRL is amongst the largest multi-channel retailer of fashion and lifestyle brands in India. With one of the largest and most extensive distribution networks in India's apparel sector, ABFRL is strategically positioned to capitalize on growth opportunities across the country.

Channel Mix in Overall Apparel Market

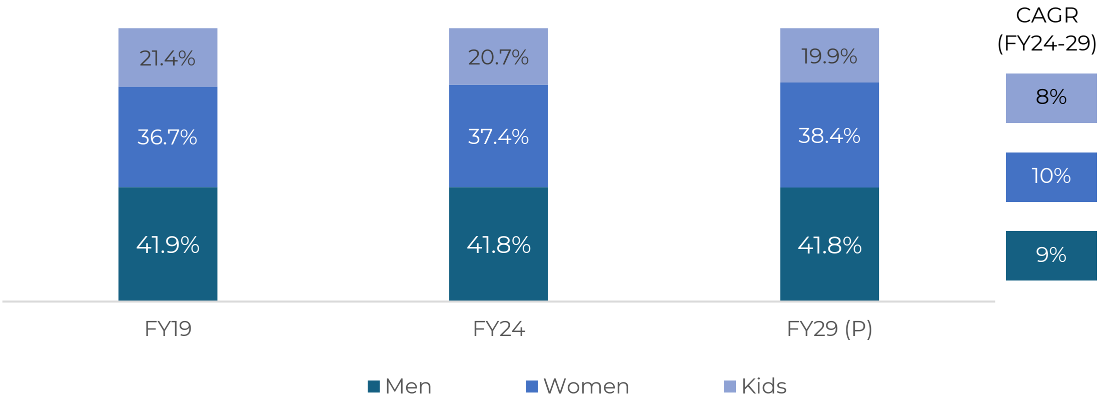


Source: Wazir Analysis
Note: Traditional retail comprises of general trade and mom-and-pop stores

Market Segmentation by Gender

Menswear market is estimated to be ₹3.5 lakh crores in Fiscal 2024 and contributes to 41.8% of the overall apparel market. The segment is expected to grow at CAGR of 9% to reach value of ₹5.4 lakh crores by Fiscal 2029. In global apparel market, women's apparel has a more commanding share than men's. However, in India, menswear enjoys a higher share driven by robust demand of professional attire and the increasing mainstream acceptance of grooming and styling among men. The women's wear market is expanding at a faster pace due to increasing workforce participation of women, rising disposable incomes, and evolving fashion preferences.

Gender Mix in Overall Apparel Market



Source: Wazir Analysis

Growth Drivers of Apparel Market

Growing middle class and increasing disposable income: India's expanding middle class, with rising disposable incomes, is a key driver of the market. As incomes increase, consumers are more willing to spend on premium and fashionable clothing that reflects their social status and aspirations. Branded apparel, seen as stylish and premium, appeals to this growing segment, offering them a sense of sophistication and international appeal.

Shift from need-based to lifestyle-based shopping behaviour: Indian consumers are transitioning from purely need-based shopping to lifestyle-driven purchases. Branded apparel, often associated with aspirational living, is benefiting from this change. Consumers are increasingly choosing clothing that reflects their personality, aligns with fashion trends, and offers versatility for multiple occasions. This mindset is fuelling growth for the segment.

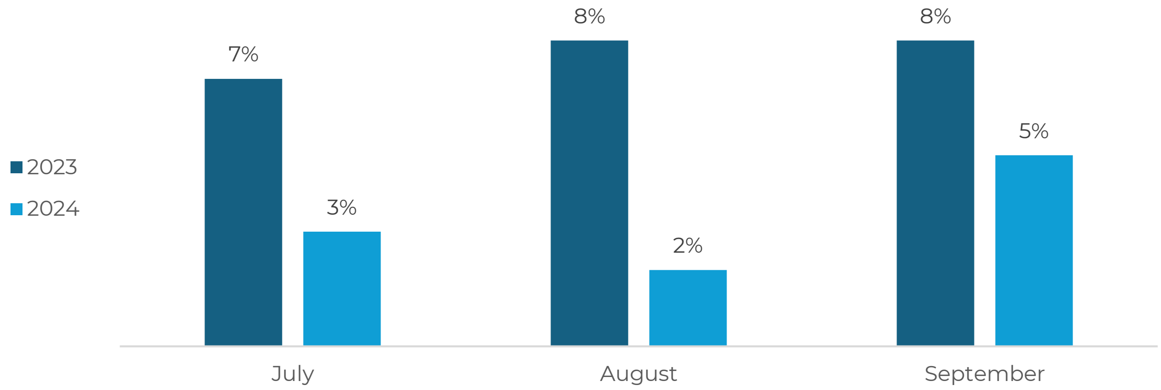
Demographic advantage: India's young population, with a significant portion under the age of 35, is a key driver for growth of the branded apparel market. Younger consumers tend to be more experimental, open to global fashion trends, and are more likely to adopt branded fashion. This consumer is not only fashion-conscious but also seeks out brands and clothing that offer them individuality and premium appeal, further propelling the market.

Increased exposure to global fashion through media and digital platforms: With the rise of social media, digital fashion platforms, and streaming services, Indian consumers are exposed to global fashion trends. Platforms like Instagram, Pinterest, and fashion influencers are making western styles more accessible and desirable. As consumers increasingly follow international celebrities and influencers, they are more inclined to emulate branded fashion choices, driving demand in this market segment.

Market Update on Second Quarter of Fiscal 2025

Subdued consumer demand and inflationary pressures: In July, year-on-year growth in apparel sales dropped sharply from 7% in Fiscal 2024 to just 3% in Fiscal 2025. August showed a similar pattern, falling from 8% in Fiscal 2024 to 2% in Fiscal 2025. While September had a slightly improved growth in apparel sales of year-on-year 5% in Fiscal 2025, it still lagged the 8% growth achieved in September Fiscal 2024. The lingering effects of the pandemic, coupled with inflationary pressures and rising household debt, have affected consumer sentiment, leading to cautious spending habits and a temporary slowdown in discretionary purchases.

Apparel Sales Growth in Second Quarter of Fiscal 2025 as Compared to Second Quarter of Fiscal 2024 (year-on-year %)



Source: Retailers Association of India – RAI Business Survey

Impact of inauspicious periods and extreme weather conditions: The quarter was further affected by seasonal factors such as '*Shraadh*', an inauspicious period that traditionally sees reduced consumer spending. Additionally, extreme weather conditions have disrupted retail activities and foot traffic, further impacting sales figures for many apparel brands.

Visible green shoots from early festive and wedding seasons: This season witnessed some green shoots emerging from the early festive season with uptick in footfalls as consumers prepare for celebrations, which is expected to bolster sales in the coming months.

Sales events drive e-commerce growth: E-commerce growth has been significantly boosted by the preponement of major online sale events compared to last year. By advancing these events, platforms have tapped into early consumer demand, effectively elongating the shopping window and driving higher engagement earlier in the season

Brands continue to drive omni-play: Brands are increasingly adopting omni-channel strategies to enhance their e-commerce performance. By seamlessly integrating online and offline channels, brands provide a unified and engaging shopping experience. This omni-play approach not only broadens reach and accessibility for consumers but also fosters greater brand loyalty and drives sustained growth in online sales.

COMPETITION ANALYSIS

Various players have entered the apparel market to capitalise on the opportunities from rising consumer spending and premiumisation. There is a heightened competitive intensity amongst large players, in both offline and online space and some of the new competition has proven international experience and large ambitions. These include retailers with standalone stores in the organized and unorganized sector and other chains of stores including department stores.

Comparison of Retailing Formats of Key Players in India

In the illustrative below, we have captured the various business models for adopted by players in apparel market.

Comparison of Apparel Wear Retailing Formats in India

	Luxury Intl	Luxury National	Mid to Premium Intl	Mid to Premium National	Distribution Focused National	Private Label Format LFS	Multi Brand LFS	Online First	Value Retail

Key brands	Gucci Louis Vuitton Boss Hugo Boss Hackett London Fred Perry Diesel ck Calvin Klein A|X Armani Exchange	Tarun Tahiliani Anita Dongre Sabyasachi Shantnu Nikhil Pernia's Pop-Up Shop Masaba	Zara Uniqlo H&M M&S Forever 21 Reebok	Louis Philippe Van Heusen Allen Solly Arrow USA 1851 Fabindia Ethnix by Raymond Biba W Aurelia Peter England	KKCL Kewal Kiran Clothing Limited Mufti Jockey	Westside Max	Pantaloons Lifestyle Shoppers Stop Trends	HRX Wrogn Snitch The Roadster Life Co.	Style Up Zudio Vishal Mega Mart V Mart V2
Break-up of sales channels	EBO 95% Online 5%	EBO 95% Online 5%	EBO 90%-95% Online 5%-10%	EBO 40%-50% LFS 30%-40% MBO 5%-10% Online 5%-10%	EBO 40%-50% LFS 10%-20% MBO 30%-40% Online 8%-10%	LFS 100%	LFS 100%	Online 95% Offline 5%	Online 5% Offline 95%
Retail presence	Presence across Metro cities	Presence across Metro cities	Presence in Metro and Tier-I towns	Pan-India presence with significant penetration across Tier-II and below towns	Pan-India presence with significant penetration across Tier-II and below towns	Pan India presence	Pan India presence	Launched offline stores	Pan India presence
Price positioning	Premium to Luxury	Premium to Luxury	Mid to Premium	Mid to Premium	Mid to Premium	Economy to Mid	Mid to Premium	Economy to Mid	Value

EBO LFS MBO Online Offline

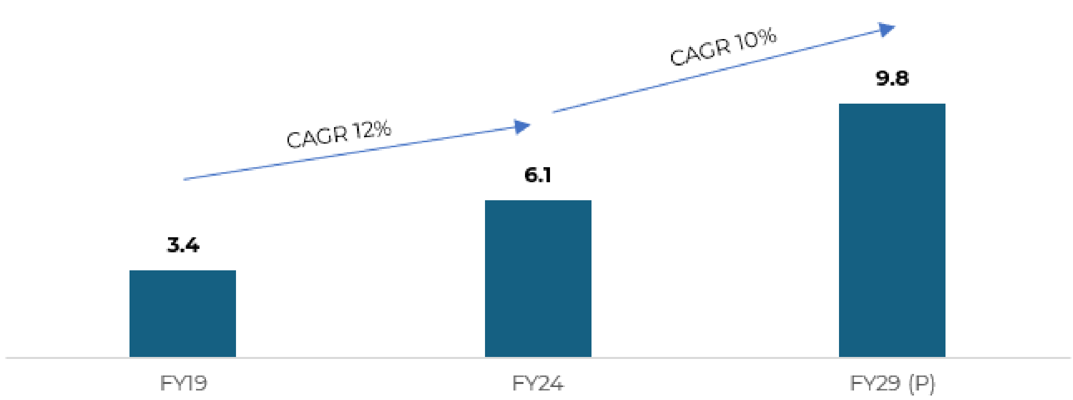
Source: Wazir Advisors
Note: Intl. - International

WESTERN WEAR MARKET

Market Size and Growth

The overall western wear market is valued at ₹6.1 lakh crores in Fiscal 2024. This segment is projected to grow at a 10% CAGR, reaching ₹9.8 lakh crores by Fiscal 2029. Key drivers fuelling this growth are the increased exposure to global fashion through social media, rapid urbanization, growing middle class and increasing disposable income.

Overall Western Wear Market (₹ Lakh Crores)

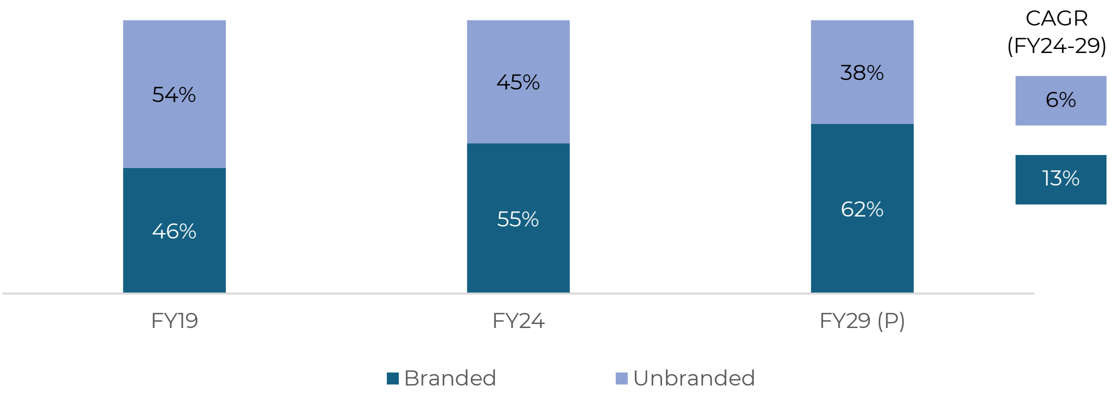


Source: Wazir Analysis
Note: Western Wear Market include Formal, Casual, Inner, Sports and Athleisure wear

Market Segmentation by Branded and Unbranded

The branded market is estimated to be ₹3.4 lakh crores in Fiscal 2024 and contributes to 55% of the overall western wear market. The market is expected to grow at CAGR of 13% to reach value of ₹6.1 lakh crores by Fiscal 2029.

Overall Western Wear Market Segmentation by Branded and Unbranded



Source: Wazir Analysis

Aditya Birla Fashion houses four of India's largest apparel brands, namely, Louis Philippe, Van Heusen, Peter England, and Allen Solly. All 4 brands generate revenues exceeding ₹1,000 crore with the expansions driven by a franchise-led model, which ensures a widespread reach.

Its other western wear brands like American Eagle offers high-quality products with a strong presence in stores and online. American Eagle is currently among the top premium denim brands in India, owing to its superior products, brand positioning, and shopping experience for consumers across stores and online channels.

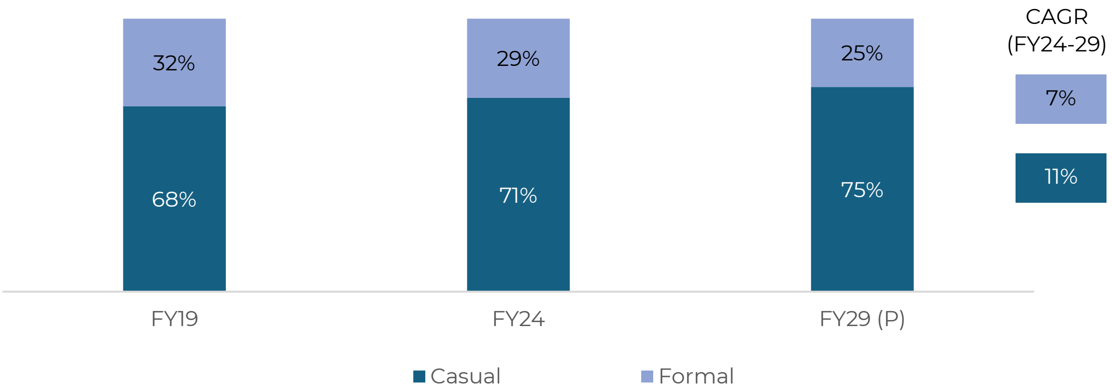
Sportswear brand Reebok is an established global brand in the sporting goods industry with a rich sports legacy, developing products and technologies that connects with the consumers' fitness priorities – whether it's functional training, running, sports, walking, dance, yoga or aerobics., while Pantaloons also offers fashionable western wear clothing and accessories with quality and freshness to the Indian middle-class consumers across the length and breadth of the country.

These brands operate within a vast total addressable market, benefiting from an established operating model. Over the years, this portfolio has carved out a leadership position in the market, consistently delivering business outcomes across revenue growth, profitability, cash flow and return on capital employed.

Market Segmentation by Formal and Casual Wear

Formal western wear apparel is estimated to be ₹1.8 lakh crores in Fiscal 2024 and contributes to 29% of the overall western wear market. The segment is expected to grow at CAGR of 7% to reach value of ₹2.4 lakh crores by Fiscal 2029. Casual western wear, comprising of t-shirts, denim, athleisure, etc. is estimated to be ₹4.3 lakh crores in Fiscal 2024 and contributes to 71% of the overall western wear market. The segment is expected to grow at CAGR of 11% to reach value of ₹7.3 lakh crores by Fiscal 2029.

Overall Wester Wear Market Segmentation by Formal and Casual



Source: Wazir Analysis

Growth Drivers of Western Wear Market

Youth as a growth driver: Youth (15 to 29 years old) are a key growth driver of western wear in the country. Increasing disposable income, comfort, quality and brand consciousness are major reasons behind increasing acceptance of western wear among this young population.

Influence of International Brands: The entry of the international brands in the country is one of the biggest drivers of western wear. Their entry has widened the perspective of consumers which in turn has resulted in higher acceptability of new trends, styles in the market. With increasing exposure to international fashion trends, the Indian consumer today is aware of global trends and has more variety to choose from.

Increase in women's workforce participation: As more women join the workforce in India, especially in urban areas, the demand for professional, comfortable, and fashionable clothing has surged. Western wear provides the versatility and comfort many working women seek, with categories like formal wear, business casuals, and even smart casuals growing in popularity. This growing economic empowerment of women is directly driving the demand for Western wear.

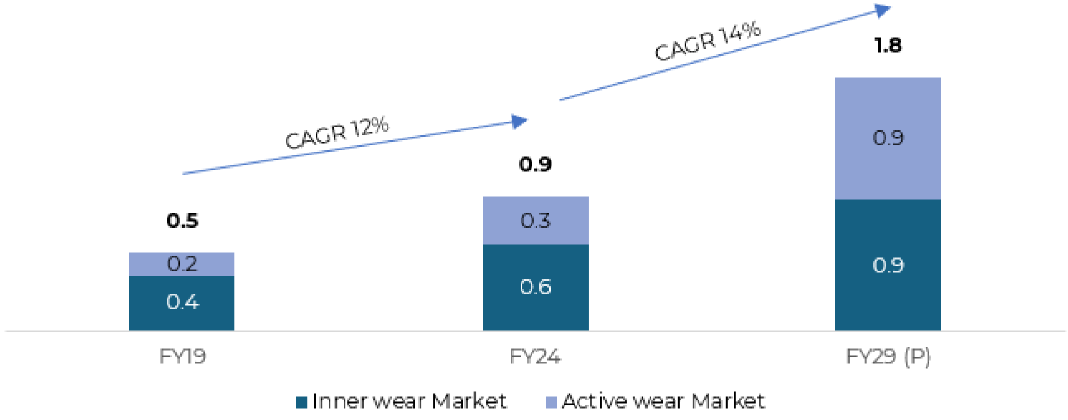
Casualization of Fashion: The Indian casual wear market has evolved significantly over the years. Casual wear categories such as denim, activewear, casual shirts, and fashionable skirts are outpacing the growth of formal wear in India. This is reflective of the changing consumer trend and increasing usage of casual wear in offices as well as home. This shift in consumer's wardrobe towards casual wear has acted as a growth driver for the western wear in India. The casualization of fashion is not unique to India and is driven by global phenomena.

ACTIVE AND INNER WEAR MARKET

Market Size and Growth

The overall active and inner wear market in India is valued at ₹0.9 lakh crores in Fiscal 2024. This segment is projected to grow at a 14% CAGR, reaching ₹1.8 lakh crores by Fiscal 2029.

Overall Active and Inner Wear Market (₹ Lakh Crores)



Source: Wazir Analysis

Growth Drivers of Active and Inner Wear Market

Increased fitness awareness: Heightened focus on health and fitness among Indians has led to a surge in participation in sports activities. This shift has created a robust demand for comfortable and functional athleisure wear that caters to active lifestyles.

Embracing advanced fabric innovations: Brands are increasingly integrating advanced fabric processing technologies to enhance innerwear functionality. By utilizing innovations in fabric, daytime innerwear focuses on mobility and stretch, catering to active lifestyles, while nighttime garments emphasize breathability and sweat absorption for better comfort during rest.

Rising demand of shapewear: Increasing adoption of western attire like dresses and fitted tops among Indian women has boosted demand for shapewear like bodysuits and control tops to achieve smooth, contoured silhouettes under form-fitting garments, driving growth in this innerwear segment. As fitness and active lifestyles gain popularity in India, there has been a rise in demand for shapewear designed specifically for workouts and sports activities, providing support and comfort during physical activities.

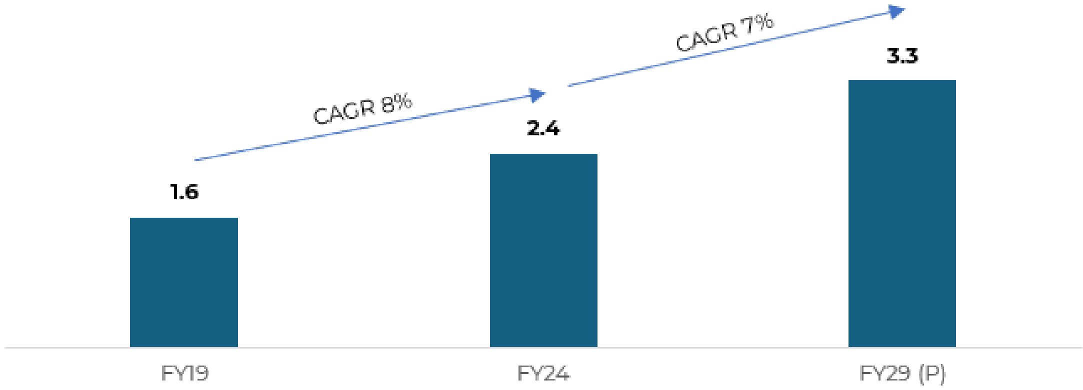
Growing awareness of hygiene and wellness: The growing awareness of personal hygiene and wellness, especially post-pandemic, has led to an increased focus on comfortable, high-quality innerwear. This trend is especially strong among urban consumers who prioritize health and comfort.

ETHNIC WEAR MARKET

Market Size and Growth

The overall ethnic wear market is valued at ₹2.4 lakh crores in Fiscal 2024. This segment is projected to grow at a 7% CAGR, reaching ₹3.3 lakh crores by Fiscal 2029. Key drivers fuelling this growth include increasing demand of ethnic as occasion wear, longer multi-day wedding celebrations and rising preference of designer wear brands. Previously dominated by unorganized players, this shift offers significant opportunities for branded player. Additionally, there is a notable transition from tailored wear to ready-to-wear garments, which is driving this segment.

Overall Ethnic Wear Market (₹ Lakh Crores)

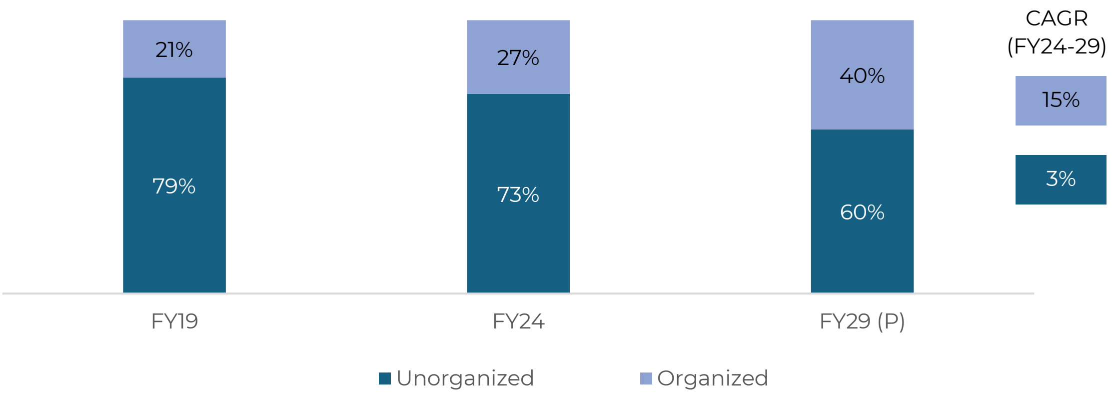


Source: Wazir Analysis

Market Segmentation by Organized and Unorganized

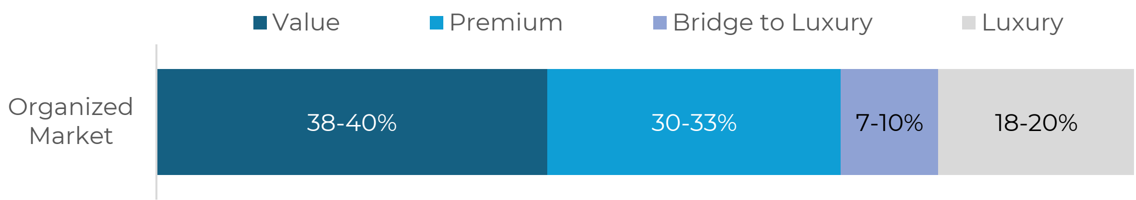
The organized market is estimated to be ₹0.6 lakh crores in Fiscal 2024 and contributes to 27% of the overall ethnic wear market. The market is expected to grow at CAGR of 15% to reach value of ₹1.3 lakh crores by Fiscal 2029. The rising disposable income and increased spending power allows individuals to spend more on high-quality and well-designed ethnic garments. This drives the penetration of the organized players into the ethnic wear market, tapping into the demand for branded and quality products.

Overall Ethnic Wear Market Segmentation by Organized and Unorganized



Source: Wazir Analysis

Segmentation of Organized Ethnic Wear Market by Pricing In Fiscal 2024



ABFRL has one of the most diverse and comprehensive ethnic wear portfolios in India, featuring premium and designer-led brands that cater to a wide audience across various occasions and price ranges. Within which, Tasva is establishing itself as a brand in premium men's wedding wear segment and Jaypore, India's leading premium craft-based artisanal brand, offers apparel, jewellery, and accessories that celebrate the richness and diversity of Indian culture. Being a new brand, TASVA is driving a multi-pronged marketing strategy covering several multimedia campaigns, targeted consumer marketing, celebrity associations and partnering with the wedding ecosystem. These methods have augmented brand salience, establishing TASVA as a go-to brand for premium men's ethnic wear in India. Their luxury portfolio includes Tarun Tahiliani Couture, founded by one of India's most celebrated fashion designers, Tarun Tahiliani, which brings high-end, couture designs to the portfolio. In Fiscal 2024, ABFRL further strengthened its premium women's ethnic wear offerings by acquiring a majority stake in TCNS Clothing Co. Limited, enhancing its position in this expanding market. The portfolio of TCNS brands are market leaders in the premium women's ethnic wear category.

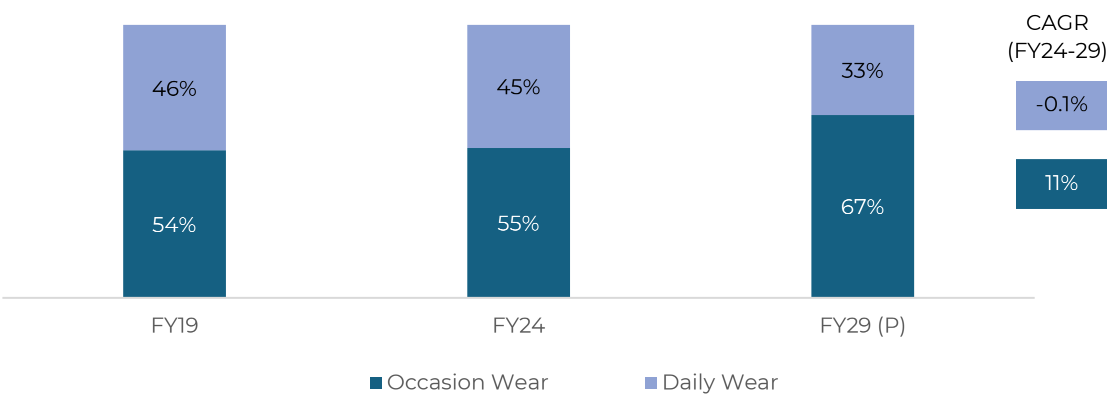
ABFRL Ethnic Wear Brand Portfolio

Source: Company Report

Market Segmentation of Overall Ethnic Wear by Occasion and Daily Wear

The occasion wear market is estimated to be ₹1.3 lakh crores in Fiscal 2024 and contributes to 55% of the overall ethnic wear market. Occasion wear market is expected to grow at CAGR of 11% to reach value of ₹2.2 lakh crores by Fiscal 2029. The growth in occasion wear would be led by increasing spends on ethnic wear during occasions, premiumization and growth of branded wear.

Overall Ethnic Wear Market Segmentation by Occasion and Daily Wear



Source: Wazir Analysis

Growth Drivers of Ethnic Wear Market

Deeper penetration of branded players: Branded apparel is increasingly entering Tier-II and Tier-III cities, where demand for quality, reliability, and aspirational clothing is growing. This expansion helps formalize the market, offering consumers better access to standardized, fashionable ethnic wear.

Increasing demand for ethnic as occasional wear: The increasing demand for comfort wear is propelling the reduction demand for ethnic wear in daily wear and it is emerging as an occasion wear category, leading to premiumization.

Longer multi-day weddings with additional occasions such as pre-wedding and post-wedding events: Modern Indian weddings now extend beyond the traditional ceremony, including events like pre-wedding shoots, *'mehendi'*, '*sangeet'*, and post-wedding celebrations. Each of these functions calls for distinct attire, significantly boosting the demand for a wider variety of ethnic and occasion wear.

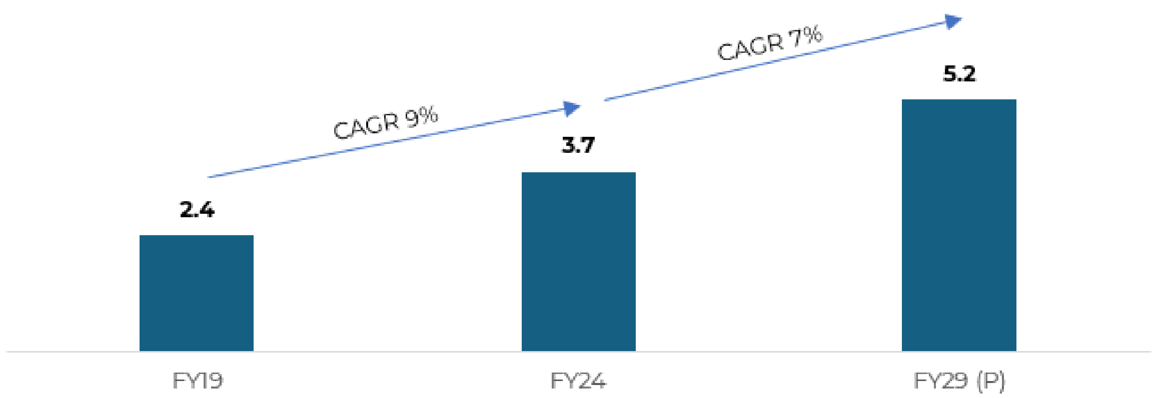
Rising preference for designer wear: There is a growing demand for designer clothing as consumers increasingly seek exclusive, high-quality outfits for special occasions. The demand for designer wear is particularly strong in urban areas and among affluent consumers who prioritize uniqueness and style.

VALUE FASHION MARKET

Market Size and Growth

The value fashion market is estimated to be ₹3.7 lakh crores in Fiscal 2024. This segment is projected to grow at a 7% CAGR, reaching ₹5.2 lakh crores by Fiscal 2029. The growth is driven by significant opportunities beyond metro and Tier-I cities, fuelled by favourable demographics, rising incomes, and increased customer demand for affordable yet aspirational products, combining quality, design, and value for money. This has prompted several major players to enter a market that was once dominated by regional and local operators.

Overall Value Fashion Market (₹ Lakh Crores)



Source: Wazir Analysis

Evolution of Organized Value Retail

Source: Wazir Analysis

In the Masstige segment, consumer demand is driven by a desire for affordable yet aspirational products, combining quality, design, and brand stature. While in value segment, high fashion at low price drives consumer acceptance. The shift from unorganized to organized segments is driven by increasing urbanization, rising consumer incomes, increased demand for branded products and premiumization. Consumers seek a balance between elevated aesthetics and accessible pricing.

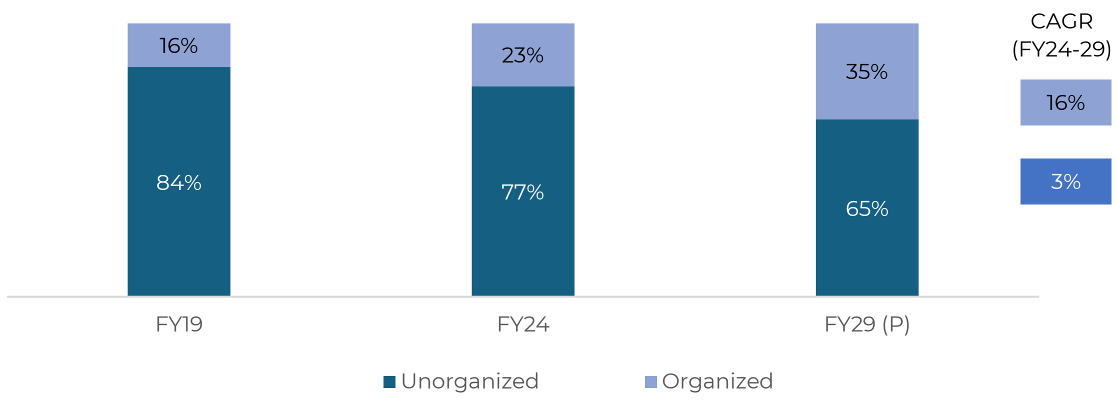
ABFRL operates in the masstige and value retail segment primarily through Pantaloons and Style Up. Style Up, their own value segment brand capitalizes on the value retail market and is scaling up in select markets.

Pantaloons brand has been one of the strongest brands in masstige segment of the Indian fashion retail industry over the last 25 years. The brand offers fashionable clothing and accessories with quality and freshness to the Indian middle-class consumers across the length and breadth of the country. Pantaloons has continued to expand its product offerings with the launch of many new private label brands such as “Peregrine” for men's formals, “Honey Curvytude” for plus-sized western wear, “Coolsters” for tweens (or children between 8 and 12 years of age) and “7 Alt” a casual wear brand for men over the last two years. With strong store economics, extensive distribution across multiple tiers, and an extensive private label portfolio, Pantaloons is poised to lead the differentiated masstige fashion segment.

Market Segmentation by Organized and Unorganized

The organized value fashion market is estimated to be ₹0.9 lakh crores in Fiscal 2024 and contributes to 23% of the overall value fashion market. The organized market is expected to grow at CAGR of 16% to reach value of ₹1.8 lakh crores by Fiscal 2029. This growth is fuelled by rising urbanization, increasing consumer incomes, and a growing demand for branded products, as consumers seek an ideal balance of enhanced aesthetics and affordable pricing.

Overall Value Fashion Market Segmentation by Organized and Unorganized



Source: Wazir Analysis

Growth Drivers of Value Fashion Market

Increased brand consciousness and awareness of fashion trends in Tier-II+ cities: Tier II and III markets continues to play a vital role in the country's growth narrative owing to their progress in the real estate landscape, work environment, quality of life and digital penetration. Tier-II+ cities have witnessed a surge in consumers who are aspirational buyers, brand-conscious, and aware of the latest fashion trends. Simultaneously, the increase in purchasing power now allows consumers in these areas to fulfil their requirement for the latest fashion trends. The ability of value retailers to offer quality and variety at competitive prices while staying updated with the latest fashion trends makes them a favourable alternative to local boutiques and retail shops. ABFRL has strategically tapped into this growth with tailored formats like Peter England Red, Allen Solly Prime, Van Heusen Gold, and Louis Philippe All Star, which bring the essence of these established brands to smaller towns. These formats are designed to offer branded fashion with localized price points, making premium styles accessible to a broader audience in emerging markets.

Merchandise and shopping experience: Retailers are moving toward more organized merchandising. They are improving their product offerings and the look and feel of their stores. Retailers are incorporating size sets, colour blocking, categories, and sub-categories (such as men's formal shirts, men's casual shirts, men's party wear shirts, and so on). They are focusing on introducing and increasing the share of private labels in their offerings, as it offers better margins and a loyal consumer base. Retailers have started upgrading the store infrastructure to provide a better shopping experience. Retailers that do not primarily offer food and groceries emphasize fashion, keeping a wide assortment of products based on local trends, as variety has become a key consideration for non-food and grocery value consumers.

Retailers extending to Tier-III+ markets: Retailers that were primarily focused on Tier-II and Tier-III cities are now expanding into Tier-III+ markets, recognizing the potential in these locations. Reliance Retail, which launched Yousta in 2023, also announced plans to open stores in Tier-III+ cities. These cities have become important markets for online-first players like Meesho in recent years.

DIGITAL FASHION MARKET

Market Size and Growth

The Indian e-commerce market is estimated at ₹94 thousand crores in Fiscal 2024, supported by robust fundamentals such as a large and increasingly affluent consumer base, growing internet and smartphone penetration facilitated by low data prices, and low shipment costs. Further boosting this growth are digital payments, ease of credit, and the convenience of online shopping. The evident opportunities in e-commerce and quick commerce have led to the emergence of numerous founders who have started many digital first brands.

Consumer preferences are shifting, with an increasing willingness to experiment with new brands and a growing desire to wear aspirational brands. The category has seen around 30% historical growth, compounded annually, since 2019. Certain historically fragmented subcategories, such as men's casual wear, women's western, ethnic wear and kids wear, are also undergoing significant transformation with the growth and scaling of new digitally led brands.

ABFRL's TMRW portfolio which comprises of large and mid-size digital first brands, addresses large market categories and targets emerging high-growth segments like athleisure, activewear, expressive wear, and accessories.

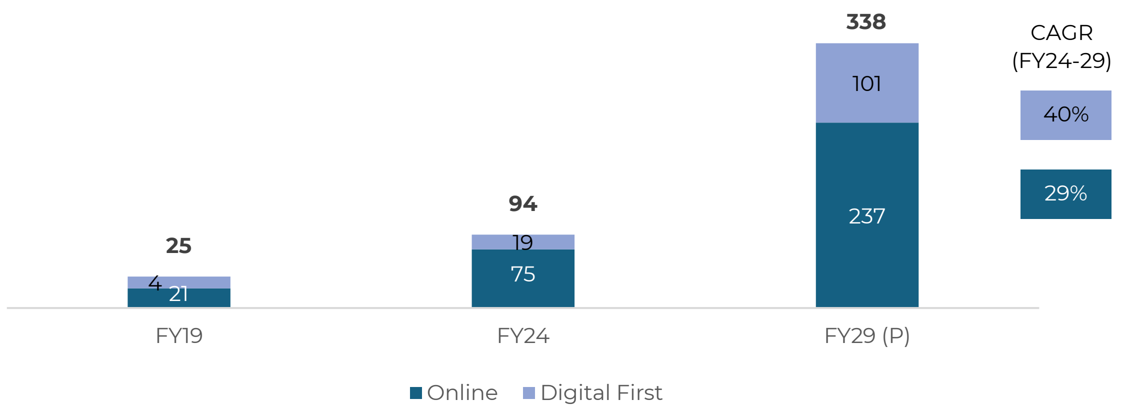
The online fashion market is led by three categories of players:

Key Categories of Overall Online Fashion Market

Source: Wazir Analysis

The digital first fashion market is estimated to be ₹19 thousand crores in Fiscal 2024 and contributes to 20% of the overall online fashion market. This segment is projected to grow at a 40% CAGR, reaching ₹101 thousand crores by Fiscal 2029 and contribute to 30% of the overall online fashion market. The growth is driven by e-commerce penetration beyond metro and Tier-I cities, and higher propensity in Gen Z and millennials to shop online.

Overall Online Fashion Market (₹ '000 Crores)



Source: Wazir Analysis

Growth Drivers for Digital Fashion Market

Shift in consumer behaviour: Consumer behaviour is evolving, with growing comfort in online shopping and a greater willingness to explore new brands and niche categories. Moreover, there is a notable increase in consumers' readiness to pay a premium for quality products.

Improving digital penetration and high growth in e-commerce: India's digital landscape is rapidly expanding, with over 955 million internet users. E-commerce penetration is projected to reach nearly 25% of the overall apparel market within the next five years. This growth will be fuelled by the addition of over 200 million online shoppers, creating significant opportunities for businesses to capitalize on the increasing number of digital consumers.

Larger SKU and niche positioning: Direct-to-Consumer ("**D2C**") brands benefit from the ability to offer a larger range of SKUs, leveraging common inventory to diversify their product offerings. These brands are also experimenting with materials and product innovations that are typically overlooked by traditional legacy brands, allowing them to carve out niche markets.

Brand websites as a sales channel gaining traction: Brands are steadily growing their online share by prioritizing direct to consumer strategies. This approach strengthen customer relationships, provides valuable consumer insights and reduce costs boosting profitability and expanding market presence.

D2C enablers: D2C brands bypass traditional middlemen by delivering directly to customers, improving margins for the business and offering better pricing for consumers. Additionally, the availability of essential enablers, such as website builders, logistics solutions, payment systems, and marketing tools, has streamlined operations and made it easier for new brands to establish a strong market presence.

LUXURY FASHION MARKET

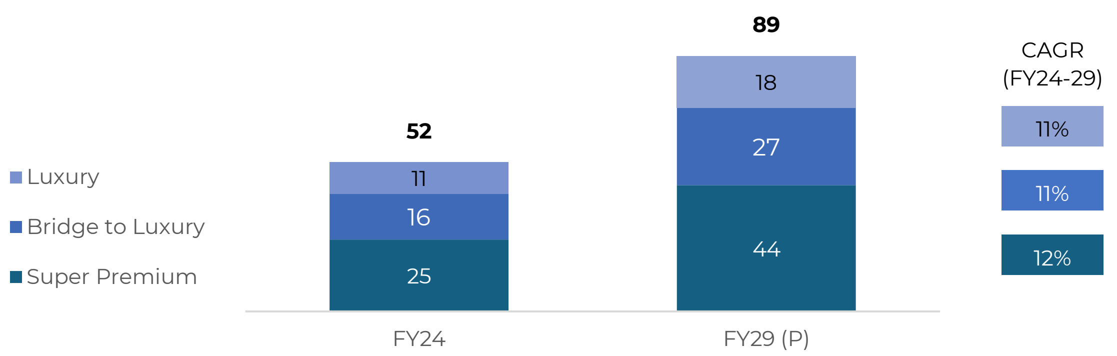
Market Size and Growth

The Indian luxury market is evolving rapidly in recent years, driven by rising income levels and the growing aspirations of the middle and upper class. Luxury brands, characterized by their exclusivity and high quality, cater to individuals with high disposable incomes prioritizing experience-driven purchases. This increase in affinity towards luxury fashion is driven by the presence of both foreign luxury stores like Louis Vuitton, Chanel, and Gucci, as well as homegrown brands such as Sabyasachi and Tarun Tahiliani.

The super-premium and luxury market has been steadily expanding, driven by the trend of premiumization. Demand for these high-end products remains relatively inelastic, as consumers increasingly prioritize experience-driven purchases. Also, the consumer segment for this category has remained less affected by COVID related implications and the segment has seen a relatively robust post-COVID recovery.

The Luxury fashion market, comprising of Super Premium, Bridge to Luxury and Luxury price segments, is estimated to be ₹52 thousand crores in Fiscal 2024. This segment is projected to grow at a 12% CAGR, reaching approximately ₹89 thousand crores by Fiscal 2029.

Overall Luxury Fashion Market (₹ '000 Crores)



Source: Wazir Analysis
Note: The overall Luxury Fashion Market is defined with price offerings beyond ₹6,000 in Western wear and beyond ₹25,000 in Ethnic wear

ABFRL's The Collective is one of India's largest multi-brand retailers of luxury and bridge to luxury brands, alongside select mono brands such as Ralph Lauren, Fred Perry, Ted Baker, and Hackett London. With the maturing of luxury markets, the company's addressable market is set to expand significantly. 'The Collective' has demonstrated a sustainable and profitable growth trajectory, offering an extensive collection of global brands under one roof. Its e-commerce platform, *thecollective.in*, is evolving into a premier destination for luxury fashion, making luxury more accessible and catering to a broader audience.

Growth Drivers of Luxury Fashion Market

Domestic lifestyle brands gaining aspirational value: Indian lifestyle brands are increasingly positioning themselves as aspirational, aligning with global luxury standards in design, craftsmanship, and storytelling. This rise in the aspirational value of domestic brands is driving the growth of the luxury market in India by expanding the consumer base, as more people look to express their status and identity through high-end, locally crafted products.

Entry of international brands boosting luxury market growth: The entry of international luxury brands like Gucci, Louis Vuitton, and Dior has elevated the standards of luxury consumption in India, giving consumers access to globally renowned, high-quality products and services. In 2023, luxury brands significantly expanded their presence, leasing over 600,000 square feet of retail space, a 170% increase compared to the previous year. Notable names like Balenciaga and Sandro & Maje entered in India in 2023. New entrants such as Galeries Lafayette, Europe's largest upmarket department store chain based out of France, are set to elevate India's luxury landscape through their partnership with ABFRL, bringing an enhanced luxury experience to the market in the coming years.

Luxury-focused infrastructure driving market expansion: The rapid development of luxury malls, five-star hotels, and exclusive residential complexes in India has created an ideal environment for the growth of the luxury market. These high-end infrastructures provide dedicated spaces for luxury brands to showcase their offerings, attract affluent clientele, and create immersive brand experiences thereby encouraging premium spending. This physical ecosystem supports the expansion of luxury brands and elevates the overall consumption of luxury goods in India.

Growth in UHNWI and HNWI driving luxury market demand: The rapid increase in the number of Ultra High Net Worth Individuals ("**UHNWI**") and High Net Worth Individuals ("**HNWI**") in India is significantly boosting demand for luxury apparel. These affluent consumers have a strong appetite for exclusive, high-quality fashion that reflects their social status and personal style. As their wealth grows, so does their inclination to spend on premium brands, bespoke fashion, and limited-edition collections, making them key drivers of the luxury apparel market.

E-commerce expanding access to luxury apparel: The rise of e-commerce in India has made luxury apparel more accessible to a wider range of consumers, including those in Tier-II and Tier-III cities who previously had limited access to high-end fashion. Platforms like Ajio Luxe, Myntra Luxe and Tata Cliq Luxe are specifically designed to cater to the luxury segment, showcasing exclusive collections from both international and domestic luxury brands. The convenience of online shopping, combined with secure payment systems and premium delivery services, is attracting tech-savvy, affluent consumers, making e-commerce a significant growth driver for the luxury apparel market in India.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 20 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 52, 311 and 107, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the six months ended September 30, 2024 and September 30, 2023, included herein is derived from the Interim Special Purpose Condensed Consolidated Financial Statements and the Half Yearly Consolidated Financial Statements, respectively, included in this Placement Document. For further information, see "Financial Statements" on page 311.

Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the twelve-month period ended March 31 of that year. In this section, unless otherwise indicated or the context otherwise requires, a reference to "our Company" is a reference to Aditya Birla Fashion and Retail Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Aditya Birla Fashion and Retail Limited, its subsidiaries, trust, joint venture and its associate on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Assessment of Indian Apparel Market" dated December 1, 2024 (the "Wazir Report") prepared and issued by Wazir Advisors Private Limited ("**Wazir**"), appointed by us on November 1, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the Wazir Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Wazir Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see "Risk Factors – Industry information included in this Placement Document has been derived from an industry report commissioned by us, and paid for by us for such purpose." on page 70.*

Overview

We are one of the largest pure-play fashion and lifestyle companies in India in terms of revenue in Fiscal 2024 (*Source: Wazir Report*) with a bouquet of fashion brands and retail formats across segments, categories, occasions and price points.

Our Company's portfolio is structured to capture the following major consumption themes in the fashion and apparel space:

Western Wear Brands

Our lifestyle brands primarily play in the western wear brands segment with brands such as Louis Philippe, Van Heusen, Allen Solly, Peter England, and Simon Carter, along with youth wear brands such as American Eagle, sportswear brand Reebok and the innerwear business under Van Heusen.

Value and Masstige Fashion Retail

In a large segment of value and masstige fashion, our play is through Pantaloons and Style Up brands.

Ethnic Wear

We have one of the most diverse and comprehensive ethnic wear portfolios in India, featuring premium and designer-led brands that cater to a wide audience across various occasions and price ranges. (*Source: Wazir Report*)

Our brands include Sabyasachi, Shantnu & Nikhil, Tarun Tahiliani, House of Masaba, TASVA, Jaypore and TCNS brands.

Luxury Retail

A fast-growing bridge to luxury and luxury platform of The Collective, Galeries Lafayette and select mono brands are our vehicles to operate in this segment.

Digital First Brands

We operate in this space through a portfolio of digital first fashion and lifestyle brands within the TMRW venture.

Evolution of our Business

The branded apparel business of Madura Coats Limited was acquired by Aditya Birla Nuvo Limited in 1999 which later forayed into retail business. Subsequently, our Company was incorporated as Peter England Fashions and Retail Limited on April 19, 2007, during which period we launched luxury and value business formats and invested in export manufacturing. During Fiscal 2013, we acquired the business of retailing of branded apparel and accessories under the brand 'Pantaloons' from a diversified Indian corporate group pursuant to a scheme of arrangement.

In a bid to capitalize on its large market presence in the branded fashion space in India, the apparel and retail business of the Aditya Birla Group, housed under separate entities, were consolidated under our Company, through a scheme of amalgamation in Fiscal 2016. Basis this, we acquired the branded apparel manufacturing and retailing division of Aditya Birla Nuvo Limited and the apparel retailing business of Madura Garments Lifestyle Retail Company Limited, which formed the 'Madura Segment' of our Company. Subsequently, the name of our Company was changed to its current name, Aditya Birla Fashion and Retail Limited, which became the new listed company on Indian stock exchanges in January 2016.

Post-consolidation, our Company has expanded its market presence through partnerships with international brands including Hackett, Ralph Lauren, Ted Baker, Galeries Lafayette in the luxury segment, while building an ethnic-wear portfolio with collaborations with designers such as Sabyasachi, Shantnu & Nikhil, Masaba Richards, and Tarun Tahiliani. The acquisition of Jaypore and TCNS Clothing (comprising brands such as W, Aurelia, Elleven, Folksong, and Wishful) further strengthened our position in the Indian ethnic wear market.

Our digital-first approach was marked by the launch of TMRW, which focuses on acquiring, creating and scaling fashion and lifestyle brands in the digital space. Through this initiative, our Company has acquired over eight brands, including The Indian Garage Co., Bewakoof, Urbano, Vierdo, WROGN, and Nobero, further diversifying our portfolio and establishing our presence in the emerging direct-to-consumer digital brands landscape. Our online presence is rapidly expanding, driven by growth in ecommerce marketplaces, individual brand websites and through digital first brands under TMRW making us one of the largest online retailers of fashion and lifestyle products in India. (*Source: Wazir Report*)

Proposed Restructuring

With an aim of establishing a leadership position in the Indian fashion and lifestyle space, we have, over the past few years created multiple platforms across key consumption themes in the Indian fashion market. As part of our strategic growth measures, we are undertaking certain restructuring of our businesses, as set forth below:

Proposed demerger of western wear brands into Aditya Birla Lifestyle Brands Limited

On April 19, 2024, our Company approved a vertical demerger of western wear brands within the Madura Fashion and Lifestyle's business from our Company into a newly incorporated entity named as Aditya Birla Lifestyle Brands Limited ("**ABLBL**"). This demerger proposes to enable creation of two separately listed entities; each possessing distinct capital structures and parallel value creation opportunities. We believe that the demerger will also unlock value for the overall business portfolio for existing shareholders through price discovery of the individual entities and will encourage stronger capital market outcomes.

On receipt of necessary approvals, the demerger will be implemented through a scheme of arrangement. Upon completion of this demerger, as per the share entitlement ratio recommended by the independent valuer and opined on by fairness opinion advisor, the shareholders of our Company will get one share of ABLBL for every one share in our Company.

We believe that the beneficial ownership of the shareholders of the demerged company will not have any economic impact pursuant to the demerger.

Proposed Aditya Birla Lifestyle Brands Limited

The proposed portfolio of ABLBL will encompass the lifestyle brands of Louis Philippe, Van Heusen and Allen Solly, Peter England. Additionally, it will include youth-fashion western wear brands of American Eagle, innerwear business under Van Heusen and the sportswear business of Reebok.

These brands operate within a vast total addressable market, benefiting from an established operating model. Over the years, this portfolio has carved out a leadership position in the market, consistently delivering business outcomes across revenue growth, profitability, cash flow and return on capital employed. (*Source: Wazir Report*)

Through its diversified brand mix, operating model and well-honed strategy, the business is strategically positioned to continue scaling in India's growing fashion and lifestyle market.

We expect this restructuring to result in the right operating architecture for both companies with sharper focus on their individual business strategies. Separately listed companies will also help attract specific investors basis their business profile and unlock value for the overall business portfolio through price discovery of the individual entities for existing shareholders.

Proposed demerged Aditya Birla Fashion and Retail Limited

Demerged Aditya Birla Fashion and Retail Limited will comprise:

- Masstige and Value retail – Pantaloons and Style Up;
- Ethnic wear portfolio;
  - Designer led brands of Sabyasachi, Shantnu & Nikhil, Tarun Tahiliani, and House of Masaba; and
  - Premium wear ethnic brands of TASVA, Jaypore and TCNS brands
- Luxury retail business – The Collective, select mono brands and Galeries Lafayette
- Digital first portfolio - TMRW

The demerged Aditya Birla Fashion and Retail Limited will include constituents that operate in several high-growth segments. Our Company has play in both established segments (Ethnic and Value) and new, previously unaddressed segments (digital and luxury). As each component of the portfolio is gradually building scale, we expect to require capital investment in the medium term to fund growth of these businesses. The strategy is to leverage the brand portfolio and build a wide distribution network to achieve a market leadership position in each of the constituent businesses.

Business Segments	**Six months ended September 30, 2024**	**Six months ended September 30, 2023**
	Amount (₹ crore)	**Amount (₹ crore)**
Madura Fashion and Lifestyle	3,774.36	3,800.03
Pantaloons	2,183.54	2,099.52
Ethnic and others	1,362.74	657.84
Inter segment revenue	(248.96)	(134.89)
Revenue from Operations	**7,071.68**	**6,422.50**

Madura Fashion and Lifestyle segment's revenue de-grew by 0.68%, while Pantaloons segment's revenue grew by 4.00% compared to the previous period. Ethnic and others segment's revenue grew by 107.15% compared to the previous period led by both organic as well as inorganic strategic initiatives. There will be no economic impact on the beneficial ownership of the shareholders of the demerged company pursuant to the demerger.

Business Segments

Our operations encompass a collection of widely recognized brands and retail formats that cater to a broad range of consumer needs across price points and occasions. We have a distribution network comprising of 4,538 stores (including 417 Pantaloon stores) covering a footprint of approximately 11.98 million square feet, as of September 30, 2024. Our brands are also present at 37,952 multi-brand outlets and 9,047 shop-in-shops across departmental stores, as on September 30, 2024.

Lifestyle Brands

Our Lifestyle brands house four of India's largest apparel brands, namely, Louis Philippe, Van Heusen, Allen Solly and Peter England. (*Source: Wazir Report*)

A number of our brands have consistently experienced steady growth over the years. We believe that this sustained success is attributable to our focus on consumer-centric product innovation, which keeps us ahead of market trends. Additionally, we have strategically expanded into newer categories and geographies, continuously tapping into new growth opportunities.

Our operational infrastructure further supports this growth. We have built back-end operations encompassing sourcing, manufacturing, design, branding, and retailing, ensuring synergy across the value chain. Our infrastructure allows us to maintain standards and deliver quality products to our customers.

Moreover, our brands benefit from decades of successful collaborations through a franchisee model. In our experience, this model not only enhances our market presence but also ensures mutual growth and profitability. By focusing on store economics and providing support to our franchise partners, we have created a symbiotic relationship that drives value creation for all stakeholders.

Our Lifestyle Brands are present across 2,569 stores, as of September 30, 2024 with large part of the network being franchise led. Lifestyle Brands also have a digital presence via online marketplaces and respective brand websites. The Buy Online Ship from Store network is facilitating scale up of omnichannel capabilities. Online sales accounted for 11.67% of our total revenues in Fiscal 2024.

Our brands have continued to enhance their prominence by offering products at every price point, focusing on premiumization, and introducing upgradations with modern blends, which we believe enhances brand identity and customer recall. Additionally, the business continues to introduce newer products in casual wear, wedding, and non-apparel space.

Revenues from our Lifestyle Brands decreased from ₹ 3,180.02 crores in the six months ended September 30, 2023 compared with ₹ 3,118.18 crores in the six months ended September 30, 2024. EBITDA for our Lifestyle Brands was ₹ 580.99 crores and EBITDA Margin was 18.63% in the six months ended September 30, 2024. This was a result of cost control initiatives leading to merchandise freshness, lower markdowns and inventory control. In the quarter ended September 30, 2024, we opened 29 new stores in certain key markets and exited from certain unviable stores and markets.

The table below sets forth channel-wise revenue for our Lifestyle brands for the periods indicated

Particulars	Six Months ended September 30,	
	2024	2023
	(Unaudited)	
	(₹ crores)	
Wholesale(1)	684.76	837.58
Retail(2)	1,460.97	1,511.57
Others(3)	972.45	830.88

Notes:
(1) Wholesale refers to revenue from multi-brand retail outlets and departmental stores.
(2) Retail refers to revenue from exclusive retail outlets.
(3) Others refers to revenue from exports, e-commerce and depletion channel.

Youth Western, Sportswear and Innerwear

Van Heusen Innerwear

Our foray into the innerwear and athleisure market through the brand, Van Heusen, has met with success in a short period of time. Since 2016, the brand has consistently scaled its distribution network and now has a vast multi-brand outlet ("MBO") footprint of 35,800 trade outlets and the exclusive brand outlets ("EBO") network of over 100 stores, as of September 30, 2024, with 800 trade outlets added in the six months ended September 30, 2024. The brand is also now available across key departmental stores, and large e-commerce platforms.

The brand is consistently making efforts to enhance the sales experience for both its distributors and end-consumers. It is achieving this by focusing on building an online presence and refining its supply chain operations. Its e-commerce platform caters to men's, kids' and women's innerwear, athleisure, and activewear needs and operates at the intersection of content and commerce.
Van Heusen Innerwear offers a comprehensive collection that blends stylish designs with product features, providing comfort and fit. The brand continuously introduces innovative products for men, women and kids. Each collection caters to different consumer segments, offering a unique range of choices.

The brand has significantly ramped up its marketing efforts by launching its national television campaign and collaborating with influencers to amplify its reach. Additionally, it is focused on crafting a unique retail identity centered around innovation and fresh fashion. These initiatives are strategically designed to enhance the brand's visibility and build a connection with its target audience, further solidifying its market presence.

The brand is working towards enhancing customer experience, curating a relevant product assortment for both offline and online channels, driving product innovation and category extensions.

The brand had a retail Like-to-Like growth (defined as sales growth that reflects the performance of stores that were operational for the entire duration of comparative periods) of 3.10% in the six months ended September 30, 2024, while e-commerce sales increased by 28.80% between the six months ended September 30, 2023 and the six months ended September 30, 2024.

American Eagle

American Eagle is currently among the top premium denim brands in India, owing to its superior products, brand positioning, and shopping experience for consumers across stores and online channels. (*Source: Wazir Report*) The brand is currently expanding its store footprint to tap into newer markets within India. It has established itself as a 'Premium Denim Brand' (*Source: Wazir Report*), growing both offline and online on the back of its brand and products.

American Eagle's expanding retail footprint today includes 69 stores across more than 30 cities, complemented by a presence in over 200 departmental stores and trade counters, as of September 30, 2024. This extensive network ensures widespread accessibility and convenience for shoppers. The launch of its mobile app has further strengthened its accessibility, providing consumers with a seamless shopping experience and enhancing the brand's digital engagement. Recently, American Eagle introduced a nation-wide campaign with new brand ambassador across channels.

The brand's appeal with its customers and scalability, positions it as a growth engine within our Company's portfolio. With its continued focus on enhancing product variety and customer connect, American Eagle is well-poised to drive sustained growth and contribute substantially to the overall size and scale of this portfolio.

Reebok

Reebok is an established global brand in the sporting goods industry with a rich sports legacy. (*Source: Wazir Report*) Reebok develops products and technologies that connects with the consumers' fitness priorities – whether it's functional training, running, sports, walking, dance, yoga or aerobics. (*Source: Wazir Report*)

We acquired Reebok's India business in Fiscal 2022, to strengthen our sportswear portfolio in the youth fashion space. From October 1, 2022, the Reebok business transitioned into our Company and launched new stores, relaunched its website *Reebok.in*, and initiated marketplace operations. The brand also signed new ambassadors and launched a fresh marketing campaign "*I Am the New*". Within a short span of time, the brand has expanded its availability at 169 stores and over 900 points of sale across trade outlets, including prominent departmental stores, as of September 30, 2024. Reebok further strengthened its digital presence with the launch of the Reebok India mobile app.

Innovation remains at the core of Reebok's strategy, with continuous new product launches in categories such as high-performance footwear, walking shoes, and apparel. Notable examples include the recent launch of "Max Foam" and Women "Spacefoam". Reebok remains focused towards expanding its distribution along with enhancing its digital presence, offering innovative and comfortable footwear and apparel to meet the aspirations of its customers.

Lifestyle Brands – Key Metrics

The following table sets out certain financial and operational parameters for our Lifestyle Brands in the relevant periods:

Particulars	**As of / For the Six Months Ended September 30,**		**As of / For the Year Ended March 31,**		
	2024	**2023**	**2024**	**2023**	**2022**
	(₹ crores, unless otherwise specified)				
Number of Retail Stores[(1)]	2,569	2,660	2,679	2,650	2,522
Total Retail Area (million square feet)[(2)]	3.60	3.63	3.73	3.55	3.24
Retail revenue mix[(3)]	46.85%	47.54%	50.45%	50.66%	47.51%

Notes:

1. *Retail Stores refers to the number of stores operational at the end of the year / period and includes franchise stores but excludes large format stores.*
2. *Total Retail Area refers to rental space of stores operational at the end of the year / period excluding large format stores.*
3. *Retail Revenue Mix refers to the proportion of total revenue generated from Retail Stores excluding large format stores.*

Masstige and Value Retail

Pantaloons

Pantaloons brand has been one of the strongest brands in masstige segment of the Indian fashion retail industry over the last 25 years. (*Source: Wazir Report*) The brand offers fashionable clothing and accessories with quality and freshness to the Indian middle-class consumers across the length and breadth of the country. (*Source: Wazir Report*) Its total network as of September 30, 2024 stood at 417 stores with an aggregate retail area of 5.75 million square feet. Over the past few years, Pantaloons has consistently focused on product innovations, price value enhancements, retail identity upgradation to become more aspirational for its consumers. The loyalty programme had 1.66 crore member base, as of September 30, 2024, fostering long term commitment towards the brand.

Continuing on this journey, Pantaloons has made significant progress in delivering delightful shopping experience to customers across geographies, with over 150 stores adopting the brand's new retail identity, as of September 30, 2024 and the launch of multiple innovative campaigns. Also, Pantaloons launched its first experiential store in Bengaluru called Pantaloons OnLoop, offering a diverse array of over 50 fashion brands across apparel, footwear, cosmetics, and accessories. This store elevates the customer experience with smart trial rooms and several customization options.

Pantaloons has continued to expand its product offerings with the launch of many new private label brands such as "Peregrine" for men's formals, "Honey Curvytude" for plus-sized western wear, "Coolsters" for tweens (or children between 8 and 12 years of age) and "7 Alt" a casual wear brand for men over the last two years. (*Source: Wazir Report*) The brand also recently ventured into the fragrance category with multiple variants under its private label. Pantaloons is committed to continually strengthening its product portfolio by driving innovations and enhancing the utility quotient across a wide range of products through better fabrics and fits. As a result of such initiatives, private labels contributed 63.11% of the total sales in Pantaloons in Fiscal 2024.

Additionally, the brand has scaled its e-commerce channel by introducing a mobile application, while also making notable improvements in technology and logistics. The brand is on track to build truly 'Phygital stores' through a loyalty program and digitalized shopping experience at stores leveraged through omni-channel play. It has scaled up omni-network to over 240 stores, as of September 30, 2024. With these advancements, Pantaloons aims to focus on convenience and personalization, ensuring a seamless shopping experience for its customers.

With strong store economics, extensive distribution across multiple tiers, and an extensive private label portfolio, Pantaloons is poised to lead the differentiated masstige fashion segment. (*Source: Wazir Report*) The brand's revamped, youthful, contemporary, and vibrant imagery positions it to deliver accessible yet stylish fashion to a wide audience.

Pantaloons – Key Metrics

The following table sets out certain financial and operational parameters for our Pantaloons segment in the relevant periods:

Particulars	As of / For the Six Months Ended September 30,		As of / For the Year Ended March 31,		
	2024	2023	2024	2023	2022
	(₹ crores, unless otherwise specified)				
Number of Retail Stores[(1)]	417	439	417	431	377
Total Retail Area (million square feet)[(2)]	5.75	5.86	5.72	5.72	4.92
Private Label mix[(3)]	64.60%	64.43%	63.11%	61.69%	62.60%
Pantaloon Revenues from operations	2,183.54	2,099.52	4,328.27	4,110.93	2,626.07
- Men's Wear	34.90%	36.29%	36.93%	37.72%	38.20%
- Women's Ethnic Wear	16.94%	16.86%	16.00%	16.29%	15.36%
- Women's Western Wear	21.70%	21.66%	21.01%	21.32%	21.01%
- Kids Wear	15.57%	14.72%	15.37%	14.69%	15.92%
- Non-Apparel	10.90%	10.48%	10.69%	9.98%	9.52%
Average Selling Price (LTL stores)	762.26	744.58	800.98	812.87	724.98
Like-to-Like Store Growth (%)[(4)]	1.60%	(11.32)%	(4.72)%	47.47%	32.99%
Pantaloons EBITDA[(5)]	355.66	233.75	560.52	617.86	367.70
Pantaloons EBITDA Margin (%)[(6)]	16.29%	11.13%	12.95%	15.03%	14.00%

Notes:

1. *Retail Stores refers to the number of stores operational at the end of the year / period and includes franchise stores but excludes large format stores.*
2. *Total Retail Area refers to rental space of stores operational at the end of the year / period.*
3. *Private Label Mix refers to revenue from own label brands divided by total revenue.*
4. *Like-to-Like (LTL) sales is a measure of sales growth that reflects the performance of stores that were operational for the entire duration of comparative periods*
5. *Pantaloons EBITDA is calculated as profit/ (loss) before exceptional items and tax plus depreciation and amortization expense plus Finance costs of the Pantaloons business.*
6. *Pantaloons EBITDA Margin is calculated as Pantaloons EBITDA divided by revenue from operations of the Pantaloons business.*

The following table sets out details of brands under our Pantaloons segment and their contribution towards Pantaloons revenue from operations for the relevant periods:

Particulars	As of / For the Six Months Ended September 30,	
	2024	2023
	(₹ crores, unless otherwise specified)	
Own Brands[(1)]	64.60%	64.43%
ABRFL Brands[(2)]	10.75%	11.97%
Others[(3)]	24.65%	23.60%

Notes:

1. *Own Brands refers to Pantaloons private labels i.e., brands that are exclusively owned by Pantaloons.*
2. *ABFRL Brands refers to Lifestyle and TCNS brands, such as Peter England, Allen Solly, Aurelia, W etc. which are sold in Pantaloons stores.*
3. *Others refers to external brands that are not part of our Company but are strategically included in Pantaloons stores to offer a more comprehensive and diverse product portfolio.*

Style Up

India's vast market remains largely unorganized, providing ample room for organized players to expand. The growth is driven by significant opportunities beyond metro and Tier-I cities, fuelled by favourable demographics, rising incomes, and increased customer demand for affordable yet aspirational products, combining quality, design, and value for money. This has prompted several major players to enter a market that was once dominated by regional and local operators. (*Source: Wazir Report*)

Style Up's value proposition is crafted for value-conscious fashion shoppers, offering stylish and trendy everyday fashion at budget-friendly prices. The brand is an extension of our value retail platform targeting value conscious shoppers across tiers with majority of apparel priced under ₹ 999.

Style Up revamped its identity with a new logo, refreshed product lines, and enhanced store layouts, significantly improving the in-store experience. The brand continues to introduce new and improved products across various categories, driving significant growth. Style Up achieved a year-on-year growth of 170.51% in Fiscal 2024, with top-performing stores completing a full year of profitable operations. As of September 30, 2024, the brand is present in 35 stores. Moving forward, we will continue to evaluate existing and potential markets, further expanding its reach and gradually solidifying its position in the market.

Ethnic Portfolio

The ethnic wear market is one of India's largest apparel category, and the share of the organized segment within this market is growing rapidly. (*Source: Wazir Report*) Previously dominated by unorganized players, this shift offers significant opportunities for branded players with increasing demand of ethnic as occasion wear, longer multi-day wedding celebrations and rising preference of designer wear brands. (*Source: Wazir Report*) Additionally, there is a notable transition from tailored wear to ready-to-wear garments, which is driving this segment. (*Source: Wazir Report*)

To capitalize on these trends and have a holistic play across this category, our Company had implemented a clear and distinct strategy for success in each segment. Consequently, our Company built a comprehensive ethnic wear portfolio through both organic and inorganic means, catering to each segment with play across occasions and price points. This comprehensive approach will help build a leadership position, enabling us to meet the diverse needs of consumers.

Our ethnic portfolio operates within two distinct segments: designer led brands and premium brands.

Designer Led Brands

Sabyasachi

Sabyasachi curates bridal wear, men's wedding attire, occasion wear, jewellery, and accessories, blending traditional heritage crafts with stylish designs. Committed to establishing itself as a global Indian luxury brand, the brand continues to grow profitably and has maintained its status as the preferred choice for celebrity weddings. In a significant milestone, Sabyasachi launched its largest flagship store in Mumbai in Fiscal 2024. Sabyasachi, in line with its global expansion strategy opened its first-ever exclusive brand store in New York in October 2022, which has been well received by customers.

Additionally, Sabyasachi continues to collaborate with several global luxury brands, showcasing the brand's art and craft. The brand in the past was selected as a representative from India to mark 100th anniversary of Disney and was also invited to stage a jewellery exhibition in London for an event by Elephant Family, a charity supported by the British royal family. Sabyasachi's presence includes five exclusive domestic stores and two international stores in New York and Dubai, as of September 30, 2024.

Shantnu and Nikhil

Shantnu and Nikhil offers contemporary designer occasion and ceremonial apparel for men and women, with 20 stores, as of September 30, 2024. Their couture line is complemented by the bridge to luxury ready to wear line, S&N by Shantnu Nikhil. The Shantnu Nikhil Cricket Club (SNCC), a sport-inspired lifestyle category under the S&N prêt label, merges fashion and sports, appealing to a diverse set of audience. These three brands have cultivated a balanced aspirational ecosystem with distinct brand and product segmentation. The growth strategy leverages multiple channels, including e-commerce and wholesale, to reach a broader market. Brand communication is centred around showcasing product quality and fashion-forward aesthetics.

House of Masaba

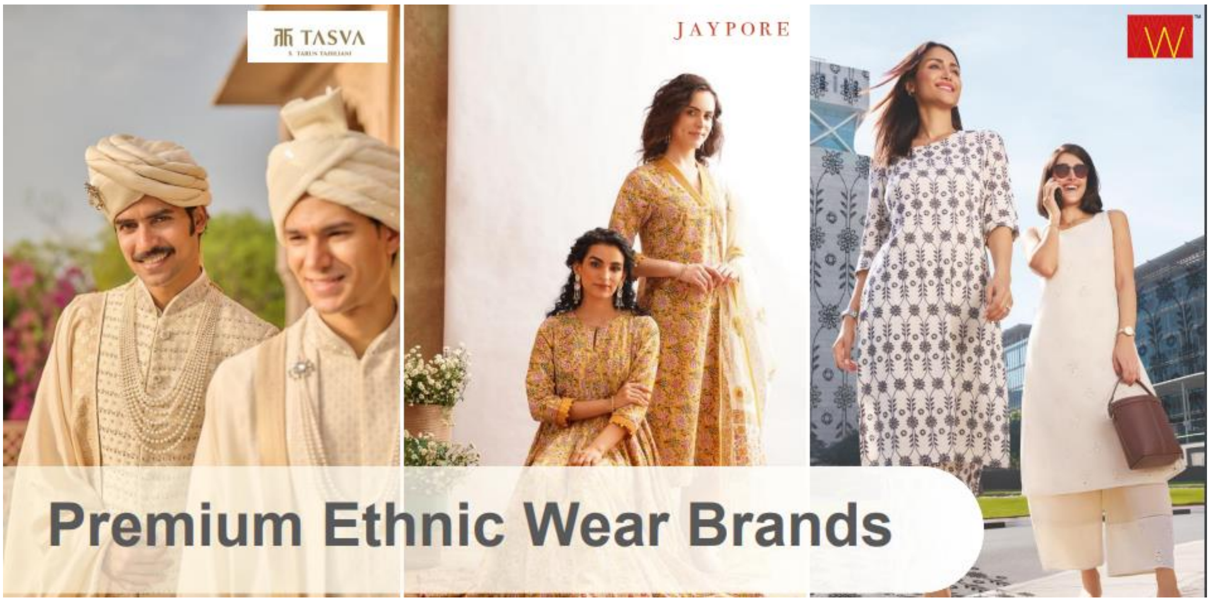
House of Masaba is a brand in the affordable luxury segment across both fashion and beauty categories. The brand is available at 17 exclusive stores, as of September 30, 2024. In Fiscal 2024, the brand achieved 38.57% year-on-year revenue growth over Fiscal 2023. Beauty brand 'Lovechild', continues to expand its product portfolio with innovative offerings. 'Lovechild' has spread its offline distribution and is now available in over 35 outlets, as of September 30, 2024. This expansion underscores House of Masaba's commitment to growth in both fashion and beauty. Fiscal 2024 saw the launch of House of Masaba's first bridal collection, marking a milestone in its fashion journey.

Tarun Tahiliani

Tarun Tahiliani Couture is a luxury fashion brand celebrated for blending traditional Indian craftsmanship with modern, contemporary design. In 2021, our Company initially acquired a 33.5% stake in the entity. Recently, our Company increased its holding to 51% through a secondary acquisition, transforming Goodview Fashion Private Limited, the parent entity of Tarun Tahiliani Couture, from an associate to a subsidiary of our Company. This strategic move strengthens our foothold in the ethnic wear segment, further enhancing our portfolio in the luxury fashion space.

Established by Tarun Tahiliani, one of India's most celebrated fashion designers (*Source: Wazir Report*), the brand has six flagship stores, as of September 30, 2024 across major Indian cities exclusively offering crafted couture, bridal, and occasion wear lines. Tarun Tahiliani's creations cater to a discerning clientele that includes Bollywood celebrities, international fashion icons, and high-net-worth individuals, seeking bespoke designs. His collections have been showcased on red carpets, at high-profile weddings, and during global fashion events.

Premium Ethnic Wear Brands



TASVA

In partnership with Tarun Tahiliani, our Company ventured into the affordable premium men's ethnic wear market with the launch of TASVA in Fiscal 2022. TASVA blends craftsmanship with contemporary designs, catering to the ceremonial wear needs of Indian men. The brand has expanded to 66 stores across India, as of September 30, 2024. Being a new brand, TASVA is driving a multi-pronged marketing strategy covering several multimedia campaigns, targeted consumer marketing, celebrity associations and partnering with the wedding ecosystem. These methods have augmented brand salience, establishing TASVA as a go-to brand for premium men's ethnic wear in India. (*Source: Wazir Report*)

TCNS Brands

TCNS houses a diverse portfolio of women's ethnic wear brands, including W, Aurelia, Wishful, Folksong, and Elleven. These brands offer a blend of casual, occasion and fusion wear, catering to a wide range of fashion preferences. In Fiscal 2024, our Company completed the acquisition of TCNS brands. This strategic acquisition aims to harness the strengths of both entities, optimizing synergies and enhancing operational efficiencies. This was followed by the merger between the two entities, with the scheme becoming effective on September 1, 2024, resulting in the full amalgamation of TCNS with our Company.

We are focused on transforming TCNS through process improvements, operating model refinement, enhancing product proposition and creating designs that leverage the combined expertise and creativity of brands. Business transformation is moving forward with dedicated efforts towards revenue enhancement and cost optimisation at each step. This includes improvement in store productivity, strengthening end-to-end merchandising, better inventory control, refining product offerings, expanding market reach and enhancing customer experiences.

As of September 30, 2024, TCNS products were sold through 537 exclusive brand outlets, 934 large format store outlets and 236 multi-brand outlets, located in 27 States and Union Territories in India. As of September 30, 2024, TCNS also sold products through 10 brand outlets in Nepal, Mauritius and Sri Lanka. In addition, products are also sold through brand website and online retailers. In the six months ended September 30, 2024, TCNS continued to show progress led by improvement in store productivity and strengthening of end-to-end merchandising. Retail Like-to-Like Store Growth was 4.37% in the six months ended September 30, 2024.

Jaypore

Jaypore is India's leading premium craft-based artisanal brand, offering apparel, jewellery, and accessories that embrace the rich and diverse Indian culture. (*Source: Wazir Report*) With 27 stores across 13 cities, as of September 30, 2024, and an e-commerce platform, Jaypore offers a omni-channel shopping experience. The brand also relaunched its US website, expanding its global footprint, and upgraded its domestic website with an aim to enhance customer experience. In Fiscal 2024, Jaypore launched several influencer-led campaigns that significantly boosted brand visibility and engagement. These initiatives have solidified Jaypore's position in the premium craft-based artisanal market (*Source: Wazir Report*), combining traditional craftsmanship with modern retail strategies.

Super Premium and Luxury Retail

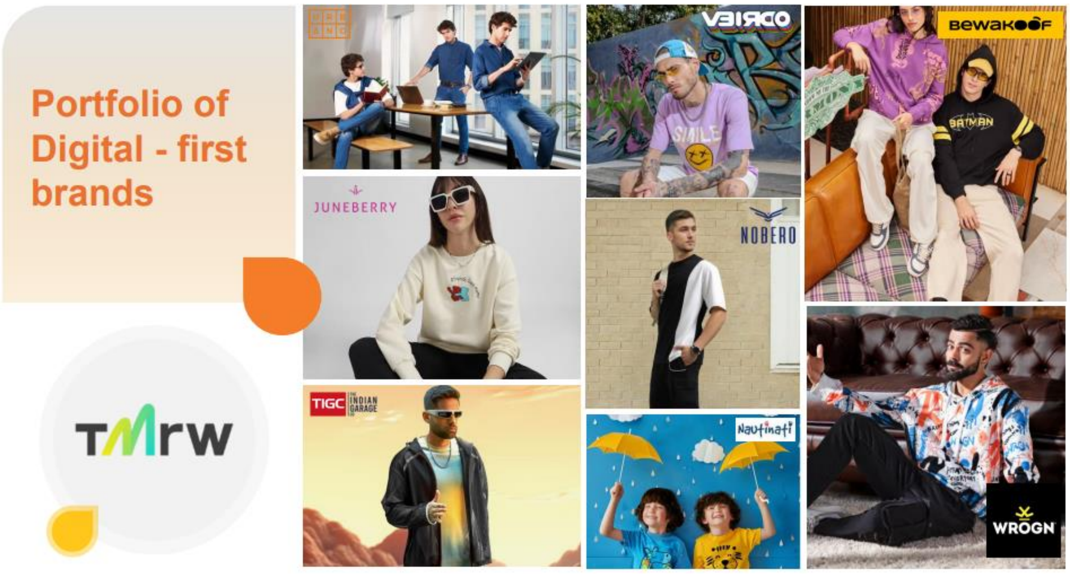
The super-premium and luxury market has been steadily expanding, driven by the trend of premiumization. Demand for these high-end products remains relatively inelastic, as consumers increasingly prioritize experience-driven purchases. (*Source: Wazir Report*) Also, the consumer segment for this category has remained less affected by COVID related implications and the segment has seen a relatively robust post-COVID recovery. (*Source: Wazir Report*) Revenues in this segment grew by 8.58% from ₹ 221.13 crores in the six months ended September 30, 2023 compared with ₹ 240.11 crores in the six months ended September 30, 2024.

Our portfolio includes 'The Collective', one of India's largest multi-brand retailers of luxury and bridge to luxury brands, alongside select mono brands such as Ralph Lauren, Fred Perry, Ted Baker, and Hackett London. (*Source: Wazir Report*)

'The Collective' has demonstrated a sustainable and profitable growth trajectory, offering an extensive collection of global brands under one roof. Our e-commerce platform, *thecollective.in*, is evolving into a premier destination for luxury fashion, making luxury more accessible and catering to a broader audience. (*Source: Wazir Report*) In the six months ended September 30, 2024, e-commerce business mainly led by *thecollective.in* witnessed 24.87% compared with the corresponding prior period. The expansive collection of accessories, including watches, shoes, ties, belts, bags, wallets, jewellery, and sunglasses, creates a comprehensive premium portfolio. Our total network now spans 40 stores, as of September 30, 2024 and we also launched our largest store in Mumbai in Fiscal 2024. Our focus is centred on delivering an exceptional customer experience, from the initial exploration phase to the in-store engagement by offering a curated selection of collections.

The luxury portfolio has been further enhanced through our partnership with Galeries Lafayette. Based out of France, Galeries Lafayette is the largest upmarket departmental store chain in Europe. (*Source: Wazir Report*) The flagship store in Mumbai is expected to house over 200 luxury brands, creating a world-class destination for global luxury brands for Indian consumers. The first store in Mumbai is under development.

TMRW: Portfolio of digital-first brands



The Indian e-commerce market is projected to reach USD 135 billion by Fiscal 2024, supported by large and increasing affluent consumer base, growing internet and smartphone penetration facilitated by low data prices, and low shipment costs. Further boosting this growth are digital payments, ease of credit, and the convenience of online shopping. The evident opportunities in e-commerce and quick commerce have led to the emergence of numerous founders who have started many digital first brands. (*Source: Wazir Report*)

To capitalize on this market, we established a new entity, Aditya Birla Digital Fashion Ventures Limited under the brand TMRW, in April 2022 to build digital native brands targeting GenZ and millennials. These brands are prominently available on all major e-commerce platforms, and their own digital channels. TMRW adopts a 'Brand Builder' approach, leveraging in-house developed data science backed technology to provide comprehensive central support to all brands, including design, operations, branding, sourcing, community building and product innovation. Continuous operational improvements are being driven by tech-led on-ground execution, leading to better performance metrics and overall success of these brands.

TMRW operates as a balanced portfolio comprising large brands with consumer recall; small/mid-sized emerging brands with potential, brands driving offline presence via exclusive stores and partnerships. For instance, the Bewakoof network includes 2 EBOs and over 30 departmental stores, as of September 30, 2024.

With a core focus on product and design innovation, TMRW is aiming towards building the next generation of brands for GenZ and millennials. The TMRW portfolio seeks to address segments such as athleisure, activewear, expressive wear and accessories. In Fiscal 2024, TMRW launched and scaled differentiated product lines with a focus on premiumization, resulting in portfolio revenue growing to four times that of the previous year. Additionally, TMRW acquired The Indian Garage Co., further enhancing its direct-to-consumer portfolio and launched its first offline store in October 2024. In June 2024, TMRW announced expansion of portfolio with minority stake investment in brand WROGN.

The portfolio now consists of both large and mid-sized brands.

- Large sized brands – WROGN, TIGC and Bewakoof

- Mid-sized brands – Veirdo, Juneberry, Nobero, Urbano, NautiNati

Revenues in this segment grew by 101.02% from ₹ 158.41 crores in the six months ended September 30, 2023 compared with ₹ 318.44 crores in the six months ended September 30, 2024.

Our Financial Performance

The following table sets out certain significant financial and operational parameters in the relevant periods:

Particulars	As of / For the Six Months Ended September 30,		As of / For the Year Ended March 31,		
	2024	2023	2024	2023	2022
	(Unaudited)		(Audited)		
	(₹ crores, unless otherwise specified)				
Revenue from Operations	7,071.68	6,422.50	13,995.86	12,417.90	8,136.22
Revenue from Operations Growth (%)[(1)]	10.11%	7.95%	12.71%	52.62%	55.01%
Total Income	7,171.05	6,528.53	14,233.44	12,534.36	8,236.77
EBITDA[(2)]	815.54	721.60	1,702.94	1,616.88	1,202.81
EBITDA Growth (%)[(3)]	13.02%	21.41%	5.32%	34.43%	91.59%
EBITDA Margin (%)[(4)]	11.53%	11.24%	12.17%	13.02%	14.78%
EBIT[(5)]	(81.40)	(34.18)	47.71	389.92	205.78
EBIT Margin (%)[(6)]	(1.15)%	(0.53)%	0.34%	3.14%	2.53%
Profit Before Tax	(527.83)	(429.85)	(828.90)	(82.44)	(144.93)
Profit / (Loss) Before Tax Margin (%)[(7)]	(7.36)%	(6.58)%	(5.82)%	(0.66)%	(1.76)%
Profit / (Loss) After Tax	(429.62)	(361.96)	(735.91)	(59.47)	(118.36)
Profit / (Loss) After Tax Margin (%)[(8)]	(5.99)%	(5.54)%	(5.17)%	(0.47)%	(1.44)%
Capital Employed[(9)]	14,100.90	13,847.06	14,172.41	9,918.86	6,888.94
Return on Average Capital Employed[(10)]	(0.58)%	(0.29)%	0.40%	4.64%	3.13%
Net Debt to Equity Ratio (in times) [(11)]	0.92	1.19	0.61	0.42	0.18
Number of Stores[(12)]	4,538	4,056	4,664	3,977	3,468
Retail area (million square feet) [(13)]	11.98	11.19	11.92	10.76	9.22
Gross Profit[(14)]	3,996.21	3,472.77	7,728.63	6,865.92	4,416.05
Net Working Capital[(15)]	1,844.62	2,073.99	1,648.49	1,254.70	275.46

Notes:

(1) Revenue from Operations Growth is calculated as percentage increase in revenue from operations year-on-year/ period-on-period.

(2) EBITDA is calculated as profit/ (loss) before share in profit/(loss) of joint venture, exceptional items and tax plus share in profit/(loss) of joint venture and associate plus depreciation and amortization expense and finance costs

(3) EBITDA Growth is calculated as percentage increase in EBITDA year-on-year/ period-on-period.

(4) EBTIDA Margin is calculated as EBITDA divided by revenue from operations.

(5) EBIT is calculated as EBITDA less depreciation and amortization expense.

(6) EBIT Margin is calculated as EBIT divided by revenue from operations.

(7) Profit / (Loss) Before Tax Margin is calculated as profit / (loss) before tax margin divided by total income.

(8) Profit / (Loss) After Tax Margin is calculated as profit / (loss) after tax margin divided by total income.

(9) Capital Employed is calculated as total equity plus total borrowings plus total lease liabilities

(10) Return on Average Capital Employed is calculated as EBIT / Average Capital Employed. Average Capital Employed is calculated as sum of opening and closing Capital Employed for the period divided by 2.

(11) Net Debt to Equity Ratio refers to the ratio of net debt to total equity. Net debt is calculated as Total Borrowings less current investments less cash and cash equivalents and less bank balance other than cash and cash equivalents.

(12) Retail Stores refers to the number of stores operational at the end of the year / period and includes franchise stores but excludes large format stores.

(13) Retail Area refers to rental space of stores operational at the end of the year / period.

(14) Gross Profit is calculated as revenue from operations less cost of materials consumed less Purchase of stock-in-trade less changes in inventories of finished goods, work-in-progress and stock in trade.

(15) Net Working Capital is calculated as inventories plus trade receivables less trade payables.

Competitive Strengths

Comprehensive Portfolio of Established Brands

We are a leader in the Indian fashion industry, having a diverse portfolio of prominent brands and retail formats that cater to a broad range of price points, occasions, categories, and customer segments. (*Source: Wazir Report*), which we believe gives us a distinct competitive edge in the market. Our portfolio spans across categories including apparel, accessories, and beauty products, catering to men, women, and kids for various occasions –formal, casual, or festive, and at price points ranging from value to luxury.

We have grown our operations on the back of both organic and inorganic expansions, as well as strategic partnerships. These factors have allowed us to capitalize on emerging market opportunities and adapt to evolving consumer trends. Today, our portfolio comprises well-established lifestyle brands, large-format retail stores like Pantaloons, sportswear, innerwear, youth-centric brands, ethnic wear, global luxury brands, and digital-first brands. Our focus has been on establishing these brands as well as advancing them by continuously adapting to market trends, driving product innovation, upgradation and entering new categories.

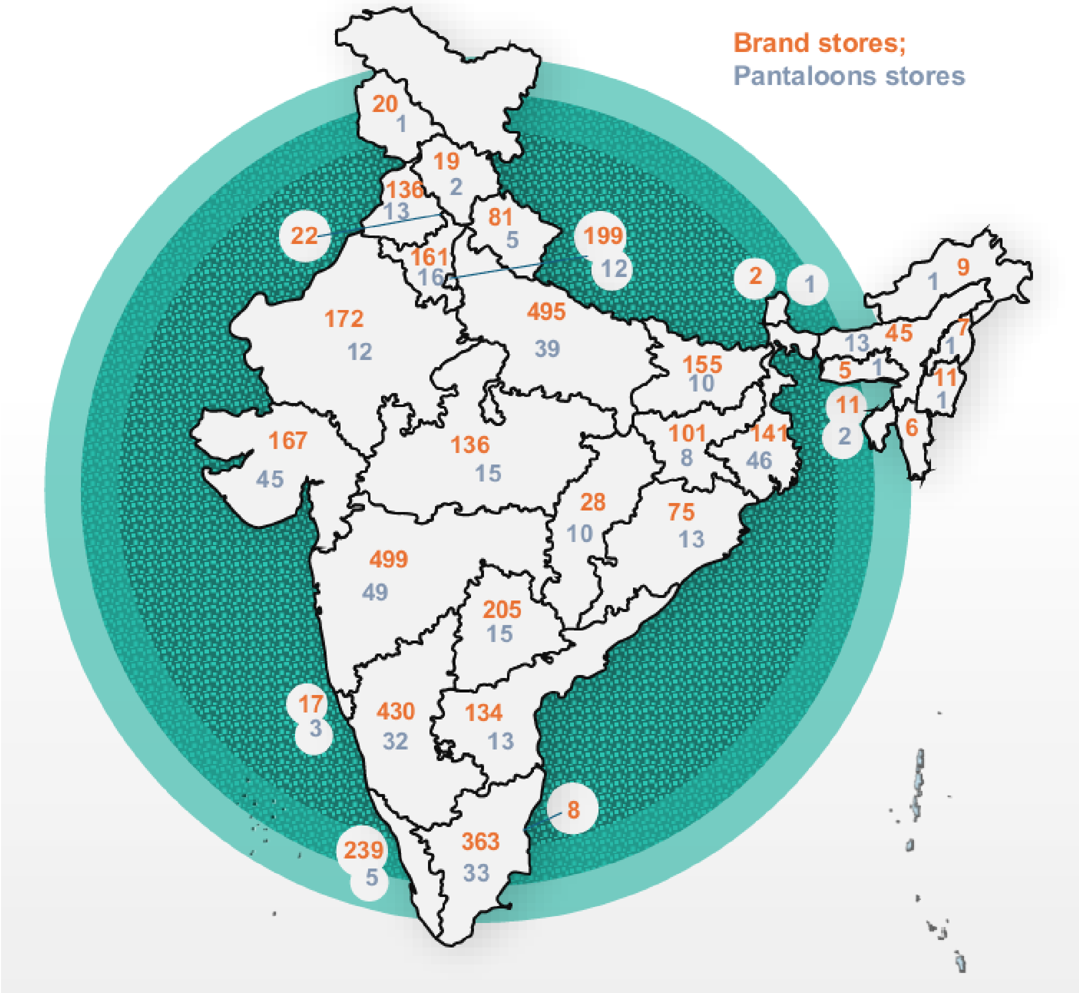
The diversity of our portfolio provides a two-fold advantage. On the demand side, it allows us to offer a wide range of products that meet the varied needs of customers across different segments and occasions, thereby expanding our customer base. With offerings from value to luxury, we are able to cater to a broader market, maximizing our ability to capitalize on industry opportunities. On the supply side, the application of market insights, efficient planning and execution, and integration gains across our portfolio results in a robust and scalable business model.

This blend of profitable brands, coupled with high-growth potential brands, ensures that our Company is well-positioned to drive sustained profitability and growth. Furthermore, the recall value of our established brands strengthens our positioning, ensuring customer loyalty while continuously adapting to market needs.

Strong Distribution Network – Online and Digital with Diversified Geographical Presence

Our offline presence has one of the most extensive networks among branded apparel players, with over 4,500 stores nationwide (*Source: Wazir Report*), including 4,121 branded stores, including 22 international outlets, 417 Pantaloons stores, over 37,900 multi-brand points of sale, and more than 9,000 shop-in-shops within department stores, as of September 30, 2024. As of September 30, 2024, our retail network spans 11.98 million square feet across more than 900 cities and towns.

The map below sets forth details of our retail footprint across India, as of September 30, 2024:



[Map not to scale]

Our widespread presence allows us to tap into various tier cities and towns, enabling the business to leverage trends such as urbanization and the ongoing shift from the unorganized to organized retail sector. Our ability to serve customers across diverse geographies ensures a well-distributed consumer base, significantly reducing the risks associated with geographic concentration. Our extensive reach also provides us with insights into customer behaviour across regions, which enables us to make informed expansion decisions and better cater to evolving consumer needs.

In addition to our physical stores, our digital presence further enhances our omnichannel capabilities. We are one of the largest online retailers of fashion and lifestyle products in India. (*Source: Wazir Report*) In Fiscal 2022, 2023 and 2024 and in the six months ended September 30, 2023 and 2024, online sales were ₹ 920.94 crores, ₹ 1312.60 crores, ₹ 1692.06 crores, ₹ 778.46 crores and ₹ 1077.89 crores, and accounted for 11.32%, 10.57%, 12.09%, 12.12% and 15.24%, of our revenue from operations, respectively, along with our digital brands portfolio under TMRW contributing to the incremental growth. We continue to innovate by merging physical and digital experiences. As of September 30, 2024, over 40.00% of our stores are fully omni-enabled, allowing us to offer a more integrated shopping experience where customers can enjoy the convenience of online and offline channels combined.

This places us in a position to cater to a broad range of customer demands, offering them greater accessibility and choice while maintaining a personalized experience across all touchpoints. Our constant endeavour to innovate ensures that we seamlessly connect our physical and digital ecosystems to enhance customer engagement and drive growth.

Efficient and Effective Execution Capabilities and People Processes

We have strategically invested in assembling skilled teams that are experienced across key functions such as design, inventory planning, sourcing, manufacturing, business development, and marketing. Our execution capabilities are underpinned by our investment in technology stack and data analytics, enabling us to make timely decisions, optimize resources, and collect, analyze, and utilize customer data effectively. This not only enhances our operational efficiency but also allows us to extend our reach, ensuring a more personalized and data-driven approach to meet customer demands.

Our 'People Vision' is to cultivate a high-performance culture that prioritizes customer satisfaction while fostering happiness and value-driven performance among our employees. We are committed to creating a workplace that places customers at the centre of everything we do. We believe that our talent pool exemplifies these values, drawing from the ethical foundation of the Aditya Birla Group to consistently uphold integrity, commitment, and excellence in all aspects of service. Through this, we have built a culture of passion and responsibility that, in our experience, not only drives performance but also creates a work environment that encourages fulfilment and growth. Each of our business units is empowered to execute its unique processes while simultaneously leveraging synergies across the organization, leading to improved cost efficiency, innovation, and collaboration.

Our employees undergo continuous training to stay aligned with business objectives and industry standards, and their performance is carefully monitored through robust governance mechanisms. This structure, applied across our stores, factories, and offices, ensures operational efficiency, compliance, and a consistent focus on delivering the highest standards in customer satisfaction.

Additionally, our leadership team, with extensive experience in retail operations and financial management, plays a critical role in driving long-term strategy and execution. Their understanding of the changing retail landscape allows them to make informed decisions that balance short-term market responsiveness with long-term growth objectives.

The combination of experienced leadership, skilled teams, technology-driven operations, and a culture of continuous improvement allows us to build and sustain a competitive edge.

Strong Back-end Capabilities with Diversified Procurement Network with Efficient Supply Chain Management

With over 25 years of existence, both Lifestyle Brands and Pantaloons have developed a wide and integrated supply chain that is key to their competitive advantage. The sourcing strategies of our brands draws on both global and national networks, ensuring quality raw materials and diverse products. By maintaining long-term partnerships with vendors, the brands ensure consistency in quality and supply with optimizing costs. This efficient supply chain allows the brands to meet customer demand promptly, even during peak seasons, while maintaining their reputation for delivering high-quality merchandise.

We have adopted a process-led approach to opening new stores, effectively minimizing risks and maximizing returns, while strategically expanding into new markets. With well-established store operations across the country, we have capabilities in assortment planning and replenishment. The brands' focus on large '*Experience Stores*' with intelligent assortment planning further enhances the customer experience, continually improving service standards to drive customer loyalty and boost profitability.

Further, the brands franchisee relationships play a critical role in expanding their market presence ensuring an asset-light approach. Through partnerships with franchisees, they ensure a consistent customer experience across all stores, whether they are directly owned or franchised. This trust and collaboration provide a reliable foundation for growth and operational expansion, helping the brands penetrate new markets and maintain leadership positions in the competitive retail landscape.

On digital front, the enhancement of digital and e-commerce capabilities remains a key focus across our brands, utilizing an in-house developed e-commerce channel that supports separate brand websites, mobile sites, apps, and virtual stores. This platform is integrated with multiple marketplaces, enabling omni-channel fulfilment from both warehouses and stores, ensuring seamless customer experiences across all touchpoints.

Additionally, we have prioritized building extensive data analytics and AI capabilities, which allow for data-driven decision-making and customer engagement. Significant progress has also been made in modernizing core IT systems, improving the efficiency of operations and enabling the business to scale rapidly in a digital-first environment. This investment in technology infrastructure ensures the company remains agile, competitive, and positioned for long-term success.

Evolving Constantly with Market Trends

We prioritize a deep understanding of both our existing and potential customers' demands, enabling us to stay relevant and adapt in an ever-evolving market. This focus allows us to respond swiftly to shifts in demand, presenting us with more opportunities to engage with the market more effectively. Our investments in upgrading store environments, providing extensive training to employee and enhancing online shopping experiences have delivered positive results.

Our customer-centric approach enables us to gain valuable insights into the evolving fashion trends, allowing us to delight customers with offerings that resonate with their preferences. For instance, our design team continuously innovates by creating trending designs, such as Gen Z-focused products and fusion wear options that blend tradition with modernity. At the heart of our business is product innovation and upgradation, which spans not only our emerging businesses in sportswear, innerwear, and digital brands but also our established brands. We focus on enhancing the functionality, quality and premium-ness of our brands by incorporating high-quality fabrics and sustainable blends, and we regularly introduce new styles within our private label brands under Pantaloons and Style-Up to keep the offerings fashion forward even in our retail format.

In addition, the rise of community building and social media platforms has further enabled us to connect closely with our customers, especially for our direct-to-consumer brands. We ensure that our marketing campaigns are strategically focused on reaching our target audience, while also integrating customer feedback into our strategy covering product development and customer experience. The 'Mission Happiness' program has been a crucial initiative in further deepening our customer relationships. This initiative, aimed at continually enhancing customer satisfaction, allows us to receive direct feedback from shoppers. By consistently acting on this feedback, we ensure that our stores remain not only responsive but also highly attuned to the needs of our consumers. 'Mission Happiness' exemplifies our commitment to creating delightful shopping experiences, building loyalty, and fostering a culture of continuous improvement.

We have established a market presence that is built on innovation, community connection, and a relentless focus on customer satisfaction. Our ability to evolve and adapt based on real-time market insights ensures that we remain competitive and forward-looking.

Strong Parentage and Professional Management Team

We are a part of the Aditya Birla Group, which is one of the largest business groups in India. (*Source: Wazir Report*) The Aditya Birla Group is in the league of Fortune 500 companies and is an Indian multinational conglomerate with a history of over 150 years, with a presence in 40 countries and over 187,000 employees belonging to 100 different nationalities, as of September 30, 2024. The Aditya Birla Group houses various sector leading businesses, including mobile telecommunications, financial services, textiles, jewellery, garments, business-to-business commerce chemicals, renewables, real estate, dining, paints. We believe that we benefit from the confidence that consumers, lenders, vendors and others place in the Aditya Birla Group. The Aditya Birla Group commits to be a force for good by building on responsible businesses where prosperity, social welfare, and environmental responsibility co exists.

Our actions are anchored and guided by the Aditya Birla Group values of integrity, commitment, passion, speed and seamlessness. Most of our leadership team is home grown and has contributed to our milestones in our long journey of more than two decades. Our Company is governed by a board comprising of industry experts. Our operations are managed by a team of experienced professionals. Our leadership team comprises, *inter alia,* our Managing Director, brand specific chief executive officers and our functional heads of finance, human resources, supply chain, technology and sustainability. We believe that our leadership development programme plays a significant role in securing and making our talent pipeline future ready. The programme focuses on gaining insights about strengths and development areas through various assessments. In addition to our leadership capabilities, we are also focused on following high standards of corporate governance consistent with the principles of the Aditya Birla Group.

Strategies

Accelerate Growth of Core Brands to Capture Large Market Opportunity

Lifestyle Brands are actively expanding into diverse categories and new consumer segments. Beyond men's wear, these brands are making strategic in-roads into casual wear, non-apparel, kids wear, women's wear, wedding wear and accessories, which are important for building product portfolio and driving growth through acquisition of new customers.

Brands such as Allen Solly and Van Heusen have expanded their product offerings beyond apparel by successfully diversifying into accessories and footwear, bolstering their presence in the market. This strategic move has allowed them to cater to a wider range of consumer needs and further establish their foothold in the fashion industry. Similarly, Louis Philippe has extended its portfolio with the launch of LP Sport, LP Athplay, LP Jeans and LP Sneakers, tapping into the growing demand for activewear and casual wear. These expansions have enhanced Louis Philippe's brand versatility and strengthened its appeal to both style-conscious and athleisure-oriented consumers.

Additionally, these brands are deepening their customer engagement through effective go-to-market strategies, leveraging distinct brand identities and compelling storytelling to build lasting relationships. Campaigns such as Louis Philippe's "Green Crest", Van Heusen's "Power Dressing" and Peter England's "Gentlemen League" exemplify how narrative-driven marketing can reinforce a brand's appeal, fostering loyalty and creating a more emotional connection with consumers.

In the Masstige segment, consumer demand is driven by a desire for affordable yet aspirational products, combining quality, design, and brand stature. (*Source: Wazir Report*) This is especially evident in Pantaloons, where the ongoing retail identity revamp and the launch of new private labels have enhanced the overall brand salience, anchored around product proposition and in-store experience. With a focus on delivering trendy, quality fashion at competitive price points, Pantaloons is strategically positioned to meet the needs of middle-class families seeking stylish, affordable clothing. By consistently refining its value proposition, Pantaloons positions itself as an aspirational brand, offering superior products and a seamless shopping experience that appeal to value-conscious, fashion-forward consumers.

Build Powerful Brands and Retail Concepts in Identified New High Growth Segments

Our strategic approach is aimed towards building a leadership position in large total addressable markets and high-growth segments through distinct brands. We have identified key growth areas including luxury, ethnic wear, value, and direct-to-consumer markets, where we have already established a meaningful presence.

Ethnic wear constitutes about 27% of the overall apparel market, with organized ethnic wear expected to grow significantly faster. (*Source: Wazir Report*) We are well-positioned to capitalize on this trend with our diverse portfolio of brands and partnerships with leading Indian designers. Our designer brands are well positioned to take advantage of the large and growing luxury wedding and occasion wear market through its product offerings across apparel, accessories, jewelry and beauty.

Tasva is establishing itself as a brand in premium men's wedding wear segment and Jaypore is positioned as authentic craft-based artisanal product led brand. The portfolio of TCNS brands are market leaders in the premium women's ethnic wear category. (*Source: Wazir Report*)

In the masstige segment, the shift from unorganized to organized segments is driven by increasing urbanization, rising consumer incomes, increased demand for branded products and premiumization. (*Source: Wazir Report*) Consumers seek a balance between elevated aesthetics and accessible pricing. (*Source: Wazir Report*) With Pantaloons and Style Up, we cater to these value-conscious consumers. Our extensive distribution network, high-quality products, and customer loyalty, support this aim of ours to make fashion accessible to everyone. We intend to grow Style Up faster to be a leading player in the segment.

TMRW has built a portfolio of brands addressing both large and emerging categories in the direct-to-consumer fashion market. We are focussed on building TMRW brands into category leaders within their respective segments, with a focus on the right offerings for its target consumer group. By capitalizing on the rapid growth of e-commerce and leveraging data science led backed technology, we intend to continue to expand our reach and influence in this changing market.

The Indian luxury market is evolving rapidly, driven by rising income levels and the growing aspirations of the middle and upper class. (*Source: Wazir Report*) Our current portfolio of 'The Collective' and select mono brands has become one of our fastest-growing segments with consistently improving profitability. This is due to the expanded reach of e-commerce, entry into newer markets, and consumer engagement. To further its luxury footprint, we have partnered with the renowned French department store chain, Galeries Lafayette. This collaboration will see the opening of flagship stores in prime locations in the country, offering a multi-brand format that consists of all luxury categories.

Expand our Distribution Footprint

We have a robust distribution network spanning both offline and online channels. Our offline presence has one of the most extensive networks among branded apparel players, with over 4,500 stores nationwide. (*Source: Wazir Report*) Our distribution network comprises 4,538 stores (including 417 Pantaloon stores) covering a footprint of approximately 11.98 million square feet, as of September 30, 2024. Our brands are also present at 37,952 multi-brand outlets and 9,047 shop-in-shops across departmental stores, as on September 30, 2024. We have strategically positioned ourselves to cater to a vast customer base across regions.

As we have successfully established a presence in our current markets with an extensive distribution network, we intend to pursue expansion into newer markets. Expanding our existing and newer brands into untapped regions presents an exciting growth opportunity for us to broaden our customer base. Our brand reputation and customer loyalty cultivated in our current markets serve as a valuable asset in the new markets that we propose to enter into. Investing in localized marketing and understanding the unique challenges and opportunities of each region will be instrumental in fostering a connection with the target consumers.

Tier II and III markets continues to play a vital role in the country's growth narrative owing to their progress in the real estate landscape, improving work environment, quality of life and digital penetration. With value space set to grow exponentially, tier II and III will be key drivers of growth. Peter England Red, Allen Solly Prime, Van Heusen Gold, Louis Philippe All Star which bring the essence of these established brands to smaller towns. (*Source: Wazir Report*) With a large network of stores, Lifestyle Brands are set to fuel our next phase of growth. Pantaloons, too, is well placed to capture a significant portion of this opportunity with evenly distributed presence across metros, tier I, II and III cities.

By actively targeting tier II and III markets, we intend to tap into a rapidly growing market segment, poised for exponential growth. Its commitment to delivering value, quality, and high fashion that resonates with the aspirations of consumers in these cities positions it as a preferred choice.

Accelerating Customer Experience – Offline and Online

At the core of our strategy is creating a seamless customer journey, both online and offline, continuously enhancing the experience through strategic upgrades. We aim to deliver an integrated experience that prioritizes customer convenience at every step — from discovery to purchase and beyond.

Our focus is on curating an exceptional product assortment, expanding into key markets, optimizing store layouts, and offering a diverse selection with personalized options. By leveraging tech-enabled solutions, we aim to boost convenience, efficiency, and overall customer satisfaction. Furthermore, our social media strategy helps build a connected community, driving engagement and enhancing omni-channel integration.

Innovation is central to our efforts to provide a unique and consistent phygital experience. For example, Pantaloons and Style Up continue to elevate product aesthetics and improve the in-store environment through their refreshed retail identity.

Our Super App, currently featuring eight of our western brands, is developing into a holistic digital ecosystem designed to meet customer needs under one unified platform. Stores such as the Sabyasachi Mumbai store and the upcoming Galeries Lafayette showcase enhanced retail experiences, carefully designed to reflect the heritage and unique identity of each brand.

This approach ensures we not only meet evolving customer preferences but also aims at consolidating our leadership across multiple retail segments.

Technology and Digital-Led Continual Improvement in Operating Efficiency

A key strategy for us going forward is to deepen our commitment to technology-led improvements to drive operational efficiency across our retail and e-commerce platforms. By expanding our use of digital solutions such as 'Buy Online Ship-from-Store' and optimizing multi-warehouse fulfilment, we aim to make our delivery processes faster, more reliable, and cost-effective. Further integration with logistics partners and enhancement of our 'Dropship' platform will enable seamless marketplace participation, boosting our reach and service capabilities. We will continue to leverage AI-driven catalogue management and advanced returns systems to ensure a smooth customer experience, while expanding third-party supplier onboarding to diversify our product range without significant inventory investment.

To enhance supply chain responsiveness, we intend to invest further in our product lifecycle management systems, streamlining processes and minimizing inefficiencies. Our focus on demand-pull auto-replenishment and next-gen warehouse management is aimed at ensuring our e-commerce operations can scale efficiently, meeting customer demands promptly. Using predictive algorithms to forecast key performance indicators, automate buying, and optimize markdown strategies, we intend to drive smart inventory management and maximize profitability. By tapping into past sales data to predict product success even at the design stage, we will be able to make decisions that align closely with market trends. Our strategic emphasis on digital transformation will enable us to maintain agility, adaptability, and continually improve in the fast-evolving retail landscape.

Continue to Focus on Product Innovation and Upgradation in Established and Emerging Categories

We continuously focus on product innovation and upgradation, ensuring that our offerings stay relevant, high-quality, and in tune with the latest trends and consumer preferences. This focus is evident across both established categories and fast-growing emerging segments, with investments made in research and development to create functional, stylish, and comfortable products.

On new innovative product extensions, while on one side Our Lifestyle brands have embraced indo-fusion designs, offering a modern take on traditional wedding wear, on the other side, Peter England and Shantnu & Nikhil have expanded into sports-inspired collections, blending athletic functionality with everyday style. Reebok, known for its performance apparel, continues to innovate with high-performance gear suited for both fitness enthusiasts and casual wear. The Air Series from Van Heusen Innerwear focuses on lightweight, breathable comfort, while Pantaloons is tapping into niche markets with its plus-size offerings, alongside new product lines in fragrances. In response to evolving trends, Youth Western Brands and TMRW have prioritized Gen Z-inspired designs, staying relevant to younger, fashion-conscious consumers.

From occasion wear to casual and formal apparel, our brands are committed to offering something unique and tailored to its target market. We believe that this approach towards product development positions us for growth across all our business lines, strengthening our presence in both established and emerging markets.

Leverage Synergies from our Portfolio

Each segment of our portfolio comprises features and strengths that compound as capabilities, positioning us to leverage synergies and build a more agile structure. Our extensive network, improved planning, sourcing synergies, cross-utilization of manufacturing facilities, better negotiation terms, and enriched customer engagement facilitated by comprehensive customer data are some of the many advantages that optimize expertise and resources.

This integrated approach allows for the optimal use of the portfolio strengths and diversity, offering an exhaustive range of products that fulfil large consumer needs. This strategic alignment not only enhances individual brand strengths but also maximizes overall portfolio value.

Strategic Capital Allocation

Following the proposed restructuring, we believe a tailored approach is essential to balance the distinct needs of our portfolio. ABLBL comprises well-established western brands. These brands, having reached a stage of self-sufficiency, allow their steady revenue and cash flow streams to support their growth strategy.

The proposed de-merged ABFRL operates in multiple high-growth segments, featuring brands that are still in the early stages of development. These emerging brands will require capital investment to drive growth, scale operations, navigate the competitive landscape and endeavour to achieve their full potential. The objective is to nurture these brands through targeted capital allocation, providing them with the resources needed to accelerate their journey towards self-sustenance.

By investing strategically in these high-growth opportunities, the goal is to transform these developing brands into cash-generating assets. This balanced capital allocation strategy not only supports the sustained growth of mature brands but also ensures that emerging brands are positioned to contribute significantly to the portfolio’s long-term scale and financial health.

Business Description

Manufacturing Operations

Established with the goal of ensuring timely, responsive, cost-effective and quality production, mostly for the premium part of our portfolio, we have developed infrastructure comprising 11 manufacturing facilities, as of September 30, 2024 with an aggregate annual manufacturing capacity of 278.88 lakh pieces per year.

The following table sets forth certain details of our manufacturing facilities

S. No.	Location	Major Products
1.	# 324, Marsur Village & Post, Anekal, Taluk, Bengaluru - 562 106, Karnataka, India	Formal shirts
2.	No.62/2A, 62/2B, Prappana Agrahara, Off Hosur Road, Begur Hobli, Naganathapura, Bengaluru – 560 100, Karnataka, India	Casual shirts, Womenswear
3.	Sy No.42/2, 43, Basavanapura,Mayaganahalli, Kasaba Hobli, RamanagaramTaluk, Bengaluru – 571 511, Karnataka, India	Formal shirts
4.	No. 52/2, Bilvardahalli, Jigini hobli, Gottigere Post, Bannerghatta Road, Bengaluru - 560 083, Karnataka, India	Formal shirts
5.	No.10/1, Byatarayanapura, Yelahanka Hobli, Jakkur Village, Bengaluru - 560 092, Karnataka, India	Formal, casual shirts
6.	8V34+5G3, Sector A, Mancheswar Industrial Estate, Bhubaneswar, Odisha 751007, India	Formal shirts
7.	No.569/1,569/2B,606,570 Kurubarapalli Village, Doddaubanur Post, Denkanikottai (T), Krishnagiri District, Thally – 635118, Tamil Nadu, India	Casual, formal trousers
8.	#288/2, Dodda Begur, Bengaluru, Karnataka, India -560068	Formal trousers
9.	# 527, Marasur Village & Post, Anekal TQ, Bengaluru - 562106, Karnataka, India	Formal trousers, jackets
10.	7HC4+2FF, Arehalli Guddadahalli, Karnataka – 560 040, India	Formal shirts, denim trouser
11.	Apcarl Building, Near JNTUA college, Pulivendula – 516 390, Andhra Pradesh, India	Formal trouser, jackets

We produce finished garments that align with the specific requirements of our brands and our manufacturing operations are integrated with the brands' supply chain, ensuring seamless coordination throughout the entire product lifecycle—from product development and design to manufacturing, distribution, and ultimately, consumer feedback and experience enhancement.

In its drive to improve efficiency, technology integration is a key focus. For example, recognizing that fabric constitutes a significant portion of production costs, the company has invested in optimizing fabric usage and enhancing productivity through the implementation of automated systems and streamlined processes. This helps minimize wastage, improve accuracy, and maximize output, thus allowing the company to remain competitive in an increasingly cost-sensitive industry.

Supply Chain Management

Our supply chain is designed for efficiency and agility, integrating global sourcing with manufacturing operations to deliver merchandise at competitive prices. With warehouse coverage and partnerships in logistics, we ensure timely delivery across our retail stores and directly to customers, supported by robust IT systems to meet emerging business needs.

We are committed to further enhancing agility by digitizing pre-production processes, enabling us to quickly respond to evolving consumer preferences. Our focus on building express delivery capabilities supports our e-commerce segment, ensuring swift service and maintaining brand value.

When it comes to sourcing raw materials, essential to our manufacturing and business operations, we opt for flexible procurement methods rather than long-term contracts. Our supply chain is diverse and primarily sources products like denims, cotton apparels, and accessories from established vendors in Bangladesh, China, Vietnam, and other Southeast Asian countries, ensuring competitive pricing and quality. We proactively engage suppliers through workshops, training, and regular communications to foster a responsible and transparent supply chain.

Marketing and Advertising

We operate a diverse portfolio of iconic brands, including Louis Philippe, Van Heusen, Allen Solly, Peter England, Pantaloons, Style Up, Sabyasachi, Hackett which are tailored to cater to different customer demographics and preferences.

- *Targeted Brand Positioning*: Each brand within our portfolio is distinctly positioned, with brands like Louis Philippe and Van Heusen focusing on more premium consumers. In contrast, brands like Peter England and Pantaloons are more mass-market, affordable, and designed to cater to aspirational customers.
- *Unique Brand Campaigns*: By tailoring campaigns to the identity of each brand, ABFRL can create more personalized and impactful marketing efforts.

    - Identification and targeting of specific customer segments based on behaviours and preferences
    - Unique brand identity is developed and strategically positioned to differentiate
    - Including stores, this is employed across various channels, including digital platforms, social media, and traditional advertising
    - Emphasis is placed on fostering meaningful relationships with customers

We run a variety of marketing campaigns that align with key seasons (for instance, festive season, end-of-season sales) and product launches. The marketing setup includes:

- *Dedicated In-House Team*: We have brand marketing teams that works across advertising, branding, public relations, and digital media. They ensure a unified brand voice while tailoring campaigns to different market segments. This allows for agility in decision-making, real-time adjustments, and greater creative control, making it easier to align marketing efforts with business objectives, seasons, and consumer demands.
- *Third-Party Collaborations*: We also work with marketing agencies and media partners to deliver high-impact campaigns that reach targeted demographics, whether through TV commercials, billboards, or digital marketing.

We are committed to creating a customer-first experience. The Mission Happiness initiative is designed to track and improve customer satisfaction at every touchpoint.

- *Customer Clustering*: By dividing the customer base into segments based on behaviour, preferences, and spending habits, we can create more personalized marketing strategies for each cluster, ensuring higher engagement and better customer retention.
- *Loyalty Programs*: We emphasize loyalty and customer rewards through programs that reward frequent shoppers. We believe that such measures enhance brand loyalty and encourage repeat purchases, thereby strengthening relationship with consumers.

Business Partners and Suppliers

We have established partnerships with several international premium and luxury brands such as Ted Baker, Hackett, Fred Perry, Ralph Lauren, American Eagle, Galeries Lafayette, and Christian Louboutin. These collaborations are structured through long-term agreements such as memorandums of understanding, distribution agreements, and assignment agreements, ensuring sustained partnerships and market presence.

In addition to our brand partnerships, we have cultivated relationships within our broader ecosystem, including material and service vendors, real estate developers such as mall and high street owners, as well as channel partners like departmental stores, e-commerce platforms, and franchisees. These alliances, along with multiple strategic collaborations, play a crucial role in enhancing our business operations, providing a solid foundation for growth and innovation.

Technology Infrastructure

Our technology infrastructure function plays a crucial role in driving the company's digital transformation by managing core IT infrastructure, data analytics, and technology integration across all business operations. It encompasses:

- *Core IT*: The backbone of all technological operations, ensuring reliable and scalable infrastructure for business processes. This includes managing cloud infrastructure, network security, data centres, and ensuring uptime for critical systems like ERP, POS, and inventory management systems. Core IT also handles cybersecurity, ensuring customer data protection and compliance with privacy laws.

- *Analytics*: A critical component, leveraging data to generate actionable insights across the value chain. Analytics teams focus on customer behaviour, sales trends, and operational data, enabling precise demand forecasting, personalized marketing campaigns, and improved inventory management. Predictive analytics tools help forecast trends and optimize pricing strategies, ensuring profitability.

- *Technology Capabilities*: This involves the integration of advanced technologies such as AI, machine learning, and automation across the retail ecosystem. From recommendation engines that drive personalized shopping experiences to chatbots for customer service, tech capabilities are key to enhancing customer engagement. Additionally, automated warehousing and real-time inventory tracking improve supply chain efficiency, while omnichannel integrations ensure a seamless shopping experience across digital and physical stores.

Acquisitions, Investments and Partnerships

Our Company has developed a diverse and comprehensive portfolio across segments, price ranges, occasions, and distribution channels. In Fiscal 2024, we continued to strengthen our existing brands while forming strategic partnerships that complement our current offerings.

The acquisition of TCNS brands was successfully completed, effective October 1, 2023. This acquisition fills a key gap in our portfolio, adding premium women's wear brands such as W, Aurelia, Wishful, Elleven, and Folksong. As part of the ongoing business transformation post-acquisition, we are focusing on enhancement of network quality, refining product offerings, and strengthening business processes across the value chain. These measures have led to improved performance and enhanced customer experiences. Effective September 1, 2024, TCNS has been amalgamated into our Company, integrating it into our operations.

In our luxury segment, we partnered with the French department store Galeries Lafayette, catering to the luxury market. The flagship store, set to open in Mumbai's heritage building, will house over 200 luxury brands, offering a world-class shopping destination for Indian consumers. This partnership strengthens our luxury portfolio.

We also entered a strategic collaboration with Christian Louboutin, known globally for its iconic red-soled shoes, enhancing our accessories portfolio and broadening our luxury offerings in footwear.

In the digital space, our subsidiary Aditya Birla Digital Fashion Ventures Limited continued its expansion with the acquisition of The Indian Garage Co. (TIGC), further enhancing TMRW's presence in casual wear. Additionally, in Fiscal 2025, TMRW has acquired a minority stake in the brand WROGN, further solidifying our foothold in the youth-centric fashion market.

Post Fiscal 2024, we increased our stake in Goodview Fashion Private Limited, the entity that houses the brand by designer Tarun Tahiliani, to 51.00%, converting it from an associate into a subsidiary. This move reflects our commitment to expanding our presence in the designer-led luxury segment.

In the past, we have strategically partnered with renowned Indian designers and international brands to strengthen and diversify its portfolio across key fashion segments, aiming to drive growth and ensure long-term success. For example, the partnerships with designers such as Sabyasachi, Shantnu & Nikhil, and House of Masaba have expanded our presence in the luxury and ethnic wear segments. On the international front, collaborations with global brands like Reebok, American Eagle, Ted Baker, Ralph Lauren etc. have bolstered our offerings in sportswear, youth-focused fashion, and luxury apparel categories. These alliances have significantly enhanced our portfolio and contributed to our leadership in the Indian fashion retail market.

Employees

Our Company has a diverse workforce of over 35,000 permanent employees, as of September 30, 2024, comprising people from diverse social, economic and geographic backgrounds, and constitutes a huge knowledge capital with varied educational and industry experience and healthy gender diversity ratio. Our core values are Integrity, Commitment, Passion, Seamlessness and Speed. People Vision at our Company - "Drive a High Performing and Customer Centric Culture with Happy and Value Oriented Employees" is guided by these values.

Employee Value Proposition at our Company is "An exciting world of global opportunities for professional growth with human care". Employee's growth and aspirations are of immense importance as it is the people who have built these brands. Our Company is committed to maintain a healthy work environment, and boost employees' learning and development, career growth, and motivation.

See "*Risk Factors – We depend on our senior management and qualified and skilled personnel, and if we are unable to recruit and retain senior management, qualified and skilled personnel, our business and our ability to operate or grow our business may be adversely affected*." and "*Risk Factors – Our operations could be adversely affected by strikes or increased wage demands by our employees or any other kind of disputes with our employees*" on pages 66 and 61, respectively.

Competition

Our primary competitors cut across business models and customer segments. Various players have entered this segment to capitalise on the market opportunities from rising consumer spending and premiumisation. There is a heightened competitive intensity amongst large players, in both offline and online space and some of our new competition has proven international experience and large ambitions. Our competitors include retailers with standalone stores in the organized and unorganized sector and other chains of stores including department stores. (*Source: Wazir Report*) However, we believe owing to our presence across various cities in India, unique customer experience provided at our stores and the wide range of brands offered, we have a competitive advantage over our competition.

See "*Risk Factors – The fashion and retail industry is highly competitive. If we do not respond to competition effectively, our results of operation, financial condition and cash flows may be adversely affected*." on page 54.

Sustainability and Corporate Social Responsibility

We aim to ensure sustainable manufacturing. Across certain facilities, we have implemented eco-friendly practices related to green building standards, renewable energy use, and comprehensive waste and water management systems. These sustainability initiatives are aligned with our commitment to reducing its environmental footprint while maintaining the highest standards of production quality. We continue to digitize our manufacturing processes, leveraging technologies to bring in additional efficiencies.

By sourcing locally, we minimize transportation emissions and reduce environmental impact. We adhere to a Sustainable Supply Chain and Procurement Policy, ensuring that our products meet high standards of quality, safety, and ethics. Sustainable practices like renewable energy use, zero liquid discharge, and water management are integrated throughout the supply chain, while supplier training on circular fashion, chemical management, and sustainability assessments reinforces our commitment to responsible sourcing.

We endeavour to integrate sustainability into every aspect of the value chain through a comprehensive ESG framework. In 2021, we launched the "ReEarth 2.0" sustainability program after achieving key milestones from the initial phase introduced in 2013. This program emphasizes product-led sustainable strategies, ensuring that sustainability is integrated from the product design stage onward. More than 50 significant suppliers have been assessed using the Supplier Sustainability Index, reinforcing our commitment to responsible sourcing. Additionally, in Fiscal 2024, over 88.65% of our packaging adhered to sustainable practices, contributing to our goals of recycling, reusing, and extending the lifecycle of our apparel.

We have validated our climate and emissions targets through the 'Science Based Targets' initiative, ensuring alignment with global efforts to limit temperature rises, while working towards net zero emissions as part of our broader sustainability agenda.

In addition to our environmental efforts, we are committed to corporate social responsibility ("**CSR**"). Through CSR initiatives, we aim to positively impact the lives of community members by focusing on areas such as education, health and sanitation, sustainable livelihoods, water management, and digitalization. In Fiscal 2024, our employees contributed over 40,000 hours of volunteer work, benefitting over 300,000 individuals in model village development projects. Our efforts are centred on creating meaningful, long-lasting change in the communities we serve.

Insurance

Our operations are subject to various risks inherent in the retail industry including employee behaviour, supply chain risk, non-compliance, accidents, personal injury. Our principal types of insurance coverage include fire, burglary, fidelity guarantee, portable equipment, comprehensive general liability covering, inter alia, act of God, medical payments, cross liability, newly acquired subsidiary. We also maintain director and officer liability insurance policies and commercial general liability insurance. These insurance policies are generally valid for a term of one year, renewable annually.

We believe that the insurance coverage currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. See "*Risk Factors – We may not have adequate insurance and may be unable to secure additional insurance to cover all losses we may incur in our business operations or otherwise*." on page 66.

Intellectual Property

Our Company and our Subsidiaries have registered certain trademarks, including for the various brands that we retail. As of September 30, 2024, we have 2,160 trademarks.

Our success depends in part on our ability to protect our technology and intellectual property. We primarily rely on a combination of trademarks and other intellectual property laws to establish and protect our intellectual property rights.

See also, see "*Risk Factors – Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation.*" on page 67.

Properties

Our Registered and Corporate Office is on a leasehold basis. Other than the manufacturing facility located at Sy No.42/2, 43, Basavanapura, Mayaganahalli, Kasaba Hobli, Ramanagaram Taluk, Bengaluru – 571 511, all of our other manufacturing facilities, retail stores and warehouses are on premises that are held on a leasehold basis. Also see, "*Risk Factors – Our business depends on our ability to obtain and retain quality retail spaces*." on page 54.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board of Directors is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association of our Company. The Articles of Association of our Company provide that our Company is required to have not less than three Directors and not more than 15 Directors.

As on the date of this Placement Document, our Company has 14 Directors, which include one Non-Executive Chairman, one Managing Director, two Whole-time Directors, two Non-Executive Directors, seven Independent Directors (including one woman Independent Director) and one Non-Executive (Nominee) Director.

The following table sets forth details regarding the Board as on the date of this Placement Document:

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Designation
1.	**Kumar Mangalam Birla** ***Date of Birth***: June 14, 1967 ***Address*****:** Mangal Adityayan, 20, Carmichael Road, Mumbai 400 026, Maharashtra, India ***Occupation*****:** Industrialist ***Current term***: Liable to retire by rotation ***Period of Directorship***: Since February 24, 2021 ***Nationality***: Indian ***DIN***: 00012813	57	Chairman and Non-Executive Director
2.	**Ashish Dikshit** ***Date of Birth***: July 15, 1969 ***Address*****:** E405, Raheja Residency, 8th C Main Road, Koramangala 3rd Block, Bangalore 560 034, Karnataka, India ***Occupation*****:** Service ***Current term***: For a period of five years from February 1, 2023 ***Period of Directorship***: Since February 1, 2018 ***Nationality***: Indian ***DIN***: 01842066	55	Managing Director
3.	**Aryaman Vikram Birla** ***Date of Birth***: July 9, 1997 ***Address*****:** Mangal Adityayan, 20 Carmichael Road, Behind Jaslok Hospital, Cumbala Hill, Mumbai 400 026, Maharashtra, India ***Occupation*****:** Business ***Current term:*** Liable to retire by rotation	27	Non-Executive Director

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Designation
	Period of Directorship: Since January 30, 2023 ***Nationality***: Indian ***DIN***: 08456879		
4.	**Ananyashree Birla** ***Date of Birth***: July 17, 1994 ***Address*****:** Mangal Adityayan, 20 Carmichael Road, Mumbai 400 026, Maharashtra, India ***Occupation*****:** Professional ***Current term:*** Liable to retire by rotation ***Period of Directorship***: Since January 30, 2023 ***Nationality***: Indian ***DIN***: 06625036	30	Non-Executive Director
5.	**Arun Kumar Adhikari** ***Date of Birth***: January 20, 1954 ***Address*****:** 903, A-Wing, Vivarea, Sane Guruji Marg, Mahalaxmi, Jacob Circle, Mumbai 400 011, Maharashtra, India ***Occupation*****:** Company Director ***Current term***: For a period of five years from May 19, 2021 ***Period of Directorship***: Since May 19, 2021 ***Nationality***: Indian ***DIN***: 00591057	71	Independent Director
6.	**Nish Bhutani** ***Date of Birth***: March 7, 1967 ***Address*****:** Flat 2, Sonmarg Building, 67-B Nepean Sea Road, Mumbai City, Mumbai 400 006, Maharashtra, India ***Occupation*****:** Business ***Current term***: For a period of five years from June 5, 2020 ***Period of Directorship***: Since June 5, 2020 ***Nationality***: USA ***DIN***: 03035271	57	Independent Director
7.	**Preeti Vyas**	68	Independent Director

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Designation
	Date of Birth: November 26, 1956 ***Address*****:** Raheja Imperia 1, Flat no 5602, A Wing, 56th Floor, 45, Shankar Rao Naram Path, Lower Parel West, Mumbai, Mumbai City 400 013, Maharashtra, India ***Occupation*****:** Business ***Current term***: For a period of five years from March 31, 2021 ***Period of Directorship***: Since March 31, 2021 ***Nationality***: Indian ***DIN***: 02352395		
8.	**Sangeeta Tanwani** ***Date of Birth***: January 24, 1966 ***Address*****:** 2802 Evita, Hiranandani Gardens, Near Powai Plaza, Powai, Mumbai, Mumbai Suburban 400 076, Maharashtra, India ***Occupation*****:** Service ***Current term***: For a period of five years from February 24, 2021, liable to retire by rotation ***Period of Directorship***: Since February 24, 2021 ***Nationality***: Indian ***DIN***: 03321646	58	Whole-time Director
9.	**Venkatesh Satyaraj Mysore** ***Date of Birth***: December 30, 1958 ***Address*****:** The Imperial, N 4305, B B Nakashe Marg, Near Tardeo A C Market, Tardeo, Tulsiwadi, Mumbai 400 034, Maharashtra, India ***Occupation*****:** Professional ***Current term***: For a period of five years from October 13, 2024 ***Period of Directorship***: Since October 13, 2024 ***Nationality***: USA ***DIN***: 01401447	66	Independent Director
10.	**Sunirmal Talukdar** ***Date of Birth***: December 6, 1951 ***Address*****:** Flat no 406, 12 Ashoka Road, Alipore H.O, Alipore, Kolkata 700 027, West Bengal, India	73	Independent Director

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Designation
	Occupation**:** Retired ***Current term***: For a period of five years from March 11, 2020 ***Period of Directorship***: Since March 11, 2020 ***Nationality***: Indian ***DIN***: 00920608		
11.	**Vikram Dhondu Rao** ***Date of Birth***: September 10, 1950 ***Address*****:** #112, Villa, Adarsh Palm Retreat, Outer Ring Road, Devarabisanahalli, Bangalore 560 103, Karnataka, India ***Occupation*****:** Service ***Current term***: For a period of five years from May 18, 2022 ***Period of Directorship***: Since March 17, 2021 ***Nationality***: Indian ***DIN***: 00017423	74	Independent Director
12.	**Vishak Kumar** ***Date of Birth***: June 23, 1972 ***Address*****:** S H Subramanian, Flat No I 1205, Brigade Metropolis, Whitefield Main Road, Garudachar Palya, Bangalore North, Bengaluru 560 048, Karnataka, India ***Occupation*****:** Chief executive officer, Madura Fashion & Lifestyle ***Current term***: For a period of five years from February 24, 2021, liable to retire by rotation ***Period of Directorship***: Since February 24, 2021 ***Nationality***: Indian ***DIN***: 09078653	52	Whole-time Director
13.	**Yogesh Chaudhary** ***Date of Birth***: October 9, 1986 ***Address*****:** G-250, Mansarovar Industrial Area, Jaipur 302 020, Rajasthan, India ***Occupation*****:** Carpet Business ***Current term***: For a period of five years from March 17, 2021	38	Independent Director

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Designation
	Period of Directorship: Since March 17, 2021 ***Nationality***: Indian ***DIN***: 01040036		
14.	**Pankaj Sood** ***Date of Birth***: July 11, 1975 ***Address*:** C2106 Oberoi Exquisite, Opposite Oberoi Woods, Goregaon East, Mumbai 400 063, Maharashtra, India ***Occupation*:** Service ***Current term***: Liable to retire by rotation ***Period of Directorship***: Since September 20, 2022 ***Nationality***: Indian ***DIN***: 05185378	49	Non-Executive (Nominee) Director*

** Nominee of Caladium Investment Pte Limited.*

Brief profiles of our Directors

Kumar Mangalam Birla is the Chairman and Non-Executive Director of our Company. He has been associated with our Company since February 24, 2021.

Ashish Dikshit is the Managing Director of our Company. He has been associated with our Company since February 1, 2018.

Aryaman Vikram Birla is a Non-Executive Director on the Board of our Company. He has been associated with our Company since January 30, 2023.

Ananyashree Birla is a Non-Executive Director on the Board of our Company. She has been associated with our Company since January 30, 2023.

Arun Kumar Adhikari is an Independent Director on the Board of our Company. He has been associated with our Company since May 19, 2021.

Nish Bhutani is an Independent Director on the Board of our Company. He has been associated with our Company since June 5, 2020.

Preeti Vyas is an Independent Director on the Board of our Company. She has been associated with our Company since March 31, 2021.

Sangeeta Tanwani is a Whole-time Director on the Board of our Company. She has been associated with our Company since February 24, 2021.

Venkatesh Satyaraj Mysore is an Independent Director on the Board of our Company. He has been associated with our Company since October 13, 2024.

Sunirmal Talukdar is an Independent Director on the Board of our Company. He has been associated with our Company since March 11, 2020.

Vikram Dhondu Rao is an Independent Director on the Board of our Company. He has been associated with our Company since March 17, 2021.

Vishak Kumar is a Whole-time Director on the Board of our Company. He has been associated with our Company since February 24, 2021.

Yogesh Chaudhary is an Independent Director on the Board of our Company. He has been associated with our Company since March 17, 2021.

Pankaj Sood is a Non-Executive (Nominee) Director on the Board of our Company. He has been associated with our Company since September 20, 2022.

Terms of appointment of our Executive Directors:

Ashish Dikshit was appointed as the Managing Director of our Company pursuant to a resolution passed by our Board on May 18, 2022 and a special resolution passed by our Shareholders on June 23, 2022, for a period of five years with effect from February 1, 2023. The details of the remuneration that he is presently entitled to, and the other terms of his employment are enumerated below:

Basic salary	₹ 11,07,833 per month with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 20,83,333 per month
Special allowance	₹ 11,47,830 per month with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 20,83,333 per month
Other allowances, benefits and perquisites	Annual incentive pay, long-term incentive compensation, housing, house maintenance, medical expenses reimbursement, life insurance, accidental insurance, leave travel expenses, car, other expenses like entertainment, traveling and all other expenses incurred for the business of the Company, travelling expenses of spouse accompanying on any official overseas or inland trip, contribution towards provident fund and/or superannuation fund and/or national pension scheme or annuity fund, gratuity, club fees, and other allowances, benefits and perquisites as per the rules applicable to senior executives of our Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board from time to time decide.

Sangeeta Tanwani was appointed as a Whole-time Director of our Company pursuant to a resolution passed by our Board on February 24, 2021 and a resolution passed by our Shareholders on September 9, 2021, for a period of five years with effect from February 24, 2021. By way of a resolution dated September 28, 2023, our Shareholders approved the remuneration payable to her. The details of the remuneration that she is presently entitled to, and the other terms of her employment are enumerated below:

Basic salary	₹ 1,85,90,250 per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2,88,00,000 per annum
Special allowance	₹ 1,77,09,603 per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2,52,00,000 per annum
Other allowances, benefits and perquisites	Annual incentive pay, long-term incentive compensation, housing, house maintenance, medical expenses reimbursement, life insurance, personal accident insurance, leave travel expenses, car, other expenses like entertainment, traveling and all other expenses incurred for the business of the Company, leave and encashment of leave, contribution towards provident fund, superannuation fund, national pension scheme or annuity fund, gratuity, club fees, and other allowances, benefits and perquisites as per the rules applicable to senior executives of our Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board from time to time decide.

Vishak Kumar was appointed as a Whole-time Director of our Company pursuant to a resolution passed by our Board on February 24, 2021 and a resolution passed by our Shareholders on September 9, 2021, for a period of five years with effect from February 24, 2021. By way of a resolution dated September 28, 2023, our Shareholders approved the remuneration payable to him. The details of the remuneration that he is presently entitled to, and the other terms of his employment are enumerated below:

Basic salary	₹ 1,43,37,670 per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2,04,00,000 per annum
Special allowance	₹ 2,41,42,097 per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 3,24,00,000 per annum
Other allowances, benefits and perquisites	Annual incentive pay, long-term incentive compensation, housing, house maintenance, medical expenses reimbursement, life insurance, personal accident insurance, leave travel expenses, car, other expenses like entertainment, traveling and all other expenses incurred for the business of the Company, leave and encashment of leave, contribution towards provident fund, superannuation fund, national pension scheme or annuity fund, gratuity, club fees, and other

	allowances, benefits and perquisites as per the rules applicable to senior executives of our Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board from time to time decide.

Terms of appointment and payments or benefits to Non-Executive Directors by our Company:

The Board of Directors at their Meeting held on February 6, 2020 approved the payment of the sitting fees to Non-Executive Directors for attending Board meetings and meetings of the committees of our Board in the following manner:

Sr. No.	Board/Committee	Sitting Fee (in ₹)
1.	Board	₹ 75,000 per meeting
2.	Audit Committee	₹ 50,000 per meeting
3.	Nomination and Remuneration Committee	₹ 40,000 per meeting
4.	Corporate Social Responsibility Committee	₹ 40,000 per meeting
5.	Risk Management and Sustainability Committee	₹ 40,000 per meeting
6.	Stakeholders Relationship Committee Meeting	₹ 40,000 per meeting

Except as disclosed below, our Company has not paid any compensation or granted any benefit to any of our Independent Directors in all capacities in Fiscal 2024:

Sr. No.	Name of the Director	Sitting fees paid (in ₹ crores)	Commission Paid (in ₹ crores)	Total (in ₹ crores)
1.	Arun Kumar Adhikari	0.09	-	0.09
2.	Nish Bhutani	0.07	-	0.07
3.	Preeti Vyas	0.05	-	0.05
4.	Sunirmal Talukdar	0.10	-	0.10
5.	Venkatesh Satyaraj Mysore*	N.A.	N.A.	N.A.
6.	Vikram Dhondu Rao	0.07	-	0.07
7.	Yogesh Chaudhary	0.05	-	0.05
8.	Sukanya Kripalu	0.09**	-	0.09

**Appointed in Fiscal 2025*
*** Ceased to be an Independent Director on the Board of our Company as on October 12, 2024.*

Remuneration of Directors

Executive Directors:

The table below sets forth the details of the remuneration paid to our Executive Directors from April 1, 2024 till September 30, 2024 and the last three Fiscals:

(*in ₹ crores*)

Name	From April 1, 2024 till September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Ashish Dikshit	7.66	12.85	14.86	11.41
Sangeeta Tanwani	2.92	8.55	8.66	8.31
Vishak Kumar	5.03	9.19	9.34	8.61

Independent Directors and Non-Executive Directors:

The table below sets forth the details of remuneration-short term employment benefits and post employment benefits paid to paid to our Independent Directors and Non-Executive Directors from April 1, 2024 till September 30, 2024 and the last three Fiscals:

(*in ₹ crores*)

Name	From April 1, 2024 till September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Kumar Mangalam Birla	0.02	0.04	0.03	0.03
Himanshu Kapania^	N.A.	N.A.	0.07	0.06
Aryaman Vikram Birla	0.02	0.04	0.01	N.A.
Ananyashree Birla	0.03	0.02	-	N.A.
Arun Kumar Adhikari	0.06	0.09	0.09	0.09
Nish Bhutani	0.05	0.07	0.11	0.09
Preeti Vyas	0.04	0.05	0.06	0.05

Sunirmal Talukdar	0.06	0.10	0.11	0.10
Venkatesh Satyaraj Mysore*	N.A.	N.A.	NA	NA
Vikram Dhondu Rao	0.04	0.07	0.08	0.07
Yogesh Chaudhary	0.04	0.05	0.07	0.06
Pankaj Sood	N.A.	N.A.	N.A.	N.A.
Sukanya Kripalu**	0.06	0.09	0.11	0.10

**Appointed with effect from October 13, 2024*
*** Ceased to be an Independent Director on the Board of our Company as on October 12, 2024.*
^Ceased to be a Director on the Board of our Company as on January 27, 2023.

Shareholding of Directors

Our Articles of Association do not require our Directors to hold qualification shares. The table below sets forth details of Equity Shares held by the Directors as on date of this Placement Document:

Name of Director	Number of Equity Shares held	Percentage of paid-up Equity Share capital (in %)
Kumar Mangalam Birla	12,51,589*	0.12%
Ashish Dikshit	3,54,685	0.03%
Vishak Kumar	3,53,871	0.03%
Sangeeta Tanwani	-	-

**Additionally, 1780 Equity Shares are held in the name of Aditya Vikram Kumar Mangalam Birla HUF.*

Borrowing powers of the Board

Pursuant to our Articles of Association and applicable provisions of the Companies Act, 2013 and pursuant to a special resolution passed by our Shareholders at their meeting held on September 7, 2020, our Board has been authorised for borrowing of funds from Banks, bodies corporate, financial institutions, and creation of charges or mortgages and hypothecation of movable and immovable properties of our Company subject to such limits as may be approved by the Shareholders of our Company, from time to time, in one or more tranches in terms of the Companies Act, 2013, for a limit not exceed the sum of ₹4,500 crores plus the paid-up capital, free reserves and securities premium of the Company.

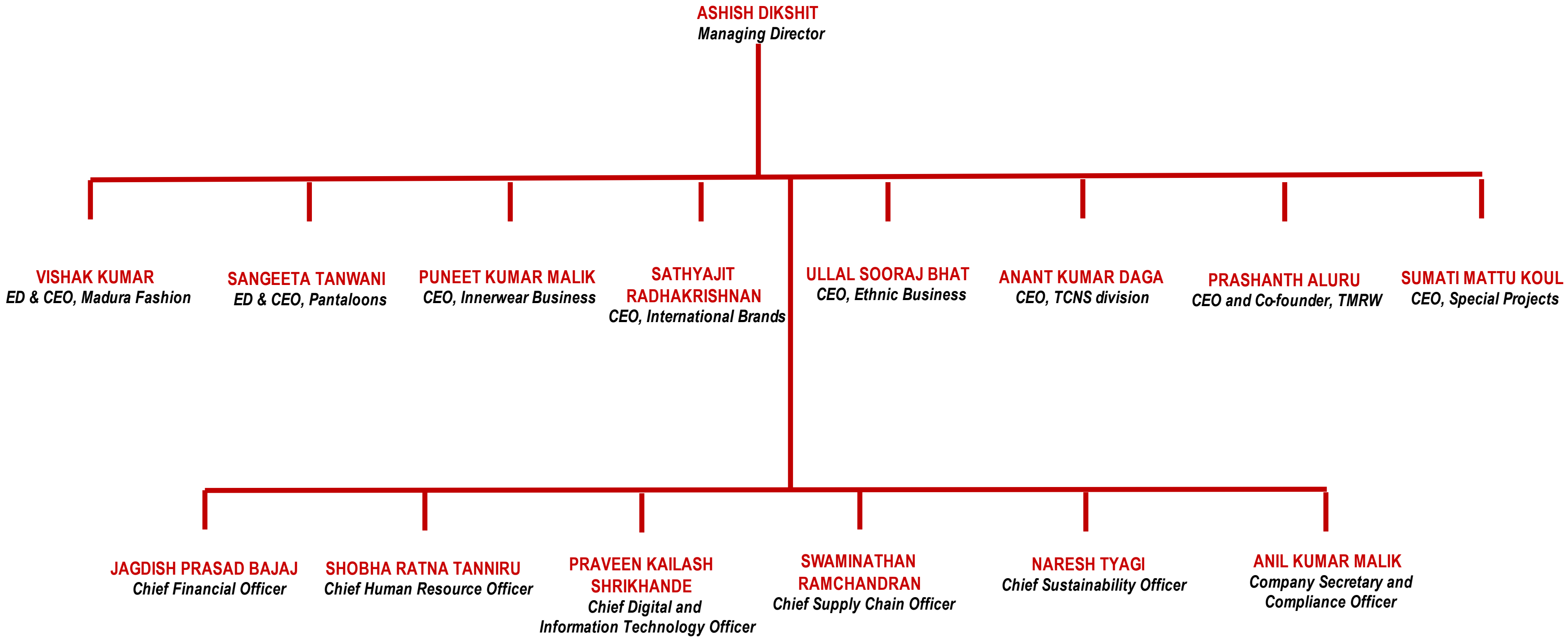
Interest of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them, as well as the sitting fees and commission, if any, payable to them for attending meetings of our Board and/or committees thereof as approved by our Board and Shareholders.

Certain of our Directors may also be interested to the extent of their shareholding in our Company, if any, already held by them or their relatives in our Company and to the extent of any dividend payable to them and other distributions in respect of such shareholding and to the extent of Equity Shares if any, that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested in as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Except as provided in "*Related Party Transactions*" on page 51, we have not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to the related party transactions, during the last three Fiscals, see "*Related Party Transactions*" on page 51.

Organisation chart



Corporate Governance

The Board of Directors presently consists of 14 Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors consists of one Non-Executive Chairman, one Managing Director, two Whole-time Directors, two Non-Executive Directors, seven Independent Directors (including one woman Independent Director) and one Non-Executive (Nominee) Director. Our Company is currently in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

Committees of Board of Directors

The Board of Directors have constituted committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The following table sets forth the members of the aforesaid committees as of the date of this Placement Document:

Committee	Members
Audit Committee	Sunirmal Talukdar (*Chairperson*), Nish Bhutani (*Member*) and Arun Kumar Adhikari (*Member*).
Nomination and Remuneration Committee	Arun Kumar Adhikari (*Chairperson*), Kumar Mangalam Birla (*Member*), Nish Bhutani (*Member*) and Sunirmal Talukdar (*Member*).
Stakeholders Relationship Committee	Vikram Dhondu Rao (*Chairperson*), Ashish Dikshit (*Member*) and Yogesh Chaudhary (*Member*).
Risk Management and Sustainability Committee	Sunirmal Talukdar (*Chairperson*), Yogesh Chaudhary (*Member*) and Vikram Dhondu Rao (*Member*)
Corporate Social Responsibility Committee	Ashish Dikshit (*Chairperson*), Yogesh Chaudhary (*Member*), Nish Bhutani (*Member*) and Preeti Vyas (*Member*).

Key Managerial Personnel

In addition to Ashish Dikshit, our Managing Director, Vishak Kumar and Sangeeta Tanwani, our Whole-time Directors, whose details are set out in "*Board of Directors And Senior Management - Brief profiles of our Directors*" on page 206, the details of our other Key Managerial Personnel are given below:

Jagdish Prasad Bajaj is the Chief Financial Officer of our Company. He has been designated as the Chief Financial Officer of our Company with effect from April 1, 2018.

Anil Kumar Malik is the Company Secretary and Compliance Officer of our Company. He has been designated as Company Secretary and Compliance Officer of our Company with effect from December 1, 2022.

Members of Senior Management

In addition to Jagdish Prasad Bajaj, our Chief Financial Officer and Anil Kumar Malik, our Company Secretary and Compliance Officer, the details of our other members of Senior Management in terms of the SEBI ICDR Regulations, as on the date of this Placement Document, are set out below:

Sr No.	Name	Designation
1.	Puneet Kumar Malik	Chief Executive Officer of Innerwear Business
2.	Sathyajit Radhakrishnan	Chief Executive Officer of International Brands
3.	Ullal Sooraj Bhat	Chief Executive Officer of Ethnic Business
4.	Shobha Ratna Tanniru	Chief Human Resource Officer
5.	Praveen Kailash Shrikhande	Chief Digital and Information Technology Officer
6.	Swaminathan Ramchandran	Chief Supply Chain Officer
7.	Naresh Tyagi	Chief Sustainability Officer
8.	Anant Kumar Daga	Chief Executive Officer – TCNS Division
9.	Sumati Mattu Koul	Chief Executive Officer – Special Projects
10.	Prashanth Aluru	Chief Executive Officer and Co-Founder – TMRW

Relationship between Directors, Key Managerial Personnel, and members of Senior Management

Except for Aryaman Vikram Birla and Ananyashree Birla, who are the children of Kumar Mangalam Birla, none of the Directors, Key Managerial Personnel and members of Senior Management of our Company are related to each other.

Bonus or profit-sharing plan of the Key Managerial Personnel and members of Senior Management

Our Company does not have any bonus or profit-sharing plan with the Key Management Personnel or members of our Senior Management.

Interest of Key Managerial Personnel and Senior Management

Other than as disclosed in "*Related Party Transactions*" and "*Board of Directors And Senior Management -Interest of Directors*" on page 51 and 209, respectively, and the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service our Key Managerial Personnel or members of our Senior Management do not have any other interest in the Company.

Other than as disclosed in "*Related Party Transactions*", on page 51 of this Placement Document, our Key Managerial Personnel or members of our Senior Management are not interested in any contract, agreement or arrangement entered into by the Company and no payments have been made in respect of these contracts, agreements or arrangements or are proposed to be made.

No loans have been availed by our Key Management Personnel or members of our Senior Management from the Company as on date of this Placement Document.

Shareholding of our Key Managerial Personnel and members of our Senior Management

Except as stated below, and at *"- Shareholding of the Directors in our Company"* none of our Key Managerial Personnel and members of our Senior Management holds any Equity Shares as on date of this Placement Document.

S.No.	Name of Key Managerial Personnel or member of Senior Management	Shareholding	Percentage (%)
1.	Jagdish Prasad Bajaj	1,24,520	0.01%
2.	Anil Kumar Malik	44	Negligible
3.	Sathyajit Radhakrishnan	68,949	0.01%
4.	Ullal Sooraj Bhat	1,24,655	0.01%
5.	Swaminathan Ramchandran	44,204	Negligible
6.	Naresh Tyagi	96,545	0.01%
7.	Anant Kumar Daga	50,79,552	0.47%

Other confirmations

1. Except as otherwise stated above in *"– Interest of our Directors*" and *"– Interest of Key Managerial Personnel, and Senior Management",* none of the Directors, Promoters, Key Managerial Personnel, or members of Senior Management of our Company has any financial or other material interest in the Issue.
2. Our Promoters, Directors and Key Managerial Personnel, or members of Senior Management will not participate in the Issue.
3. Neither our Company, nor any of our Directors or Promoters have been declared as a Wilful Defaulter.
4. None of our Directors or Promoters have been declared as a 'fraudulent borrower' by lending banks or financial institutions or consortiums.
5. Neither our Company, nor our Directors or Promoter are debarred from accessing capital markets under any order or direction made by SEBI.
6. None of our Directors or Promoters have been declared as a Fugitive Economic Offender.
7. No change in control in our Company will occur consequent to the Issue.
8. No loans have been availed or extended by our Directors, from, or to, our Company or the Subsidiaries

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to formulate and implement a code of internal practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct namely, '*Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'*, in terms of which, Anil Kumar Malik, the Compliance Officer of our Company, acts as the Chief Investor Relations Officer under the aforesaid code of conduct for the prevention of insider trading.

SHAREHOLDING PATTERN OF OUR COMPANY

The following tables present information regarding the ownership of Equity Shares by the Shareholders as of December 31, 2024:

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	No. of shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	
								Class: Equity shares	Class Others: NA	Total						
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
(A)	Promoter & Promoter Group	14	52,75,17,139	-	-	52,75,17,139	49.24	52,75,17,139	-	52,75,17,139	49.45	-	49.24	-	-	52,75,17,139
(B)	Public	3,21,608	53,93,00,293	-	-	53,93,00,293	50.34	53,93,00,249	-	53,93,00,249	50.55	-	50.34	NA	NA	53,40,35,702
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
(C2)	Shares Held by Employee Trust	1	44,06,334	-	-	44,06,334	0.41	-	-	-	-	-	0.41	NA	NA	44,06,334
(C)	Non-Promoter - Non-Public	1	44,06,334	-	-	44,06,334	0.00	-	-	-	-	-	-	NA	NA	44,06,334
	Total	**3,21,623**	**1,07,12,23,766**	-	-	**1,07,12,23,766**	**100**	**1,06,68,17,388**	-	**1,06,68,17,388**	**100**	-	**100.00**	-	-	**1,06,59,59,175**

<u>**Table II - Statement showing shareholding pattern of the Promoters and Promoter Group**</u>

	Category & Name of the shareholders	Shareholder Type	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of total voting rights (A+B+C)			No. (a)	As a % of total Shares held (b)	
									Class: Equity shares	Class Others: NA	Total						
	(I)		(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
1	**Indian**																
(a)	**Individuals / Hindu Undivided Family**		**5**	**21,56,877**	-	-	**21,56,877**	**0.20**	**21,56,877**	-	**21,56,877**	**0.20**	-	**0.20**	-	-	**21,56,877**
	Rajashree Birla	Promoter Group	1	8,63,696	-	-	8,63,696	0.08	8,63,696	-	8,63,696	0.08	-	**0.08**	-	-	8,63,696
	Kumar Mangalam Birla	Promoter Group	1	12,51,589	-	-	12,51,589	0.12	12,51,589	-	12,51,589	0.12	-	**0.12**	-	-	12,51,589
	Neerja Birla	Promoter Group	1	20,270	-	-	20,270	0.00	20,270	-	20,270	0.00	-	**0.00**	-	-	20,270
	Vasavadatta Bajaj	Promoter Group	1	19,542	-	-	19,542	0.00	19,542	-	19,542	0.00	-	**0.00**	-	-	19,542

	Category & Name of the shareholders	Shareholder Type	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of total voting rights (A+B+C)			No. (a)	As a % of total Shares held (b)	
									Class: Equity shares	Class Others: NA	Total						
	(I)		(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
	Aditya Vikram Kumar Mangalam Birla HUF (Kumar Mangalam Birla)	Promoter Group	1	1,780	-	-	1,780	0.00	1,780	-	1,780	0.00	-	**0.00**	-	-	1,780
(b)	**Central Government / State Government(s)**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	**Financial Institutions / Banks**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	**Any Other (Specify)**		**9**	**52,53,60,262**	-	-	**52,53,60,262**	**49.04**	**52,53,60,262**	-	**52,53,60,262**	**49.25**	-	**49.04**	-	-	**52,53,60,262**
	Bodies Corporate		**9**	**52,53,60,262**	-	-	**52,53,60,262**	**49.04**	**52,53,60,262**	-	**52,53,60,262**	**49.25**	-	**49.04**	-	-	**52,53,60,262**
	Birla Group Holdings Private Limited	Promoter	1	23,66,19,965	-	-	23,66,19,965	22.09	23,66,19,965	-	23,66,19,965	22.18	-	**22.09**	-	-	23,66,19,965
	IGH Holdings Private Limited	Promoter Group	1	13,64,72,680	-	-	13,64,72,680	12.74	13,64,72,680	-	13,64,72,680	12.79	-	**12.74**	-	-	13,64,72,680

	Category & Name of the shareholders	Shareholder Type	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of total voting rights (A+B+C)			No. (a)	As a % of total Shares held (b)	
									Class: Equity shares	Class Others: NA	Total						
	(I)		(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
	Grasim Industries Limited	Promoter Group	1	9,75,93,931	-	-	9,75,93,931	9.11	9,75,93,931	-	9,75,93,931	9.15	-	**9.11**	-	-	9,75,93,931
	Hindalco Industries Limited	Promoter Group	1	5,02,39,794	-	-	5,02,39,794	4.69	5,02,39,794	-	5,02,39,794	4.71	-	**4.69**	-	-	5,02,39,794
	Pilani Investment and Industries Corporation Limited	Promoter Group	1	39,88,866	-	-	39,88,866	0.37	39,88,866	-	39,88,866	0.37	-	**0.37**	-	-	39,88,866
	Birla Industrial Finance (India) Limited	Promoter Group	1	1,66,508	-	-	1,66,508	0.02	1,66,508	-	1,66,508	0.02	-	**0.02**	-	-	1,66,508
	Birla Consultants Limited	Promoter Group	1	1,66,422	-	-	1,66,422	0.02	1,66,422	-	1,66,422	0.02	-	**0.02**	-	-	1,66,422
	ABNL Investment Limited	Promoter Group	1	77,430	-	-	77,430	0.01	77,430	-	77,430	0.01	-	**0.01**	-	-	77,430
	Birla Industrial Investments (India) Limited	Promoter Group	1	34,666	-	-	34,666	0.00	34,666	-	34,666	0.00	-	**0.00**	-	-	34,666
	ECE Industries Limited	Promoter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Category & Name of the shareholders	Shareholder Type	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding % calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of total voting rights (A+B+C)			No. (a)	As a % of total Shares held (b)	
									Class: Equity shares	Class Others: NA	Total						
	(I)		(III)	(IV)	(V)	(VI)	(VII) =(IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
		Group															
Sub Total (A)(1)			14	52,75,17,139	-	-	52,75,17,139	49.24	52,75,17,139	-	52,75,17,139	49.45	-	49.24	-	-	52,75,17,139
2	Foreign																
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)		-	14	52,75,17,139	-	-	52,75,17,139	49.24	52,75,17,139	-	52,75,17,139	49.45	-	49.24	-	-	52,75,17,139

Table III - Statement showing shareholding pattern of the Public shareholders

	Category & Name of the shareholders	No. of shareholders	No of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	
								Class: Equity shares	Class Others: NA	Total						
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
1	**Institutions (Domestic)**															
(a)	**Mutual Funds**	**48**	**11,94,92,389**	-	-	**11,94,92,389**	**11.15**	**11,94,92,389**	-	**11,94,92,389**	**11.20**	-	**11.15**	**NA**	**NA**	**11,94,82,652**
	Quant Mutual Fund and its Affiliates	1	4,88,67,921	-	-	4,88,67,921	4.56	4,88,67,921	-	4,88,67,921	4.58	-	4.56	NA	NA	4,88,67,921
	Nippon Life India Trustee Limited and its Affiliates	1	1,68,93,555	-	-	1,68,93,555	1.58	1,68,93,555	-	1,68,93,555	1.58	-	1.58	NA	NA	1,68,93,555
(b)	**Venture Capital Funds**	-	-	-	-	-	-	-	-	-	-	-	-	**NA**	**NA**	-
(c)	**Alternate Investment Funds**	**8**	**11,20,606**	-	-	**11,20,606**	**0.10**	**11,20,606**	-	**11,20,606**	**0.11**	-	**0.10**	**NA**	**NA**	**11,20,606**
(d)	**Banks**	**35**	**69,232**	-	-	**69,232**	**0.01**	**69,232**	-	**69,232**	**0.01**	-	**0.01**	**NA**	**NA**	**35,048**
(e)	**Insurance Companies**	**11**	**3,52,45,813**	-	-	**3,52,45,813**	**3.29**	**3,52,45,813**	-	**3,52,45,813**	**3.30**	-	**3.29**	**NA**	**NA**	**3,52,16,376**

	Category & Name of the shareholders	No. of shareholders	No of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	
								Class: Equity shares	Class Others: NA	Total						
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
	SBI Life Insurance Company Limited	1	2,11,06,397	-	-	2,11,06,397	1.97	2,11,06,397	-	2,11,06,397	1.98	-	1.97	NA	NA	2,11,06,397
(f)	**Provident Funds/ Pension Funds**	-	-	-	-	-	-	-	-	-	-	-	-	**NA**	**NA**	-
(g)	**Asset Reconstruction Companies**	-	-	-	-	-	-	-	-	-	-	-	-	**NA**	**NA**	-
(h)	**Sovereign Wealth Funds**	-	-	-	-	-	-	-	-	-	-	-	-	**NA**	**NA**	-
(i)	**NBFCs registered with RBI**	**2**	**1,750**	-	-	**1,750**	**0.00**	**1,750**	-	**1,750**	**0.00**	-	**0.00**	**NA**	**NA**	**1,750**
(j)	**Other Financial Institutions**	**4**	**30,892**	-	-	**30,892**	**0.00**	**30,892**	-	**30,892**	**0.00**	-	**0.00**	**NA**	**NA**	**29,842**
(k)	**Any other (Specify)**	**2**	**86,944**	-	-	**86,944**	**0.01**	**86,944**	-	**86,944**	**0.01**	-	**0.01**	**NA**	**NA**	-
	UTI	2	86,944	-	-	86,944	0.01	86,944	-	86,944	0.01	-	**0.01**	NA	NA	-
Sub Total (B)(1)		**110**	**15,60,47,626**	-	-	**15,60,47,626**	**14.57**	**15,60,47,626**	-	**15,60,47,626**	**14.63**	-	**14.57**	NA	NA	**15,58,86,274**
2	**Institutions (Foreign)**															
(a)	**Foreign Direct Investment**	-	-	-	-	-	-	-	-	-	-	-	-	**NA**	**NA**	-
(b)	**Foreign Venture Capital**	-	-	-	-	-	-	-	-	-	-	-	-	**NA**	**NA**	-

	Category & Name of the shareholders	No. of shareholders	No of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares under lying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	
								Class: Equity shares	Class Others: NA	Total						
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
	Investors															
(c)	**Sovereign Wealth Funds**	-	-	-	-	-	-	-	-	-	-	-	-	**NA**	**NA**	-
(d)	**Foreign Portfolio Investors Category I**	**105**	**11,88,80,484**	-	-	**11,88,80,484**	**11.10**	**11,88,80,484**	-	**11,88,80,484**	**11.14**	-	**11.10**	**NA**	**NA**	**11,88,80,484**
	Caladium Investment Pte. Ltd.	1	6,58,00,866	-	-	6,58,00,866	6.14	6,58,00,866	-	6,58,00,866	6.17	-	**6.14**	NA	NA	6,58,00,866
(e)	**Foreign Portfolio Investors Category II**	**9**	**7,44,83,542**	-	-	**7,44,83,542**	**6.95**	**7,44,83,542**	-	**7,44,83,542**	**6.98**	-	**6.95**	**NA**	**NA**	**7,44,83,542**
	Flipkart Investments Private Limited	1	7,31,70,731	-	-	7,31,70,731	6.83	7,31,70,731	-	7,31,70,731	6.86	-	**6.83**	NA	NA	7,31,70,731
(f)	**Overseas Depositories (holding DRs)**			-	-	-	-	-	-	-	-	-	-	**NA**	**NA**	-
(g)	**Any other (Specify)**	**41**	**32,51,047**	-	-	**32,51,047**	**0.30**	**32,51,047**	-	**32,51,047**	**0.30**	-	**0.30**	**NA**	**NA**	**32,18,113**
	Foreign Banks	28	27,448	-	-	27,448	0.00	27,448	-	27,448	0.00	-	**0.00**	NA	NA	10,476
	Foreign Institutional Investors	13	32,23,599	-	-	32,23,599	0.30	32,23,599	-	32,23,599	0.30	-	**0.30**	NA	NA	32,07,637
Sub Total (B)(2)		**155**	**19,66,15,073**	-	-	**19,66,15,073**	**18.35**	**19,66,15,073**	-	**19,66,15,073**	**18.43**	-	**18.35**	NA	NA	**19,65,82,139**

	Category & Name of the shareholders	No. of shareholders	No of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	
								Class: Equity shares	Class Others: NA	Total						
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
3	**Central Government/ State Government(s)**															
(a)	**Central Government/ President of India**	2	1,077	-	-	1,077	0.00	1,077	-	1,077	0.00	-	**0.00**	NA	NA	1,077
(b)	**State Government/ Governor**	1	483	-	-	483	0.00	483	-	483	0.00	-	**0.00**	NA	NA	483
(c)	**Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter**	-	-	-	-	-	-	-	-	-	-	-	-	**NA**	**NA**	-
Sub Total (B)(3)		**3**	**1,560**	-	-	**1,560**	**0.00**	**1,560**	-	**1,560**	**0.00**	-	**0.00**	**NA**	**NA**	**1,560**
4	**Non-Institutions**															
(a)	**Associate companies / Subsidiaries**	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
(b)	**Directors and their relatives (excluding independent directors and nominee**	**2**	**7,08,556**	-	-	**7,08,556**	**0.07**	**7,08,556**	-	**7,08,556**	**0.07**	-	**0.07**	**NA**	**NA**	**7,08,556**

	Category & Name of the shareholders	No. of shareholders	No of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	
								Class: Equity shares	Class Others: NA	Total						
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
	directors)															
(c)	Key Managerial Personnel	2	1,24,564	-	-	1,24,564	0.01	1,24,564	-	1,24,564	0.01	-	0.01	NA	NA	1,24,564
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'Author of the trust'	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
(f)	Investor Education and Protection Fund (IEPF)	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
(g)	Resident Individuals holding nominal share capital up to	3,09,074	7,66,01,248	-	-	7,66,01,248	7.15	7,66,01,248	-	7,66,01,248	7.18	-	7.15	NA	NA	7,27,03,154

	Category & Name of the shareholders	No. of shareholders	No of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	
								Class: Equity shares	Class Others: NA	Total						
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+ C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+ C2)	(XII)		(XIII)
	Rs. 2 lakhs.															
(h)	**Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs.**	**377**	**5,56,60,824**	**-**	**-**	**5,56,60,824**	**5.20**	**5,56,60,824**	**-**	**5,56,60,824**	**5.22**	**-**	**5.20**	**NA**	**NA**	**5,55,87,671**
(i)	**Non-Resident Indians (Non-Repat)**	**2,921**	**21,48,640**	**-**	**-**	**21,48,640**	**0.20**	**21,48,640**	**-**	**21,48,640**	**0.20**	**-**	**0.20**	**NA**	**NA**	**21,01,226**
(i)	**Non-Resident Indians (Repat)**	**2,526**	**34,22,443**	**-**	**-**	**34,22,443**	**0.32**	**34,22,443**	**-**	**34,22,443**	**0.32**	**-**	**0.32**	**NA**	**NA**	**24,61,279**
(j)	**Foreign Nationals**	**12**	**42,090**	**-**	**-**	**42,090**	**0.00**	**42,090**	**-**	**42,090**	**0.00**	**-**	**0.00**	**NA**	**NA**	**36,350**
(k)	**Foreign Companies**	-	-	-	-	-	-	-	-	-	-	-	-	**NA**	**NA**	-
(l)	**Bodies Corporate**	**1,399**	**3,07,25,793**	**-**	**-**	**3,07,25,793**	**2.87**	**3,07,25,793**	**-**	**3,07,25,793**	**2.88**	**-**	**2.87**	**NA**	**NA**	**3,06,58,722**
(m)	**Any Other (Specify)**	**5,027**	**1,72,01,876**	**-**	**-**	**1,72,01,876**	**1.61**	**1,72,01,876**	**-**	**1,72,01,876**	**1.61**	**-**	**1.61**	**NA**	**NA**	**1,71,84,207**
	Trusts	19	1,79,596	-	-	1,79,596	0.02	1,79,596	-	1,79,596	0.02	-	0.02	NA	NA	1,65,740
	Hindu Undivided Family	4,851	40,45,396	-	-	40,45,396	0.38	40,45,396	-	40,45,396	0.38	-	0.38	NA	NA	40,41,583
	Clearing Member	21	12,656	-	-	12,656	0.00	12,656	-	12,656	0.00	-	0.00	NA	NA	12,656

	Category & Name of the shareholders	No. of shareholders	No of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	
								Class: Equity shares	Class Others: NA	Total						
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
	Bodies Corporate (LLP)	136	1,29,64,228	-	-	1,29,64,228	1.21	1,29,64,228	-	1,29,64,228	1.21	-	1.21	NA	NA	1,29,64,228
Sub Total (B)(4)		**3,21,340**	**18,66,36,034**	-	-	**18,66,36,034**	**17.42**	**18,66,36,034**	-	**18,66,36,034**	**17.49**	-	**17.42**	**NA**	**NA**	**18,15,65,729**
Total Public Shareholding (B)= (B)(1) +(B)(2) +(B)(3) +(B)(4)		**3,21,608**	**53,93,00,293**	-	-	**53,93,00,293**	**50.34**	**53,93,00,293**	-	**53,93,00,293**	**50.55**	-	**50.34**	**NA**	**NA**	**53,40,35,702**

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

	Category & Name of the shareholders	No. of shareholders	No. of fully paid-up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	
								Class: Equity shares	Class Others: NA	Total						
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)
1	Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
2	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	1	44,06,334	-	-	44,06,334	0.41	-	-	-	-	-	0.41	NA	NA	44,06,334
Total Non-Promoter- Non-Public Shareholding (C)= (C)(1) +(C)(2)		1	44,06,334	-	-	44,06,334	0.41	-	-	-	-	-	0.41	NA	NA	44,06,334

The shareholding pattern of the Preference Shares of our Company will not undergo any change pursuant to the Issue.

ORGANISATIONAL STRUCTURE

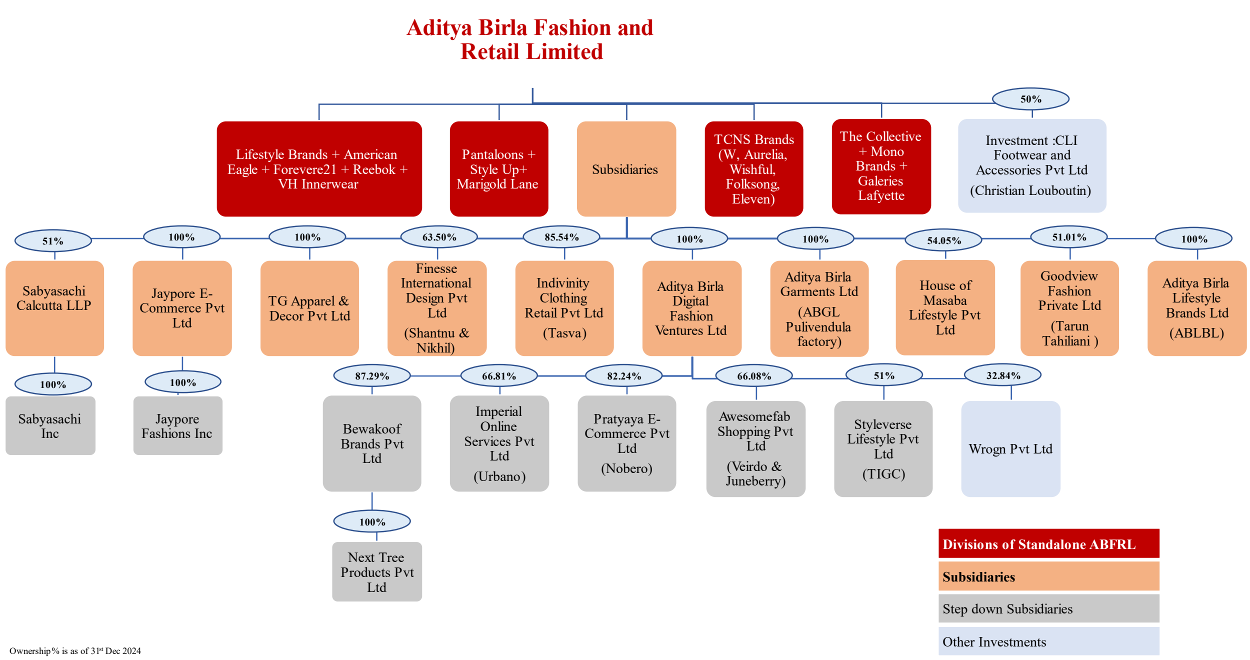
Corporate History

Our Company was incorporated as a public limited company under the name "Peter England Fashions and Retail Limited" pursuant to a certificate of incorporation dated April 19, 2007, issued by the Registrar of Companies, Karnataka at Bangalore, under the provisions of the Companies Act, 1956. Our Company received its certificate for commencement of business on May 14, 2007. The name of our Company was changed to 'Pantaloons Fashion & Retail Limited' pursuant to the Pantaloons Scheme and a fresh certificate of incorporation, dated April 23, 2013, was issued by the RoC. Subsequently, the name of our Company was changed to 'Aditya Birla Fashion and Retail Limited' pursuant to the Madura Scheme and a fresh certificate of incorporation dated January 12, 2016, was issued by the RoC. The CIN of the Company is L18101MH2007PLC233901.

Our Equity Shares commenced trading on the Stock Exchanges on July 17, 2013.

The Registered and Corporate Office of our Company is situated at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai 400 070, Maharashtra, India.

The organisational structure of our Company as on the date of this Placement Document is as follows:



Our Subsidiaries

As on the date of this Placement Document, our Company has 18 Subsidiaries as below:

Direct Subsidiaries

1. Aditya Birla Digital Fashion Ventures Limited;
2. Aditya Birla Lifestyle Brands Limited;
3. Aditya Birla Garments Limited;
4. Finesse International Design Private Limited;
5. Goodview Fashion Private Limited**;

6. House of Masaba Lifestyle Private Limited;
7. Indivinity Clothing Retail Private Limited;
8. Jaypore E-Commerce Private Limited;
9. Sabyasachi Calcutta LLP*; and
10. TG Apparel & Decor Private Limited.

* *Categorised as a 'Subsidiary' pursuant to Ind AS 110.*
***Goodview Fashion Private Limited was categorized as a joint venture of the Company till March 31, 2024 and has been categorized as a subsidiary of the Company for Fiscal 2025 pursuant to increase of our Company's shareholding in Goodview Fashion Private Limited.*

i. Aditya Birla Digital Fashion Ventures Limited ("ABDFVL")

ABDFVL was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated April 11, 2022. Its CIN is U74999MH2022PLC380326 and its registered office is situated at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S, Road, Kurla, Mumbai - 400070, Maharashtra, India.

ii. Aditya Birla Lifestyle Brands Limited ("ABLBL")

ABLBL was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated April 9, 2024. Its CIN is U46410MH2024PLC423195 and its registered office is situated at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S, Road, Kurla, Mumbai 400070, Maharashtra, India,.

iii. Aditya Birla Garments Limited ("ABGL)

ABGL was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated June 15, 2022. Its CIN is U18100MH2022PLC384566 and its registered office is situated at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S, Road, Kurla, Mumbai 400070, Maharashtra, India.

iv. Finesse International Design Private Limited ("FIDPL")

FIDPL was incorporated in India under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 31, 2007. Its CIN is U74900DL2007PTC164203 and its registered office is situated at D-32, Lala Lajpat Rai Marg, Defence Colony, New Delhi - 110024, India.

v. Goodview Fashion Private Limited ("GFPL")

GFPL was incorporated in India under the Companies Act, 1956, pursuant to a certificate of incorporation dated February 23, 1996. Its CIN is U18100HR1996PTC096704 and its registered office is situated at Plot No. 708, Pace City 2, Sector 37, Gurgaon, Haryana, India 122001.

vi. House of Masaba Lifestyle Private Limited ("HMLPL")

HMLPL was originally incorporated in India as Phantom Entertainment Private Limited under the Companies Act, 2013, pursuant to a certificate of incorporation dated September 9, 2014. The name of the company was changed to Vigilante Films Private Limited pursuant to a revised certificate of incorporation pursuant to change of name dated August 5, 2015. Further, the name of the company was changed to House of Masaba Lifestyle Private Limited pursuant to a revised certificate of incorporation pursuant to change of name dated April 19, 2017. Its CIN is U74110MH2014PTC257909 and its registered office is situated at Plot No 80 & 89, Marol Co-operative Industrial Estate, Marol, Andheri (East), Mumbai, Maharashtra, India, 400059.

vii. Indivinity Clothing Retail Private Limited ("ICRPL")

ICRPL was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated March 3, 2021. Its CIN is U18109HR2021PTC093323 and its registered office is situated at P No 708, Sector 37 Pace City II, Gurgaon, Haryana, India, 122001.

viii. Jaypore E-Commerce Private Limited ("JCPL")

JCPL was incorporated in India under the Companies Act, 1956, pursuant to a certificate of incorporation dated February 21, 2012. Its CIN is U51900MH2012PTC422224 and its registered office is situated at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S, Road, Kurla, Mumbai City, Mumbai, Maharashtra, India, 400070.

ix. Sabyasachi Calcutta LLP ("SCL")

SCL was incorporated in India under the Limited Liability Partnership Act, 2008, pursuant to a certificate of registration dated February 4, 2021. Its registration number is AAV-7132 and its registered office is situated at 80/2 Topsia Road South, Kolkata, West Bengal, 700046.

x. TG Apparel & Decor Private Limited ("TGA")

TGA was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated December 19, 2015. Its CIN is U51109MH2015PTC430930 and its registered office is situated at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S, Road, Kurla, Mumbai 400070, Maharashtra, India.

Step-down Subsidiaries

1. Awesomefab Shopping Private Limited (step-down subsidiary);
2. Bewakoof Brands Private Limited (step-down subsidiary);
3. Imperial Online Services Private Limited (step-down subsidiary);
4. Jaypore Fashions Inc (step-down subsidiary);
5. Next Tree Products Private Limited (step-down subsidiary);
6. Pratyaya E-Commerce Private Limited (step-down subsidiary)
7. Sabyasachi Inc (step-down subsidiary);
8. Styleverse Lifestyle Private Limited (step-down subsidiary)

i. Awesomefab Shopping Private Limited ("ASPL")

ASPL was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated October 19, 2020. Its CIN is U18109GJ2020PTC117460 and its registered office is situated at 01-A, First Floor, Anz Infinity, Nr. Church, Ranipur, Narol, Ahmedabad, Gujarat, India, 382405.

ii. Bewakoof Brands Private Limited ("BBPL")

BBPL was incorporated in India under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 16, 2011. Its CIN is U74999MH2011PTC220994 and its registered office is situated at Godown #A5, Sairaj Logistic Hub, Opposite to All Saints High School, Savad naka road, Bhawale, Bhiwandi, Dist. Thane, Maharashtra, India, 421302.

iii. Imperial Online Services Private Limited ("IOSPL")

IOSPL was incorporated in India under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 10, 2012. Its CIN is U72200AP2012PTC081875 and its registered office is situated at 8-2-293/82/NL/33, Plot no. 33, MP/MLA Colony Road no. 10C, Jubilee Hills, Hyderabad, Telangana, India, 500033.

iv. **Jaypore Fashions Inc ("JFI")**

JFI was incorporated in USA under the laws of the State of Delaware, pursuant to a certificate of incorporation dated May 31, 2023. Its registered office is situated at 3524, Silverside Road Suite, 35B, Wilmington, New Castle, 19810-4929.

v. **Next Tree Products Private Limited ("NTPPL")**

NTPPL was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated March 8, 2017. Its CIN is U74999MH2017PTC292162 and its registered office is situated at S. No - 91/2, Swarajya Complex, Purna, Kalher Village Road, Bhiwandi, Thane, Maharashtra, India, 421302.

vi. **Pratyaya E-Commerce Private Limited ("PCPL")**

PCPL was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated December 11, 2014. Its CIN is U72900TG2014PTC096782 and its registered office is situated at Western Aqua, Cabin No. 121, 5th Floor, Workafella Business Centre, Hi-Tech City, Whitefields, Kondapur, Hyderabad, Telangana-500081, India.

vii. **Sabyasachi Inc ("SI")**

SI was incorporated in USA under the laws of the State of Delaware, pursuant to a certificate of incorporation dated July 15, 2019. Its registered office is situated at 3524, Silverside Road Suite, 35B, Wilmington, New Castle, 19810-4929.

viii. **Styleverse Lifestyle Private Limited ("SLPL")**

SLPL was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated June 12, 2023. Its CIN is U14101KA2023PTC174970 and its registered office is situated at No. 3/A, Sy No. 38/3,38/4, G B Palya, Hongasandra, Begur, Bangalore, Bangalore South, Karnataka, India, 560068.

Our Material Subsidiaries

Our Company does not have any Material Subsidiaries as on the date of this Placement Document.

Our Joint Venture

Our Company does not have any joint ventures as on the date of this Placement Document.

Our Associate

Wrogn Private Limited ("WPL")

WPL was originally incorporated in India as Universal Sportsbiz Private Limited under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 23, 2012. The name of the company was changed to Wrogn Private Limited pursuant to a revised certificate of incorporation pursuant to change of name dated September 18, 2024. Its CIN is U92412KA2012PTC103560 and its registered office is situated at Building No 509, Binnamangala 1st Stage, CMH Road, Indiranagar, Bangalore, Karnataka, India, 560038.

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the BRLMs. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, employees, counsels, shareholders, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 252 and 262, respectively.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and 62 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, through the mechanism of a qualified institutions placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, 2013, our Company, being a listed company in India may issue eligible securities to Eligible QIBs on a private placement basis provided that certain conditions are met by our Company. Some of these conditions are set out below:

- the Shareholders of the issuer have passed a special resolution approving such the Issue. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the Issue; and (b) the relevant date for the Issue;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the Issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of offer, the contribution made by the Promoters or Directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of such issuer, which are proposed to be allotted through the Issue, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its Shareholders for convening the meeting to seek approval of the Shareholders for the above-mentioned special resolution, except for Equity Shares allotted during the preceding one year from the date of this Placement Document. For details, see "*Capital Structure*" on page 93;

- In accordance with SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be done in dematerialised form only to the allottee;

- invitation to apply in the Issue must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- the issuer shall have completed allotments with respect to earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be permitted under applicable law;

- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document and Application Form), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

- the Promoters and Directors of the issuer are not Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018;

- the Promoter or Directors are not declared as wilful defaulters; and

- the Directors are not declared as 'Fraudulent Borrower' by the lending Banks or financial institutions or consortium, in terms of RBI master circular dated July 1, 2016.

Please note that as per the requirement under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution.

At least 10% of the Equity Shares issued pursuant to this QIP to Eligible QIBs was available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Bidders were required to make certain representations, warranties and undertakings in order to participate in the Issue. Bidders are deemed to have represented to us and the BRLMs in order to participate in the Issue that they are outside the United States and purchasing the Equity Shares in an "*offshore transaction*" as defined and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For details, see sections entitled '*Representations by Investors*', '*Selling Restrictions*' and '*Purchaser Representations and Transfer Restrictions*' beginning on pages 5, 252 and 262, respectively of this Placement Document.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under the QIP was not less than the average of the weekly high and low of the closing prices of the issuer's Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the Floor Price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated January 15, 2025 and our Shareholders through a special resolution on September 19, 2024, have authorised our Board to decide the quantum of discount of not more than 5% of the Floor Price at the time of determination of the Issue Price. The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as per the provisions under Regulation 176(4) of the SEBI ICDR Regulations.

The "Relevant Date" mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The Equity Shares will be allotted within 365 days from the date of the shareholders' resolution approving the Issue and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs failing which our Company shall refund the Bid Amount in accordance with applicable laws. For details of refund of Bid Amount, see "*Issue Procedure - Pricing and Allocation*" on page 246.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information required under applicable law including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with the Issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document and this Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

Our Shareholders through a special resolution approved the Issue on September 19, 2024. The Board of Directors approved the Issue on January 15, 2025.

The minimum number of Allottees for each QIP was not less than:

- two, where the issue size is less than or equal to ₹ 250 crores; and
- five, where the issue size is greater than ₹ 250 crores.

No single Allottee was Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control were deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Issue Procedure - Bid Process - Application Form*" on page 242.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We had applied for and received the in-principle approval from BSE and NSE each dated January 15, 2025 respectively, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) within the United States, only to qualified institutional buyers (as defined in Rule 144A of the U.S. Securities Act) ("U.S. QIBs") pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States, in offshore transactions in reliance upon Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 252 and 262, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On and from the Issue Opening Date, our Company in consultation with the BRLMs had circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form and shall circulate serially numbered copies of this Placement Document, either in electronic or physical form to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIBs. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document and this Placement Document and the serially numbered Application Form will be dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time periods as required under the Companies Act, 2013 and PAS Rules.

2. **The list of Eligible QIBs to whom the Application Form, serially numbered Preliminary Placement Document and Placement Document is delivered has been determined by our Company in consultation with the BRLMs. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount was deposited, was addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form were to be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Bid Amount was paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount had been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids were being made on behalf of the Eligible QIB and the Application Form was unsigned, it shall be assumed that the person submitting the Application Form**

and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

3. Eligible QIBs were required to submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLMs. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders were required to indicate the following in the Application Form:

- full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

- number of Equity Shares Bid for;

- price at which they were agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

- it has agreed to all the representations, warranties, acknowledgements and agreements set forth in or incorporated by reference in the Application Form, which will include, but will not be limited to, the representations, warranties, acknowledgements and agreements set forth in the "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 1, 5, 233, 252 and 262, respectively, which will be incorporated by reference; details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

- Equity Shares held by the Bidder in our Company prior to the Issue;

- representations that (a) it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on under Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales are made, and (b) it has agreed to certain other representatives set forth in the sections entitled "*Representation by Investors*" and "*Purchaser Representations and Transfer Restrictions*" beginning on page 5 and 262 and certain other representations made in the Application Form.

- Eligible FPIs to indicate their SEBI FPI registration number in the Application Form

NOTE**:** *Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds specifically required to state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not required to be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid was made. Application by various schemes or funds of a Mutual Fund has been treated as one* *application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Each Bidder were required to make the entire payment of the application amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of *"*ABFRL QIP ESCROW A/C " with the Escrow Bank, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. No payment shall be made by Bidders in cash. Please note that any payment of application amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company was required to keep a record of the bank account from where such payment had been received. Application amount payable on Equity Shares held by joint holders was to be paid from the bank account of the person whose name appeared first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever was later, application amount received for subscription of the Equity Shares was to be kept by our Company in a separate bank account with a scheduled bank and was to be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event among others, a Bidder was not allocated Equity Shares in the Issue, or the number of Equity Shares Allotted to the Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which application amount has been paid by such Bidder, or the Bid Amount had been arrived at using an indicative price higher than the Issue Price, or any Bidder lowered or withdrew their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount was refunded to the same bank account from which it was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 248.

6. The Application Form could be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the application amount was paid along with submission of the Application Form within the Issue Period. Once a duly completed Application Form was submitted by a Bidder, whether signed or not and the application amount was transferred to the Escrow Account, such application constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the application amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so. The Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

7. The Bidder acknowledged that in accordance with the requirement of the Companies Act, 2013, upon Allocation, our Company has disclosed the names of proposed Allottees and the percentage of their post Issue shareholding in this Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

9. Upon receipt of the duly completed Application Form and the application amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company has, in consultation with BRLMs determined the final terms, including the (i) Issue Price; (ii) the number of Equity Shares to be Allocated to each Successful Bidder; (iii) the Successful Bidder; and (iv) the Successful Bidders to whom such Equity Shares shall be Allocated. Upon such determination, the BRLMs, on behalf of our Company, will send the serially numbered CAN and this Placement Document to the Successful Bidders who had been Allocated the Equity Shares.

The dispatch of a CAN, and this Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated and Refund Amount (if any) due to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLMs.**

10. Upon determination of the Issue Price and issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

17. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, have been considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules have been considered as Eligible QIBs. Other non-resident QIBs including, FVCIs were not permitted to participate in the Issue. Currently, QIBs, who were eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- FPIs other than individual, corporate bodies and family offices;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;

- insurance funds set up and managed by the Department of Posts, India.
- multilateral and bilateral development financial institutions resident in India;
- Mutual Funds, VCFs, AIFs registered with SEBI;
- pension funds with minimum corpus of ₹ 250 crores registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹ 250 crores;
- public financial institutions as defined in Section 4 A of the Companies Act, 1956 (Section 2(72) of the Companies Act 2013);
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIs DID NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS WERE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Please note that participation by non-residents in this Issue is restricted to participation by Eligible FPIs under Schedule II of the FEMA Rules, subject to the limits prescribed under the SEBI FPI Regulations and the FEMA Rules. Further, AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 51.00% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 24% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24%, 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 51%.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed Central Depository Services (India) Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs were permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 252 and 262, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a Promoter, or any person related to, the Promoters. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLMs and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary and this Placement Document Placement Document. Eligible QIBs are required to

satisfy themselves that any requisite compliance pursuant to this Allotment such as public disclosures under applicable laws is complied with. Further, Eligible QIBs were required to satisfy themselves that their Bids would not result in triggering an offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Bidders could only use the serially numbered Application Forms (which were specifically addressed to them) supplied by our Company and/or the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the application amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the application amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Bidder was deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and *"Purchaser Representations and Transfer Restrictions"* on pages 1, 5, 252 and 262, respectively:

1. Each Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

4. Each Bidder confirms that, and consents to, its name and percentage of post- Issue shareholding (assuming full subscription in this Issue) being included as a "proposed Allottee" in this Issue in this Placement Document. However, each Bidder further acknowledges and agrees, disclosure of such details in relation to the proposed Allotees in this Placement Document will not guarantee Allotment to them, as Allotment shall continue to be at the sole discretion of our Company, in consultation with the BRLMs.

5. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

6. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

7. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

8. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

9. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

10. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Bid/Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

11. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Bid/Issue Period in terms of provisions of the Companies Act, 2013 our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

12. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company has disclosed names as “proposed Allottees” and percentage of post-Issue shareholding (assuming that the Equity Shares are Allotted to them pursuant to the Issue) of the proposed Allottees in this Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledged and agreed that, disclosure of such details as “proposed Allottees” in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

13. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

    (b) ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

14. The Bidders confirms that:

    a) it will make payment of its application amount along with submission of the Application Form before the Issue Closing Date.

15. Each Bidder confirms that:

    a) if it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate;

b) if it is outside the United States, it is purchasing the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made, and is not our affiliate or a person acting on behalf of such an affiliate; and

c) it has agreed to certain other representations set forth in the sections entitled "*Representation by Investors"* and *"Purchaser Representations and Transfer Restrictions*" beginning on pages 5 and 262.

16. Each Bidder acknowledges that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price

17. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

18. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up equity capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and

19. A representation that it is outside the United States, is acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

You are eligible to invest and hold the Equity Shares of our Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT and the FDI Policy, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. You confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

BIDDERS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM WAS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLMs, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMs TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLMs, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder was deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount was deposited in the Escrow Account as is specified in the Application Form and the Application Form was submitted to the BRLMs either through electronic form or through physical delivery at the following address:

Name	Address	Contact Person	Website and e-mail	Phone (Telephone)
Avendus Capital Private Limited	Platina Building, 9th Floor 901 Plot No C-59 Bandra-Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India	Sarthak Sawa / Sneha Roy	**Website:** http://www.avendus.com **E-mail:** project.peridot@avendus.com	**Phone No.:** +91 22 6648 0050
Goldman Sachs (India) Securities Private Limited	951-A, Rational House Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India	Sumedha Srinivasan	**Website:** www.goldmansachs.com **E-mail:** gs-abfrl@gs.com	**Phone No.**: +91 22 6616 9000
Jefferies India Private Limited	Level 16, Express Towers Nariman Point, Mumbai 400 021 Maharashtra, India	Suhani Bhareja	**Website**: https://www.jefferies.com/ **E-mail:** ABFRL.QIP@jefferies.com	**Phone No.:** +91 22 4356 6000

The BRLMs were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms were duly completed and Bidders Bidding in the Issue have paid the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of **"**ABFRL QIP ESCROW A/C **"** with the Escrow Bank, in terms of the Escrow Agreement. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders could make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were to be made only through electronic fund transfer from the Bidder's own bank account. Payments made through cash, demand draft or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form was liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "ABFRL QIP ESCROW A/C " only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company was not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder was not allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, was lower than the number of Equity Shares applied for through the Application Form and towards which application amount had been paid by such Bidder, or the application amount was in excess of the amount equivalent to the product of the Equity Shares that had been Allocated to the Bidder and the Issue Price, or the application amount had been arrived at using an indicative price higher than the Issue Price, or any Bidder lowered or withdrew their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess application amount was be refunded to the same bank account from which application amount was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 248.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed such documents as this Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book was maintained by the BRLMs.

Method of Allocation

Our Company has determined the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price have been grouped together to determine the total demand. The Allocation to all such Bidders was required to be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was required to be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLMs has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMs IS OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board / its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act, 2013.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed it with the Stock Exchanges as this Placement Document, which includes names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their

websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in this Placement Document.

9. In the event that our Company is unable to issue and allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the BRLMs of the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue, and after filing return of Allotment under Form PAS-3 with the RoC.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN in the manner set out in the refund intimation which will be dispatched to the Bidder.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate prescribed under the Companies Act, 2013. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final listing and trading approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until receipt of notice from the BRLMs, the final listing and trading approvals of the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted with the Company/BRLMs as soon as practicable.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card was required to be submitted with the Application Form. Further, the Application Forms without this information were to be considered incomplete and were liable to be rejected. It is to be specifically noted that applicants were required to not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder is refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "*Issue Procedure* - *Bid Process*" and "*Issue Procedure* - *Refunds*" on pages 242 and 248 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The BRLMs have entered into the Placement Agreement dated January 16, 2025 with our Company, pursuant to which the BRLMs have agreed, subject to certain conditions, to manage this Issue and to act as the placement agent in connection with the proposed Issue and procure subscription for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the RoC, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) within the United States, only to persons who are U.S. QIBs pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States, in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 252 and 262, respectively.

Relationship with the Book Running Lead Managers

In connection with the Issue, the BRLMs or their affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the BRLMs may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "*Offshore Derivative Instruments*" on page 12.

From time to time, the Book Running Lead Managers, and their respective affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiaries, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their affiliates and associates.

Lock up

The Company agrees, subject to the exceptions set out below and disclosed under the Preliminary Placement Document and as disclosed in this Placement Document, not to: (a) issue, offer, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Share; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, for a period from the date hereof up to 60 days after the date and time for Allotment of the Equity Shares pursuant to the Issue without the prior written consent of the BRLMs, however, the foregoing restriction shall not be applicable to the (i) the issuance of the Equity Shares pursuant to the Issue; (ii) issuance of Equity Shares pursuant to exercise of ESOPs; and (iii) any transaction required by law or an order of a court of law or a statutory authority.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act.

The distribution of this Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. Except for in India, no action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with or other material relating to the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under the sections titled "*Notice to Investors*", "*Representations by Investors*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 5 and 262, respectively.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Placement Document:

- does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act.
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors ("**Exempt Investors**"), available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of the Equity Shares under the Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Placement Document has been prepared for private information purposes for intended investors only who will be high net worth individuals and institutions. Our Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("BMA") has not reviewed, nor has it approved, the Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, the Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

Canada

Prospective Canadian investors are advised that the information contained within this Placement Document has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Placement Document and as to the suitability of an investment in the Equity Shares in their particular circumstances.

The Equity Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are both (i) accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and (ii) permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Such sales will be made only by a dealer duly registered under the applicable securities laws of the applicable province or in accordance with an exemption from the applicable registered dealer requirements. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Placement Document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Under Canadian securities law, National Instrument 33-105 *Underwriting Conflicts* (NI 33-105) provides disclosure requirements with respect to potential conflicts of interest between an issuer and underwriters, dealers or placement agents, as the case may be. To the extent any conflict of interest between us and any of the underwriters (or any other placement agent acting in connection with this offering) may exist in respect of this offering, the applicable parties to this offering are relying on the exemption from these disclosure requirements provided to them by section 3A.3 of NI 33-105 (Exemption based on U.S. disclosure).

Upon receipt of this Placement Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents* *faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières.*

European Economic Area

In relation to each Member State of the European Economic Area (each a "Relevant State"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation (as defined below), except that it may make an offer to the public in that Relevant State of any Equity Shares at any time:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the BRLMs; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Issuer or any Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Book Running Lead Managers have represented, warranted and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Equity Shares other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "CWUMPO") or which do not constitute an offer to the public within the meaning of the CWUMPO.

(ii) it has not issued or had in its possession for the purposes of the issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Placement Document is subject to Malaysian laws. This Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Sultanate of Oman

This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman ("**Oman**") without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of the Equity Shares described in this Placement Document will not take place inside Oman. This Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA. Additionally, this Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar (excluding the Qatar Financial Centre)

This Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Bank has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**")) for the purposes of Article 9 of the KSA Regulations. Each Book Running Lead Managers have represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this document, you should consult an authorised financial adviser.

The offer of Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Equity Shares are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

Each BRLM has acknowledged that this Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each BRLM has represented and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Equity Shares, the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa

Due to restrictions under the securities laws of South Africa, no "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) is being made in connection with the issue of the Equity Shares in South Africa. Accordingly, this Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

i. the offer, transfer, sale, renunciation or delivery is to:

    (a) persons whose ordinary business is to deal in securities, as principal or agent;

    (b) the South African Public Investment Corporation;

    (c) persons or entities regulated by the Reserve Bank of South Africa;

    (d) authorised financial service providers under South African law;

(e) financial institutions recognised as such under South African law;

(f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

(g) any combination of the person in (a) to (f); or

ii. the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this Placement Document should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Placement Document nor any other offering or marketing material relating to the offering, the Company, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the UAE or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

1. an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and
2. made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

United Kingdom

The communication of this Placement Document and any other document or materials relating to the issue of the Equity Shares offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "**FSMA**"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. In the United Kingdom, this Placement Document is being distributed only to, and is directed only at those (i) who have professional experience in matters relating to investments and who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the FSMA. Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this Placement Document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this Placement Document relates to may be made or taken exclusively by relevant persons.

In addition, in relation to the United Kingdom, no offer of Equity Shares which are the subject of the offering contemplated by this Placement Document to the public may be made in the United Kingdom other than:

(i) to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 ("**EUWA**");

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the BRLMs; or

(iii) in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Equity Shares shall require our Company or any BRLM to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Equity Shares means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and unless so registered, may not be offered or sold in the United

States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares offered in the Issue are being offered and sold (a) within the United States, only to persons who are U.S. QIBs pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States, in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, please refer to the section titled "*Purchaser Representations and Transfer Restrictions*" on page 262.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares offered in the Issue or making any resale, pledge or transfer of the Equity Shares purchased in the Issue. Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the BSE or the NSE. Due to the following restrictions, investors are advised to consult their respective legal counsels prior to Bidding for the Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the BSE or the NSE. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to an investment in the Equity Shares and related matters concerning the Issue. For more information, please refer to the section titled "Selling Restrictions" on page 252.

Additionally, in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Securities is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. Further, the Bidders need to confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

Transfer restrictions and purchaser representations for purchasers within the United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

If you purchase the Equity Shares offered in the United States pursuant to Section 4(a)(2) of the U.S. Securities Act, in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, by accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Book Running Lead Managers as follows:

- You are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- You (A) are a "qualified institutional buyer" (as defined in Rule 144A) (a "U.S. QIB"), (B) are aware that the sale of the Equity Shares to you is being made pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (C) are acquiring such Equity Shares for your own account or for the account of a U.S. QIB.

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States, (1) to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (2) pursuant to an exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (3) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (4) pursuant to an effective registration statement under the U.S. Securities Act, or (ii) outside the United States in an offshore transaction in reliance upon Regulation

S, as applicable, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S, with respect to the Equity Shares. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.

- The Equity Shares offered and sold in the United States as part of the Issue are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares.

- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

- You have been provided access to this Placement Document and will be provided access to the Placement Document, which you have read in its entirety. You will base your investment decision on a copy of this Placement Document and the Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Managers) or any of its affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company only) the information contained in this Placement Document, as it may be supplemented.

- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and you or they have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.

- You acknowledge that if at any time your representations cease to be true, you agree to resell the Equity Shares at our Company's request.

- You agree that any offer, resale, pledge or other transfer, or attempted offer, resale, pledge or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognised by the Company.

You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that the Company, the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify Company and the BRLMs; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account. You agree that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. You understand that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorize the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

Transfer restrictions and purchaser representations for purchasers outside the United States

If you purchase the Equity Shares offered outside the United States in reliance on Regulation S, by accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- You are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of the Company or the BRLMs and their respective affiliates shall have any responsibility in this regard.

- You acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that the Equity Shares are being issued in offshore transactions in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- You certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, are located outside the United States (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- You are aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- You agree (or you are a broker-deal acting on behalf of a customer that has confirmed to you that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that such Equity Shares may be offered, resold, pledged or otherwise transferred except (A)(i) in the United States, (1) to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (2) pursuant to an exemption from registration under the U.S Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (3) pursuant to another available exemption from the registration requirements of the U.S Securities Act, or (4) pursuant to an effective registration statement under the U.S. Securities Act, or (ii) outside the United States in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S, as applicable, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and you or they have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- You have been provided access to this Placement Document and will be provided access to the Placement Document, which you have read in its entirety. You will base your investment decision on a copy of this Placement Document and the Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Managers) or any of its affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company only) the information contained in this Placement Document, as it may be supplemented.

- You agree to indemnify and hold the Company and the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. You will not hold any of the Company or the BRLMs liable with respect to its investment in the Equity Shares. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where you are subscribing to the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts.

- You agree that any offer, resale, pledge or other transfer, or attempted offer, resale, pledge or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that the Company and the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate, you will promptly notify the Company and the BRLMs; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account. You agree that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. You understand that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorize the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements. The SCRA and SCRR empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% (except exempted public sector undertakings) at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25%

at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of three years from the date of such fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted. The markets are required to re-open, after a circuit breaker threshold is hit, with a pre-open call auction session. The timing of the halt and the pre-open call auction session varies depending on the time of day and the circuit breaker breached.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognized as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back office work. In the year 2014, BSE introduced its new generation trading platform, BOLT + through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Settlement

The stock exchanges in India operate on a trading day plus one, or T+1 rolling settlement system. At the end of the T+1 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Tuesday.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

Prohibition under Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015, and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for Promoters, members of the Promoter group, designated person and director in case value of trade exceed monetary threshold of ₹10 lakh or such other value as may be specified over a calendar quarter, within two trading days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that, the board of directors or head(s) of the listed entities shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following information relates to the share capital of our Company, including a brief summary of the Memorandum of Association and Articles of Association and certain provisions of the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares. Capitalised terms used and not defined herein, shall have the same meaning as ascribed to such words in the Memorandum and Articles of Association.

Share capital

The authorized share capital of our Company as of the date of this Placement Document is ₹ 20,48,15,00,000 divided into 2,03,60,00,000 Equity Shares of face value of ₹ 10 each amounting to ₹ 20,36,00,00,000, 8% 5,00,000 redeemable cumulative preference shares of ₹ 10 each, amounting to ₹ 50,00,000, 6% 15,000 redeemable cumulative preference Shares of ₹ 100 each amounting to ₹ 15,00,000, 95,00,000 preference shares of ₹ 10 each amounting to ₹9,50,00,000 and 2,00,00,000 preference shares of ₹ 1 each amounting to ₹ 2,00,00,000. For further details, see "*Capital Structure*" on page 93.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and subject to approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, 2013 unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act, 2013. According to the Articles of Association, the Board shall be at liberty to recommend payment of dividend to equity shareholders either on pro-rata basis or at a flat rate and amounts paid-up in advance of calls on equity shares, whilst carrying interest, shall not be entitled to dividend or a right to participate in profits.

Further, as per the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of the company's paid up share capital as per the most recent audited financial statement of the company.

According to the Articles of Association, subject to Section 123 of the Companies Act, 2013, the Company, in an AGM, may declare a dividend to be paid to the Shareholders according to their respective rights and interest in the profit of the Company. The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and no dividends shall exceed the amount recommended by the Board, but the Company may declare a smaller dividend in an AGM. All dividends shall be paid, or the warrants in respect thereof shall be posted, within 30 days from the date of the declaration by the shareholders entitled to the payment of the dividend.

The Equity Shares issued pursuant to the Preliminary Placement Document and this Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalisation of profits and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus shares, which are similar to stock dividend. These bonus shares must be distributed to shareholders in proportion to the number of shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations and the Companies Act, 2013.

As per the Articles of Association, the Company may, upon the Board's recommendation, resolve to:

a. Capitalize undivided profits, reserves, or share premium accounts for distribution amongst shareholders as capital.
b. Apply the capitalized fund to pay up unissued shares or uncalled liabilities on issued shares.
c. Distribute surplus money representing capital profits from the realization of capital assets, provided the company retains sufficient assets to cover liabilities and paid-up share capital.

Further, as per the Articles of Association, the Board may:

a. Resolve any difficulties arising from distribution.
b. Issue fractional certificates.
c. Determine the value of specific assets for distribution.
d. Make cash payments to members based on the fixed value.
e. Vest cash or capitalized funds as needed to adjust rights.
f. Appoint a person to sign contracts on behalf of entitled persons.

Alteration of share capital

Subject to applicable provisions of the Companies Act, 2013, our Company may, from time to time, by ordinary resolution, alter conditions of our Memorandum of Association to increase share capital by creation of new shares of such amount and class as may be specified in the resolution.

Subject to any special rights for the time being attached to any share in the capital of our Company then issued and to the provisions of Section 62 of the Companies Act, 2013 the new shares may be issued upon such terms and conditions, and with such rights attached thereto as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential right to dividends and in distribution of assets of our Company.

General meetings of shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. As per the provisions of Companies Act, 2013 and Articles of Association, AGM of the Company shall be held within such intervals as are specified in Section 96 read with Section 129 of the Companies Act, 2013 at such times and places as may be determined by the Board. All other meetings of our Company, shall except in the case of an annual general meeting, be called extra-ordinary general meetings.

Our Company shall comply with the provisions of Section 111 of the Act as to giving notice of resolutions and circulating statements on the requisition of members. Further, notice of every meeting of our Company shall be given to such persons and in such manner as provided by Section 101 of the Act.

Further, any act or resolution which, under the provisions of the Articles or of the Companies Act, 2013 is permitted or required to be done or passed by the Company in general meeting be sufficiently so done or passed if effected by an ordinary resolution, unless either the Act or the Articles specifically require such act to be done or resolution passed as special resolution.

Voting rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association:

(i) Upon a show of hands of every member holding equity shares and entitled to vote and shall present in person (including an attorney or a representative of a body corporate) shall have one vote;

(ii) Upon poll the voting right of every member holding equity shares and entitled to vote and present in person (including a corporation or company present as aforesaid) or by attorney or by proxy shall be in the same proportion as the capital paid on the equity shares or shares (whether fully paid or partly paid) held by him bears to the total paid up equity capital of our Company; and

(iii) Upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions, limitations and restrictions laid down in Section 47 of the Act.

Where a company or body corporate is a member of our Company, a person duly appointed by resolution in accordance with the provisions of Section 113 of the Act to represent such member company at meeting of our Company, shall not by reason of such appointment, be deemed to be a proxy, and lodging with our Company at the Office or production at the meeting of a copy of such resolution duly signed by one Director of such member Company and certified by him as being a true copy of such resolution shall, on production at the meeting, be accepted by our Company as sufficient evidence of the validity of his appointment.

On a poll, votes may be given either personally or by proxy, or in the case of a body corporate by a representative duly authorized.

Further, no member shall be entitled to exercise any voting right either personally or by proxy at any meeting of our Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which our Company has exercised any right of lien.

Registration of transfers and register of members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act, 2013. Under the SEBI Listing Regulations of the stock exchanges on which our Company’s outstanding Equity Shares are listed, our Company may, upon at least seven working days’ or such lesser period as may be prescribed for certain situations (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These provisions provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. We have entered into an agreement for such depository services with NSDL and CDSL.

SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Directors

The Articles provide that the number of Directors shall not be less than three and not be more than fifteen excluding any debenture holder director or alternate director, provided that any increase in the number of Directors in office is beyond 15 would require the approval of the shareholders of our Company in a general meeting by way of special resolution under Section 149 of the Act.

Further, our Company in a general meeting may, from time to time, increase or reduce the number of directors within the limits, as mentioned above.

Winding Up

In the event of our winding up:

a. Preference Shareholders will be repaid first from the surplus assets, upto the amount paid up on their shares and any arrears of dividend.
b. If the surplus is insufficient, losses will be borne by preference shareholders proportional to their capital and arrears.
c. After preference shareholders are paid, if assets remain insufficient to repay ordinary shareholders' capital, losses will be borne by them proportionally.
d. If assets exceed the paid-up capital, the surplus will be distributed among the ordinary shareholders proportionally to their capital.

Buy back

Our Company may buy back its own Equity Shares or securities, subject to such limits, terms and conditions and approvals, permissions, consents as may be permitted by the law.

TAXATION

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ADITYA BIRLA FASHION AND RETAIL LIMITED, ITS MATERIAL SUBSIDIARIES AND THE SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

To,
The Board of Directors
Aditya Birla Fashion and Retail Limited
Piramal Agastya Corporate Park
Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502
L.B.S. Road, Kurla
Mumbai 400 070
Maharashtra, India

Sub: Proposed Qualified Institutions Placement of equity shares of face value of ₹ 10 each (the "Equity Shares") by Aditya Birla Fashion and Retail Limited (the "Company") in accordance with Sections 42 and 62(1)(c) of the Companies Act, 2013 (the "Act"), read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, read with Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") (the "Issue").

We, Suresh Surana & Associates LLP, Chartered Accountants, (Firm Registration Number 121750W/W100010), appointed as Independent Chartered Accountants vide an engagement letter dated October 23, 2024 for the purpose of the Issue.

We have been requested by the management of the Company to confirm that the enclosed Annexure A, states the possible special tax benefits, if any, available to the Company, to its shareholders and its material subsidiaries under the direct and indirect taxes presently in force in India ("Indian Tax Laws") and the tax regulations in the respective countries where the material subsidiaries are located. These possible special tax benefits are dependent on the Company or its shareholders and its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders and its material subsidiaries or their shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its shareholders and its material subsidiaries may or may not choose to fulfill such conditions.

Management's Responsibilities

The preparation of Annexure A, which is to be included in the Preliminary Placement Document and the Placement Document and identification of material subsidiaries for the purpose of this certificate is the responsibility of the Management of Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to the Issue.

Independent Chartered Accountant's Responsibilities

Our responsibility is to examine whether Annexure A prepared by the Company is in accordance with the applicable Tax Laws. For this purpose, we have read Annexure A and evaluated with reference to the provisions of the Indian Tax Laws and perused the certificates issued by the Independent Chartered Accountants ("ICA") for material subsidiaries.

For the purpose of this certificate, subsidiaries whose income or net worth exceeds 10 percent of the Company's consolidated income or consolidated net worth as per the Audited Financial Statements for the year ended March 31, 2024 are considered as material subsidiaries. Based on these parameters, none of its subsidiaries has been identified as material subsidiaries.

The special tax benefits discussed in the enclosed Annexure A are not exhaustive or conclusive and cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them. The Annexure A is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue. Neither we are suggesting nor advising investors to invest money based on this statement.

Several of these stated tax benefits/consequences are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company and its shareholders to derive the tax benefits is dependent on fulfilling such conditions.
The benefits discussed in the enclosed annexure are not exhaustive. Annexure A is for your information and for inclusion in the preliminary placement document, placement document and any other material used in connection with the Issue (together the "Placement Documents") with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") and subsequently the Placement Documents with the Registrar of Companies, Maharashtra, at Mumbai ("RoC"), in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") may be prepared in connection with the Issue and is neither designed nor intended to be a substitute for professional tax advice.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement. These statements do not cover any general tax benefits available to the Company and/or its shareholders and is neither designed nor intended to be a substitute for professional tax advice.

We do not express any opinion or provide any assurance as to whether:
i) the Company and its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with; or.
iii) The revenue authorities/courts will concur with the views expressed herein.

Our confirmation is based on the information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

In relation to the Issue, we hereby report the special tax benefits available to the Company and its shareholders pursuant to
(i) applicable direct taxation laws, under Income Tax Act, 1961 (hereinafter referred to as the "Income Tax Regulations"); and
(ii) applicable indirect taxation laws, under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (Collectively referred to as the "Indirect-tax Regulations") are in the enclosed statement Annexure A.

We hereby give consent to include this statement of special tax benefits in Placement Documents.

We have issued this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the independence and ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We hereby confirm that the aforesaid information is true, complete and not misleading. We undertake to immediately inform the Book Running Lead Managers and legal counsels in case of any changes to the above within our knowledge to above until the date when the Equity Shares issued pursuant to the Issue commence trading on the stock exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Restrictions on use

The aforesaid information contained herein and in Annexure A may be relied upon by the Book Running Lead Managers and legal counsels appointed pursuant to the Issue and may be submitted to the stock exchanges, the Securities and Exchange Board of India, and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the Book Running Lead Managers in connection with the Issue.

We consent to be named as "Independent Chartered Accountant" and an "expert" as defined under Section 2(38) read with Section 26 of the Companies Act, 2013, in relation to the above-mentioned reports thereon included in the Placement Documents.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

Yours sincerely,

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration Number: 121750W/W100010

Ramesh Gupta
Partner
Membership Number: 102306
UDIN: 25102306BMHKKL7667
Certificate No: 24332

Place: Mumbai
Date: January 16, 2025

Annexure A

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ADITYA BIRLA FASHION AND RETAIL LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

Outlined below are the possible Special Tax Benefits available to the Company and its shareholders under the Income-tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND TO THE SHAREHOLDERS OF THE COMPANY

Under the Income-tax Act, 1961 ('the Act')

1. Special tax benefits available to the company under the Act

Section 115BAA of the Act: Corporate Tax Rate as per new tax regime

- Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for tax rate of 22% plus surcharge @ 10% and health and education cess @ 4% (effective tax rate of 25.168%) for the financial year 2019-20 and onwards, provided the total income of the company is computed without claiming certain specified deductions and specified brought forward losses and claiming depreciation determined in the prescribed manner.

- In case a company opts for section 115BAA, provisions of Minimum Alternate Tax (MAT) would not be applicable and earlier year MAT credit will not be available for set – off.

- The option needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other subsequent assessment year.

  Further, if the conditions mentioned in section 115BAA are not satisfied in any financial year, the option exercised shall become invalid for assessment year in respect of such financial year and subsequent assessment years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

- The Company has represented to us that they have opted section 115BAA of the Act for AY 2020-2021 and onwards.

Section 80JJAA of the Act: Deduction in respect of employment of new employees

- In accordance with and subject to the conditions specified under Section 80JJAA of the Act, a company is entitled to a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a financial year, for 3 consecutive assessment years including the assessment year relevant to the financial year in which such additional employment cost is incurred.

- Additional employee cost means the total emoluments paid or payable to additional employees employed in the financial year. The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower effective tax rate of 25.168% as per the provisions of section 115BAA of the Act.

- The Company should be eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to sub-section (2) of section 80JJAA of the Act and satisfies the conditions as mentioned in the said section.

2. Special tax benefits available to the shareholders under the Act

There is no special direct tax benefit available to the shareholders of the Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act. Further, it may be noted that these are general tax benefits available to equity shareholders, other shareholders holding any other type of instrument are not covered below.

(i) <u>Dividend Income</u>

- Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of resident shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case the shareholder is a domestic company, a deduction under Section 80M of the ITA could be availed on fulfilling the conditions as mentioned above.

- Separately, any dividend income received by the resident shareholders would be subject to tax deduction at source by the company under section 194 of the Act @ 10%. However, in the case of resident individual shareholders, this would apply only if dividend income exceeds INR 5,000. Any dividend income received by the non-resident shareholders would be subject to tax deduction at source by the Company under section 195 of the Act @ 20% (plus applicable surcharge and cess).

- In case of dividend income [other than referred under section 2(22)(f) of the Act], reported under the head "Income from other sources", shall be computed after making deduction of a sum paid by way of interest on the capital borrowed for the purpose of investment. However, no deduction shall be allowed from the dividend income, other than deduction on account of interest expense, and in any financial year such deduction shall not exceed 20% of the dividend income under section 57 of the Act.

(ii) <u>Tax on Capital gains</u>

- As per section 2(29AA) read with section 2(42A) of the Act, a listed equity share is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

  i. <u>Long term capital gain:</u>
  As per Section 112A of the ITA, long-term capital gains arising from transfer of equity shares shall be taxed at the rate of 12.5% of such capital gains (without indexation benefit and foreign currency fluctuations benefit) on or after 23 July 2024, subject to payment of securities transaction tax on acquisition and transfer of such equity shares of the Company. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,25,000 in a financial year.

  ii. <u>Short term capital gain:</u>

As per Section 111A of the ITA, short-term capital gains arising from transfer of listed equity share on or after 23 July 2024 shall be taxed at 20% subject to fulfilment of prescribed conditions under the Act.

(iii) For shareholders who are Foreign Institutional Investors/ Portfolio Investors (FII/FPIs)

- The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPIs) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of section 115AD of the Act.
- Section 2(14) of the Act defining capital asset, specifically includes any securities held by an FII which has invested in such securities in accordance with the SEBI Regulations.
- In accordance with and subject to the provisions of section 115AD r.w. section 112A of the Act, Long-term capital gains ("LTCG") on transfer of listed shares by FIIs on or after 23 July 2024 (subject to securities transaction tax), are chargeable to tax at 12.5% (plus applicable surcharge and cess) on income exceeding INR 1,25,000. The benefit of cost indexation and foreign currency fluctuations is not available.
- In accordance with and subject to the provisions of section 115AD r.w. section 111A of the Act, Short-term capital gains ("STCG") on transfer of listed shares by FIIs on or after 23 July 2024 (subject to securities transaction tax), are chargeable to tax at the rate of 20% (plus applicable surcharge and cess).
- Under section 196D(2) of the Act , no deduction of tax at source will be made in respect of income by way of capital gains arising to FIIs from the transfer of securities referred in section 115AD of the ITA.

(iv) For shareholders who are Investment Funds

- Under section 10(23FBA) of the Act, any income except for income under the head "Profits and Gains of Business/ Profession" of Investment Funds, registered as Category-I or Category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) regulations, 2012 is exempt from income tax, subject to conditions specified therein.
- As per section 115UB(1) of the Act, any income accruing/arising/received by a person from his investment in the Investment Fund is taxable in the hands of such person in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly by him.
- Under section 115UB(4) of the Act, the total income of an Investment Fund is charged at the rate or rates as specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.
- Further, as per section 115UB(6) of the ITA, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.
- Taxation of income of AIF Category III are governed by the other / normal provisions of the Act.
- Investment Funds have withholding tax obligation under section 194LBB of the Act while making distribution to its unitholders at the rate of 10% where the payee is resident and as per the rates in force under the Act where payee is non-resident.

(v) Double Taxation Avoidance Agreement benefit:

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement ('DTAA'), if any, between India and the country in which the non-resident has fiscal domicile and fulfilment of other conditions to avail the benefit under DTAA. The non-resident shareholder shall be required to provide tax residency certificate, declaration of no permanent establishment in India and electronically file Form 10F for respective assessment year in order to avail benefits under the DTAA.

Notes:

- These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

- This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income-tax consequences that apply to them.

- Surcharge rate shall be maximum 15% in case of dividend income and capital gains.

- Health and Education Cess ('cess') @ 4% on the tax and surcharge as shall be applicable, is payable by all category of taxpayers.

- We understand that the Company has opted for concessional income tax rate under section 115BAA of the Act. Accordingly, surcharge shall be levied at the rate of 10% irrespective of the amount of total income.

  We understand that the Company has opted for concessional tax rate under section 115BAA of the Act. Hence, it will not be allowed to claim any of the following deductions;
  - Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
  - Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
  - Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
  - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
  - Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
  - Deduction under section 35CCD (Expenditure on skill development)
  - Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA and section 80M;
  - No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
  - No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

- Further, it is also clarified in section 115JB(5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

- The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND TO THE SHAREHOLDERS OF THE COMPANY

Outlined below are the possible tax benefits available to the Company and its shareholders under the Indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2024 including the relevant rules, notifications and circulars issued there under and Foreign Trade (Development Regulation) Act, 1992 ("FTDR Act"), applicable for the Financial Year 2024-25, presently in force in India.

The company is not availing any specific tax benefits under the above referred Act except the below mentioned export benefits/ exemptions/ remission schemes and duty exemptions on imports as per the relevant laws.

UNDER THE INDIRECT TAX

BENEFITS TO THE COMPANY UNDER VARIOUS INDIRECT TAX LAWS:

1. Special tax benefits available to the Company

(i) There are no special tax benefits available to the Company under GST law.

(ii) Duty Exemption Schemes (Advance Authorization)

The Company has taken Advance Authorisation ('AA') and Export Promotion Capital Goods Scheme ('EPCG') licenses under FTP and is availing exemption from basic customs duty, social welfare surcharge and integrated goods and services tax on import of goods meant for export production. Imports made by the Company against AA and EPCG scheme are exempted from IGST and compensation cess upto 30th sept 2024.

(iii) Benefits of Duty Drawback scheme under Sections 75 of the Customs Act, 1962

As per section 75, the Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. Unlike the drawback of a portion of the customs duty paid on imported goods, here the main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the amount of drawback payable on such goods.

(iv) Benefit of exemption on import of goods under section 25 of the Customs Act

As per section 25 of the Customs Act, the Central Government is empowered to exempt whole or part of customs duty leviable on import of goods. The Company is availing such exemption benefit on import of goods from SAFTA and ASEAN countries with preferential customs duty.

(v) Remission of Duties and Taxes on Exported Products (RoDTEP) and Rebate of State & Central Tax and Levies)

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on September 14, 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms. At present, embedded duties and taxes, which are not refunded under any other scheme, are covered. Under the scheme, a rebate of these taxes will be given in the form of duty credit/electronic script.

The Rebate of State and Central Taxes and Levies (RoSCTL) is a government initiative to boost India's textile exports by reimbursing exporters for various state and central taxes that are not refunded through other schemes.

(vi) Export of goods and Services under the GST law

Under the GST regime, supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier is entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies and can seek refund of accumulated/ unutilized ITC.

GST law inter-alia allows export of goods and services at zero rate on fulfilment of certain conditions. Exporters can export services under Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export services with payment of IGST and subsequently claim refund thereof, as per the provisions of section 54 of the CGST Act. The Company is undertaking exports of services without payment of tax under the cover of LUT. However, no refund is applied as excess ITC is utilized against taxable GST output liability.

2. **Special Tax Benefits available to the Shareholders of the Company**

- There are no special indirect tax benefits available to shareholders of the Company by virtue of their investment in the Company.

Notes:

1. This Statement covers only certain relevant Indirect tax law benefits and does not cover any other benefit under any other law.
2. These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Indirect Tax Regulation. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
3. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:
   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.
5. The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of the
Aditya Birla Fashion Retail Limited

Name: Jagdish Bajaj
Designation: Chief Financial Officer

Place: Mumbai
Date: January 16, 2025

CERTAIN TAX CONSIDERATIONS

Certain India Income Tax Considerations

There may be certain material Indian tax consequences to a U.S. holder (as defined below) of ownership of Equity Shares which are based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Placement Document. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Equity Shares. For information on Indian taxation, refer to the section "*Taxation*" on page 275 of this Placement Document.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain material U.S. federal income tax consequences to a U.S. holder (as defined below) for purchasing, owning and disposing of Equity Shares acquired pursuant to this Issue. This summary does not address any aspect of U.S. federal non-income tax laws, such as U.S. federal estate and gift tax laws, or state, local or non-U.S. tax laws, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person's decision to acquire Equity Shares.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The discussion applies to you only if you acquire the Equity Shares in this Issue and you hold the Equity Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") . This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker;
- a dealer in securities, commodities or non-U.S. currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a regulated investment company;
- an accrual method taxpayer subject to special tax accounting rules as a result of its use of financial statements;
- an investor who is a U.S. expatriate, former U.S. citizen or former long term resident of the United States;
- a controlled foreign corporation;
- a passive foreign investment company;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually, indirectly or constructively owns 10% or more of (i) the total combined voting power of all classes of the Company voting stock or (ii) the total value of all classes of the Company stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a holder that holds Equity Shares as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or
- a U.S. holder (as defined below) whose functional currency is not the U.S. Dollar.

This section is based on the Code, existing and proposed U.S. Department of the Treasury regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company ("PFIC") rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion.

This discussion is not binding on the U.S. Internal Revenue Service ("IRS") or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the IRS or a court will not take a different position concerning the U.S. federal income tax consequences of an investment in the Equity Shares or that any such position would not be sustained.

For U.S. federal income tax purposes, you are a "U.S. holder" if you are a beneficial owner of Equity Shares that acquired the shares pursuant to this Issue and you are:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any State thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorised to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. holders who are not resident in India for purposes of the Income Tax Treaty between the United States and India.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Equity Shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Equity Shares that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares.

Taxation of Dividends

Subject to the PFIC rules described below under "PFIC Considerations", if you are a U.S. holder you generally must include in your gross income as a dividend the gross amount of any distributions of cash or property (other than certain pro rata distributions of Equity Shares) with respect to Equity Shares, to the extent the distribution is paid by our Company out of its current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend as ordinary income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Equity Shares and thereafter as capital gain from the sale or exchange of such Equity Shares. Notwithstanding the foregoing, our Company does not intend to maintain calculations of its earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes.

Subject to the PFIC rules described below, dividends paid by a non-U.S. corporation generally will be taxed at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if (a) such non-U.S. corporation is eligible for the benefits of certain U.S. treaties or the dividend is paid by such non-U.S. corporation with respect to stock that is readily tradable on an established securities market in the United States, (b) the U.S. holder receiving such dividend is an individual, estate, or trust, and (c) such dividend is paid on shares that have been held by such U.S. holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date." If the requirements of the immediately preceding sentence are not satisfied, a dividend paid by a non-U.S. corporation to a U.S. holder, including a U.S. holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). The dividend rules are complex, and each U.S. holder should consult its own tax advisor regarding the dividend rules.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be "passive category income", which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. holder's particular circumstances. You should consult your own tax advisor to determine the foreign tax credit implications of owning the Equity Shares.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. Dollar value of the Indian Rupee payments made, determined at the spot Indian Rupee/U.S. Dollar exchange rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. Dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. Dollars will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Taxation of Sale, Exchange or Other Taxable Disposition of Equity Shares

Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell, exchange or otherwise dispose of your Equity Shares in a taxable disposition, you generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount realized and your tax basis, determined in U.S. Dollars, in your Equity Shares. Gain or loss recognized on such a sale, exchange or other disposition of Equity Shares generally will be long-term capital gain if the U.S. holder has held the Equity Shares for more than one year. Long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) are generally taxed at preferential rates (currently at a maximum rate of 20%). The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. Your ability to deduct capital losses is subject to limitations.

Medicare Tax

Certain U.S. holders who are individuals, estates or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder's "net investment income", which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Equity Shares, subject to certain limitations and exceptions. Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the Equity Shares.

PFIC Considerations

The Code provides special rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of, shares of stock in a PFIC. A non-U.S. corporation will be treated as a PFIC for any taxable year in which either: (i) at least 75 percent of its gross income is "passive income" or (ii) at least 50 percent of its gross assets during the taxable year (generally based on the average of the fair market values of the assets determined at the end of each quarterly period) are "passive assets," which generally means that they produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. Cash is generally a passive asset. However, under recently proposed U.S. Treasury regulations, on which taxpayers may rely, an amount of cash held in a non-interest bearing financial account that is held for the present needs of an active trade or business and is no greater than the amount necessary to cover operating expenses incurred in the ordinary course of the trade or business and reasonably expected to be paid within 90 days is generally not treated as a passive asset. Further, goodwill is generally treated as an active asset to the extent attributable to activities that produce or are intended to produce active income. In determining whether a non-U.S. corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Based on the current and projected composition of our income and assets, including the expected cash proceeds from this offering, we do not expect to become a PFIC in the current taxable year or the foreseeable future for U.S. federal income tax purposes. However, no assurance can be given that our Company will not be considered a PFIC in the current or any future taxable years. Our Company's possible status as a PFIC must be determined for each year and cannot be determined until the end of each taxable year. Because this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond our Company's control, including the amount and nature of our Company's income and assets, as well as on the market valuation of our Company's assets, including goodwill, and Equity Shares, and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that our Company is not a PFIC and will not become a PFIC or that the IRS will agree with our conclusion regarding our PFIC status. If our Company was currently or were to become a PFIC, U.S. holders of Equity Shares would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

If we are a PFIC for any fiscal year during which a U.S. holder holds our Equity Shares, we generally will continue to be treated as a PFIC with respect to that U.S. holder for all succeeding fiscal years during which the U.S. Holder holds our Equity Shares, unless we cease to meet the threshold requirements for PFIC status <u>and</u> that U.S. holder makes a qualifying "deemed sale" election with respect to the Equity Shares. If such an election is made, the U.S. holder will be deemed to have sold the Equity Shares it holds at their fair market value on the last day of the last fiscal year in which we qualified as a PFIC, and any gain from such deemed sale will be subject to the consequences described below. After the deemed sale election, the Equity Shares with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

If we are a PFIC for any taxable year during which a U.S. holder holds our Equity Shares, the U.S. holder may be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of our Equity Shares by the U.S. holder would be allocated ratably over the U.S. holder's holding period for such Equity Shares. The amounts allocated to the taxable year of disposition and to years before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and would be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to each such other taxable year. Further, to the extent that any distribution received by a U.S. holder on our Equity Shares exceeds 125% of the average of the annual distributions on such Equity Shares received during the preceding three years or the U.S. holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner described immediately above with respect to gain on disposition.

If we are a PFIC for any fiscal year during which any of our non-U.S. subsidiaries is also a PFIC, a U.S. Holder of our Equity Shares during such year will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules to such subsidiary. U.S. holders should consult their tax advisers regarding the tax consequences if the PFIC rules apply to any of our subsidiaries. Alternatively, if we are a PFIC and if our Equity Shares are "regularly traded" on a "qualified exchange", a U.S. holder may be eligible to make a mark-to-market election that would result in tax treatment different from the general tax treatment described above. Our Equity Shares would be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the Equity Shares are traded on a qualified exchange on at least 15 days during each calendar quarter. However, because a mark-to-market election cannot be made for equity interests in any lower-tier PFIC that we may own, a U.S. holder that makes a mark-to-market election with respect to us may continue to be subject to the PFIC rules with respect to any indirect investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. If a U.S. holder makes the mark-to-market election, the U.S. Holder generally will recognize as ordinary income any excess of the fair market value of the Equity Shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the Equity Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes the election, the U.S. holder's tax basis in the Equity Shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of our Equity Shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless our Equity Shares are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. U.S. holders are urged to consult their tax advisers about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

Alternatively, a U.S. holder of stock in a PFIC may make a so-called ”Qualified Electing Fund” election to avoid the PFIC rules regarding distributions and gain described above. The PFIC taxation regime would not apply to a U.S. holder who makes a QEF election for all taxable years that such U.S. Holder has held our Equity Shares while we are a PFIC, provided that we comply with specified reporting requirements. Instead, each U.S. holder who has made a valid and effective QEF election is required for each taxable year that we are a PFIC to include in income such U.S. Holder's pro rata share of our ordinary earnings as ordinary income and such U.S. Holder's pro rata share of our net capital gains as long-term capital gain, regardless of whether we make any distributions of such earnings or gain. The QEF election is made on a shareholder-by-shareholder basis and generally may be revoked only with the consent of the IRS. Our Company does not intend to provide to U.S. holders the information required to make a valid QEF election and our Company currently makes no undertaking to provide such information. Accordingly, it is currently anticipated that a U.S. holder will not be able to avoid the special tax rules described above by making the QEF election.

In addition, if we are a PFIC or, with respect to particular U.S. holders, are treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If a U.S. Holder owns our Equity Shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to us, generally with the U.S. holder's federal income tax return for that year. If we are a PFIC for a given taxable year, you should consult your tax advisor concerning your annual filing requirements.

The U.S. federal income tax rules relating to PFICs are complex. U.S. holders are urged to consult their own tax advisers with respect to the ownership and disposition of our Equity Shares, the consequences if we are or become a PFIC, any elections available with respect to our Equity Shares, and the IRS information reporting obligations with respect to the ownership and disposition of our Equity Shares.

Information with Respect to Foreign Financial Assets

In addition, certain U.S. holders may be subject to certain reporting obligations with respect to Equity Shares if the aggregate value of these and certain other “specified foreign financial assets” exceeds $50,000. If required, this disclosure is made by filing Form 8938 with the IRS. Significant penalties can apply if U.S. holders are required to make this disclosure and fail to do so. In addition, a U.S. holder should consider the possible obligation for online filing of a FinCEN Report 114—Foreign Bank and Financial Accounts Report as a result of holding Equity Shares. U.S. holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of Equity Shares.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to distributions made on our Equity Shares within the U.S. to a non-corporate U.S. holder and to the proceeds from the sale, exchange, redemption or other disposition of Equity Shares by a non-corporate U.S. holder to or through a U.S. office of a broker. Payments made (and sales or other dispositions effected at an office) outside the U.S. will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder’s U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder’s U.S. federal income tax liability provided that the appropriate returns are filed.

You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to this Issue, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, non-U.S. tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations.

LEGAL PROCEEDINGS

We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of criminal cases, civil cases, tax proceedings, labor disputes, regulatory and statutory proceedings, and consumer complaints. We assess each such legal proceeding filed by or against us and monitor the legal position on an ongoing basis.

*Except as disclosed in this section, there is no outstanding legal proceeding which has been considered material in accordance with the Company's 'Policy for Determination of Materiality of Event or Information' framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**") and adopted by our Board pursuant to its resolution dated August 4, 2023. However, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section of this Placement Document:*

1. *All outstanding criminal matters involving the Company and its Material Subsidiaries;*

2. *All outstanding actions taken (including all penalties and show cause notices received) by regulatory and statutory authorities (including SEBI, RBI, Stock Exchanges or such similar authorities) involving the Company and its Material Subsidiaries, that may have a material impact on the operations of the Company and the Material Subsidiaries;*

3. *All outstanding claims related to direct and indirect tax matters involving the Company and its Material Subsidiaries, to be disclosed in a descriptive manner in respect of cases where the amount demanded exceeds the Materiality Amount (defined below as per point no 4), if any;*

4. *The SEBI ICDR Regulations mandate legal proceedings to be disclosed in accordance with the materiality policy framed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of the Materiality Policy, pending civil litigations or disputes involving (which includes cases filed by and against) the Company and its Material Subsidiaries, which may have an impact on the Company, where the value or the expected impact in terms of value, exceeds the lower of the following are considered material ("**Materiality Amount**"): (i) 2% of turnover, as per the last audited consolidated financial statements of the Company (i.e., ₹ 279.92 crores for Fiscal 2024); (ii) 2% of the net worth, as per the last audited consolidated financial statements of the Company (i.e., ₹ 80.68 crores for Fiscal 2024); or (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company (i.e., ₹ 15.23 crores in the preceding three Fiscals). Accordingly, based on the above, the lowest of the three thresholds above, i.e., ₹ 15.23 crores (i.e. 5% of the average of the absolute value of the profit/ loss after tax as per the last three annual consolidated financial statements of the Company) will be the Materiality Amount. The Materiality Amount was approved by our Board pursuant to its resolution dated January 15, 2025;*

5. *Any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory and regulatory authority against the Promoters in the last three years immediately preceding the year of the Issue and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*

6. *Details of any significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations;*

7. *Any inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or previous company law in the last three years immediately preceding the year of the Issue involving the Company and its Subsidiaries along with any prosecutions filed (whether pending or otherwise), fines imposed or compounding of offences in the last three years immediately preceding the year of the Issue involving the Company and its Subsidiaries during such period;*

8. *Details of acts of any material frauds committed against the Company in the last three years and any action taken by the Company in that regard;*

9. *Any default by the Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon;*

10. *Any reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of the Preliminary Placement Document / Placement Document and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remarks;*

11. *Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder; and*

12. *All other outstanding litigation involving the Company and its Material Subsidiaries, wherein a monetary liability is not determinable or quantifiable or which does not exceed the threshold as specified in (4) above which if results in an adverse outcome may have a material adverse effect on the Company or which may otherwise be material for the Company and/or has been intimated to the Stock Exchanges by the Company in accordance with the Materiality Policy.*

Please refer to "Risk Factors – Our Company and Promoter are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, financial condition, cash flows and results of operations." on page 65;

It is clarified that for the purposes of the above, the pre-litigation notices (including first information reports) received by the Company and Material Subsidiaries from third parties (excluding those notices issued by statutory or governmental or regulatory or taxation authorities or notices threatening criminal action) shall not, unless otherwise decided by the Board of Directors of the Company, be considered material until such time that the relevant party, as the case may be, is impleaded as parties in litigation before any judicial or arbitral forum or is notified by any governmental, statutory, or regulatory authority of any such proceeding that may be commenced. Further, our Company does not have any Material Subsidiaries. For further information, see "Organisational Structure – Our Material Subsidiaries" on page 232.

I. ***<u>Litigation involving the Company</u>***

Litigation against the Company

A. Criminal Litigation against the Company

1. Bikash Agarwal ("**Complainant**") had filed a first information report dated September 26, 2018 ("**FIR**") before the police station Jorhat, Assam against the Company and certain officers of the Company under sections 120-B, 420 and 406 of the Indian Penal Code, 1860 alleging cheating, criminal conspiracy and criminal breach of trust. The Complainant's firm, Shree Krishna Ventures, was appointed as a franchisee of the Company for operating an exclusive brand outlet for 'Allen Solly' in Jorhat, Assam for which the space was procured on rental basis in the calendar year 2013 till 2016. The Complainant's firm had issued certain way-bills to the Company for shipments of goods to the Complainant's store. The Complainant alleged that the Company had misused certain way-bills to deliver goods to a third party, alleging a criminal conspiracy. The matter is currently pending.

2. The State of Uttar Pradesh ("**Complainant**") had filed a complaint dated June 28, 2016 before the Chief Judicial Magistrate, Lucknow, Uttar Pradesh against the Company (through Pranav Barua) under the West Bengal Gambling and Prize Competitions Act in relation to marketing of an offer. The matter is currently pending.

B. Actions Taken by Regulatory and Statutory Authorities against the Company

Nil

C. Material Civil litigation against the Company

1. M/s Isha Distribution House Private Limited ("**IDHPL**") filed a suit dated March 15, 2016 ("**Suit**") against the Company before the High Court of Kolkata ("**High Court**"), seeking, *inter alia*, declaring the termination of distributorship agreements for West Bengal and Bihar by the Company as void, claiming an amount aggregating to ₹ 177.75 crore for business loss, reputational damage along with interest of 18% per annum from March 2016 until payment. The Suit was subsequently dismissed by the High Court by way of an order dated July 28, 2016. Aggrieved, IDHPL filed an appeal before the division bench of the High Court, which was dismissed by way of an order dated February 13, 2017. A review petition was also filed by IDHPL against such dismissal, which was dismissed on May 2, 2017 ("**Order 1**"). Pursuant to the Order 1, a special leave petition dated July 3, 2017 ("**SLP**") was filed by IDHPL before the Supreme Court of India ("**Supreme Court**"). The Supreme Court, by way of an order dated March 7, 2019 ("**Order 2**"), allowed the SLP and remanded the matter to the High Court. The Company filed a review petition before the Supreme Court against the Order 2, which was subsequently dismissed by way of an order dated July 10, 2019. The matter is currently pending before the High Court.

2. M/s Sai Enterprises, the licensor of Paradise Tower store - Gokhale Road, Naupada, Thane (West) Mumbai of the Company has filed a civil suit for recovery dated June 23, 2021 ("**Civil Suit**") against the Company before the Court of Civil Judge (S.D.), Thane claiming an outstanding amount of approximately ₹ 18.11 crore towards arrears of license fees, water charges, goods and services tax along with damages and interest. The Company has filed two interlocutory applications, each dated August 11, 2021 ("**IAs**"), one for referring the dispute for adjudication by arbitration and another IA for rejection of plaint. The matter is currently pending.

Litigation by the Company

A. Criminal Litigation by the Company

1. There are 19 cases filed by the Company pending before various judicial forums in relation to recovery of amounts due to the Company for which cheques issued in favour of the Company by our clients/debtors which have been dishonoured under section 138 of the Negotiable Instruments Act, 1881. The aggregate amount involved in these matters is approximately ₹ 2.52 crores. The matters are currently pending.

2. Our Company has filed a complaint dated June 28, 2018 before the Court of Metropolitan Magistrate's 22nd Court, Andheri, Mumbai under section 200 of the Code of Criminal Procedure, 1973 read with sections 499 and 500 of the Indian Penal Code, 1860 against Sangeeta Bubna, director of Isha Distribution House Private Limited ("**Accused**") on the grounds of false and defamatory statements made by the Accused. The matter is currently pending.

3. Our Company has filed an application dated September 27, 2016 before the Court of the 1st Civil Judge (Junior Division) at Alipore under section 340 and 195(1)(B) of the Code of Criminal Procedure, 1973 read with sections 193, 199 and 209 of the Indian Penal Code, 1860 against Sangeeta Bubna ("**Accused**") on the grounds of perjury and false statements made by the Accused. The matter is currently pending.

4. Our Company (through its authorized representative Kamlesh Yadav) has filed a complaint dated November 30, 2021 before the Court of the Chief Judicial Magistrate, Dhanbad under sections 339, 379, 383, 403, 406, 417, 418, 425, 441 and 506 of the Indian Penal Code, 1860 against Pushplata Kumari and Shailendra Kumar ("**Accused**") on the grounds of cheating, theft, wrongful restraint, extortion, criminal trespass, dishonest misappropriation of property, criminal breach of trust, criminal force, assault, mischief and criminal intimidation among other criminal acts by the Accused. The matter is currently pending.

5. Our Company (through its authorized representative G.S. Thimmiah) has filed a complaint dated December 1, 2014 before the station house officer, Mahadevpura Police Station, Bangalore under sections 406 and 420 of

the Indian Penal Code, 1860 and section 66(a) of the Information Technology Act, 2000 against Arun Murthy ("**Accused**") on the grounds of cheating, forgery and criminal breach of trust, which was transferred to the 4th Addl. CMM Court, Nrupatunga Road, Bangalore City. The matter is currently pending.

6. Our Company has filed a complaint dated December 16, 2022 before the Metropolitan Magistrate's Court, Dadar, Mumbai, Maharashtra under section 156 of the Code of Criminal Procedure against the State of NCT of Delhi, against Vivek Kumar Mishra in relation to *inter-alia* theft at one of the stores of our Company. The matter is currently pending.

7. Our Company has filed a criminal revision petition dated June 5, 2023 before the District and Sessions Judge, East, Karkardooma, Delhi, under sections 397 and 399 of the Code of Criminal Procedure against the State of NCT of Delhi (against an order dated May 10, 2023 passed by the Additional Chief Metropolitan Magistrate, East, Karkardooma, Delhi) for *inter-alia* theft at one of the stores of our Company. The matter is currently pending.

8. Our Company has filed a complaint dated March 25, 2022 before the J.M.F.C Court at Bhiwandi, Maharashtra under section 156 of the Code of Criminal Procedure, against DRP Supply Chain Solutions LLP (through Jinalbhai Yogeshbhai Shah) in relation to *inter-alia* theft at one of the stores of our Company. The matter is currently pending.

B. Material Civil Litigation by the Company

Nil

II. *Litigation involving our Promoter*

Litigation against our Promoter

Any litigation or legal action pending or taken by any Ministry or Department of the Government or by statutory and regulatory authorities against our Promoter in the last three years immediately preceding the year of the Issue and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action

In Fiscal 2024, Fiscal 2023 and Fiscal 2022, Birla Group Holdings Private Limited was involved in 18 income tax proceedings before various authorities involving an amount of approximately ₹ 17.52 crores*. These matters are currently pending at various stages of adjudication.
** To the extent quantifiable.*

Material fraud committed against the Company in the last three years, and if so, the action taken by the Company

As on the date of this Placement Document, there have not been any acts of material frauds committed against the Company in the last three years preceding the year of this Placement Document.

Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or previous company law against the Company and its Subsidiaries in the last three years immediately preceding the year of this Placement Document

As on the date of this Placement Document, there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or previous company law against the Company and its Subsidiaries in the last three years immediately preceding the year of this Placement Document.

Prosecutions filed against, fines imposed on, or compounding of offences by the Company and its Subsidiaries in the last three years immediately preceding the year of this Placement Document

As on the date of this Placement Document, there are no prosecutions filed against (whether pending or not), fines imposed on, or compounding of offences by the Company and its Subsidiaries in the last three years immediately preceding the year of this Placement Document.

Details of default in repayment by the Company of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon

As on the date of this Placement Document, there is no default in repayment by the Company, of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon.

Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations

As on the date of this Placement Document, there has been no order passed by any regulator, court or tribunal which impacts the going concern status of the Company and/or its future operations.

Reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of the Placement Document and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remarks

Except as disclosed below and in "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Auditor Observations and Emphasis of Matter*" on page 151, there have not been any reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of the Placement Document.

Period	Reservations, qualifications and adverse remarks	Impact on the financial statement and financial position of the Company	Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures
Financial year ended March 31, 2024 - Standalone	**Reservations under Other Legal and Regulatory requirement :** As per section 143(3) of the Companies Act, 2013, we report that:(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year and the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) (“the Rules”) (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Rules	None	The Company is in the process of putting in place a system for taking daily backup and we are assessing to close the same during this financial year.
	Reservation under other matters included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014: (vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has the feature of recording audit trail (edit log) facility, except for changes made by certain users through specific access at application level and for direct database changes. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. In respect of accounting software maintained by third party service providers, due to absence of or insufficient information in the service auditors’ report related to audit trail, we are unable to comment whether the audit trail feature of the aforesaid software were enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.	None	The Company is in the process of putting in place a system for ensuring that there are logs of all data edition and to ensure that audit for third party vendors is conducted and we are assessing to close the same during this financial year.

Period	Reservations, qualifications and adverse remarks	Impact on the financial statement and financial position of the Company	Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures
Financial year ended March 31, 2024 - Consolidated	**Reservation under other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:** (vi) Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Group and its joint venture have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of performing our procedures, other than the below mentioned instances where audit trail was not maintained the question of our commenting does not arise, we and the respective auditors of the above referred subsidiaries, did not notice any instance of the audit trail feature being tampered with: a) In respect of 2 subsidiary companies (including a step-down subsidiary) incorporated in India, the feature of recording audit trail (edit log) facility was not available. b) In respect of the Holding company and 6 subsidiary companies (including a stepdown subsidiary) incorporated in India, accounting software has the feature of recording audit trail (edit log), except for certain type of masters, changes made through specific access at application level and for direct database changes. Accordingly, we are unable to comment whether the audit trail feature of the aforesaid software were enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with c) In respect of the Holding company, 2 subsidiary companies and a joint venture incorporated in India, certain accounting software are maintained by third party service providers and due to absence of or insufficient information in the service auditors' report, we are unable to comment whether the audit trail feature of the aforesaid software were enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with	None	The Company in the process of putting in place a system for taking daily backup and we are assessing to close the same during this financial year.
Financial year ended March 31, 2023- Consolidated	**Reservation on point no. 18 of Report on Other Legal and Regulatory Requirements:** a) The following matter as included in the auditor's report dated May 16, 2023 issued on the financial statements of Aditya Birla Digital Fashion Ventures Limited, a subsidiary of the Holding Company is reproduced as under: "Managerial remuneration of Rs. 1.87 crores paid by the Company to its whole-time director is in excess of the limits specified in Section 197 read with Schedule V to the Act. The Company proposes to obtain requisite approvals from the shareholders at the ensuing Annual General Meeting with respect to excess managerial remuneration paid/ payable." b) The following matter as included in the auditor's report dated May 11, 2023 issued on the financial statements of Bewakoof Brands Private Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants is reproduced as under:	No Impact	It has been ratified subsequently

Period	Reservations, qualifications and adverse remarks	Impact on the financial statement and financial position of the Company	Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures
	"In our opinion, according to information, explanations given to us, the Company is a deemed public company in accordance with Section 2(71) of the Act with effect from February 15, 2023. The remuneration paid by the Company to its Director has exceeded the pro-rated limits specified in Section 197 of the Act read with Schedule V of the Act and rules thereunder by Rs 0.30 crores which is accounted for as recoverable from the Director in accordance with the provisions of Section 197 of the Act. However, the management of the Company intends to seek requisite approvals from the shareholders with respect to the excess managerial remuneration paid at the ensuing annual general meeting."		
Financial year ended March 31, 2021 - Standalone and Consolidated	**Reservations under Other Legal and Regulatory requirement :** As per section 143(3) of the Companies Act, 2013, we report that: (g) The remuneration paid to Managing Director and Whole time Directors for the year ended March 31, 2021, being in excess of the limits prescribed under the provisions of section 197 read with Schedule V to the Act, by ` 0.56 Crore, is subject to the approval of the shareholders	No Impact	It has been ratified subsequently

Period	Reservations, qualifications, adverse remarks and emphasis of matter in the CARO Report	Impact on the financial statement and financial position of the Company	Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures
Financial year ended March 31, 2024 - Standalone	The title deeds of all the immovable properties are in the name of the Company except few	None	Freehold land: the Company has already paid the stamp duty during restructuring and the Company does not intend to do anything now. Leasehold properties: These deeds are carried from the earlier name of the company which are getting amended as and when the same are renewed and it

<table>
<tr><th>Period</th><th>Reservations, qualifications, adverse remarks and emphasis of matter in the CARO Report</th><th>Impact on the financial statement and financial position of the Company</th><th>Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures</th></tr>
<tr><td rowspan="2">Financial year ended March 31, 2024 - Consolidated</td><td>Following loans were granted to same parties, which has fallen due during the year and were renewed / extended. Further, there are no loans granted / renewed / extended to settle the overdue loans.
(Rs. in Crores)<table>
<tr><th>Name of the parties</th><th>Aggregate amount of loans or advances in the nature of loans granted during the year</th><th>Aggegate amount settled by renewal or extension or by fresh loans granted to same parties</th><th>Percentage of the aggregate to the total loans or advances in the nature of loans granted during theyear</th></tr>
<tr><td>Pratyaya E-Commerce Private Limited</td><td>770</td><td>770</td><td>100%</td></tr>
</table></td><td>No impact. It is in normal course of business</td><td>is a factual reporting</td></tr>
<tr><td>During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.

The Company is yet to submit the return/statement for the quarter ended March 31, 2024 with the banks. The Management has also restated the Financial Statement as on April 01, 2022 (Refer Note 46 to the financial statements) and consequent to that the underlying numbers filled in the returns will also be revised for the period subsequent to that. We understand that the management is in the process of filling the same. Also, refer Note 48(iv) to the Financial Statements.</td><td>No impact</td><td>The statement of March is submitted after the closure of books for March and the same was subsequently submitted with the bank.</td></tr>
</table>

Period	Reservations, qualifications, adverse remarks and emphasis of matter in the CARO Report	Impact on the financial statement and financial position of the Company	Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures
Financial year ended March 31, 2023 - Standalone	The title deeds of all the immovable properties are in the name of the Company except few	None	Freehold land: the Company has already paid the stamp duty during restructuring and the Company does not intend to do anything now. Leasehold properties: These deeds are carried from the earlier name of the company which are getting amended as and when the same are renewed and it is a factual reporting.

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<tr><th>Period</th><th>Reservations, qualifications, adverse remarks and emphasis of matter in the CARO Report</th><th>Impact on the financial statement and financial position of the Company</th><th>Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures</th></tr>
<tr><td rowspan="2">Financial year ended March 31, 2023-Consolidated</td><td>During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account as set out below. (Also refer Note 47 to the financial statements).

47 Borrowings Secured Against Current assets
<table>
<tr><th>Quarter (FY23)</th><th>Name of the bank</th><th>Working Capital Limit Sanctioned (in Lakhs)</th><th>Particular of securities provided</th><th>Amount as per books of account</th><th>Amount as reported in the quarterly return/statement</th><th>Amount of difference</th><th>Reason for material discrepancies</th></tr>
<tr><td rowspan="3">Q1</td><td rowspan="3">Axis Bank</td><td rowspan="3">800</td><td>Inventories</td><td>1,068.29</td><td>1,068.29</td><td>(0.00)</td><td>No differences</td></tr>
<tr><td>Trade Receivable</td><td>53.17</td><td>53.17</td><td>(0.00)</td><td>No differences</td></tr>
<tr><td>Trade Payable</td><td>(376.97)</td><td>(376.44)</td><td>(0.53)</td><td>Immaterial difference</td></tr>
<tr><td rowspan="3">Q2</td><td rowspan="3">Axis Bank</td><td rowspan="3">800</td><td>Inventories</td><td>1,337.47</td><td>1,337.47</td><td>0.00</td><td>No differences</td></tr>
<tr><td>Trade Receivable</td><td>131.88</td><td>131.88</td><td>0.00</td><td>No differences</td></tr>
<tr><td>Trade Payable</td><td>(515.88)</td><td>(515.88)</td><td>(0.00)</td><td>No differences</td></tr>
<tr><td rowspan="3">Q3</td><td rowspan="3">Axis Bank</td><td rowspan="3">800</td><td>Inventories</td><td>1,634.05</td><td>1,634.40</td><td>(0.35)</td><td>Immaterial difference</td></tr>
<tr><td>Trade Receivable</td><td>110.70</td><td>106.69</td><td>4.01</td><td>Immaterial difference</td></tr>
<tr><td>Trade Payable</td><td>(516.38)</td><td>(519.79)</td><td>3.41</td><td>Immaterial difference</td></tr>
<tr><td rowspan="3">Q4</td><td rowspan="3">Axis Bank</td><td rowspan="3">800</td><td>Inventories</td><td>1,378.21</td><td>1,385.22</td><td>(7.01)</td><td>Immaterial difference</td></tr>
<tr><td>Trade Receivable</td><td>78.93</td><td>70.93</td><td>8.00</td><td>Difference is Due to Balance sheet Reclassification</td></tr>
<tr><td>Trade Payable</td><td>506.93</td><td>507.19</td><td>(0.26)</td><td>Immaterial difference</td></tr>
</table>
</td><td>No impact</td><td>It is a factual reporting. Difference in 1st three quarters were not material. The same has been communicated to the lenders. Further, the statement of March is submitted after the closure of books for March and the same was subsequently submitted with the bank.</td></tr>
<tr><td>The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment, Investment property and relevant details of right-of-use assets acquired from April 01, 2018 onwards. However, the Company is in the process of reconciling quantitative details and updating the situation of the assets acquired prior to April 01, 2018.</td><td>No impact</td><td>This was reconciled and close in Financial Year 2024.</td></tr>
</table>

<table>
<tr><th>Period</th><th>Reservations, qualifications, adverse remarks and emphasis of matter in the CARO Report</th><th>Impact on the financial statement and financial position of the Company</th><th>Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures</th></tr>
<tr><td></td><td>According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, duty of customs, cess, have been regularly deposited by the Company with appropriate authorities in all cases during the year. Undisputed statutory dues including provident fund, labour welfare fund and employees' state insurance have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. Undisputed statutory dues including income tax have not been regularly deposited by the Company with the appropriate authorities and there have been serious delays in large number of cases. Statutory dues which were outstanding, as at March 31, 2023 for a period of more than six months from the date they became payable are as follows:
<table>
<tr><th>Name of the statute</th><th>Nature of the dues</th><th>Amount Rs. in Crores</th><th>Period to which the amount relates</th><th>Due Date</th><th>Date of Payment</th></tr>
<tr><td>Employee's State Insurance Act, 1948</td><td>Employee state insurance</td><td>0.07</td><td>April 2018 to March 2019</td><td>Various dates</td><td>Not paid as on date of audit report</td></tr>
</table>
</td><td>No impact</td><td>This was paid in Financial Year 2024</td></tr>
<tr><td>Financial year ended March 31, 2022-Standalone</td><td>The title deeds of all the immovable properties are in the name of the Company except few</td><td>No impact</td><td>Freehold land: we already paid the stamp duty during restructuring we do not intend to do anything now. Leasehold properties: These deeds are carried from the earlier name of the company which are getting amended as and when the same are renewed and it is a factual reporting.</td></tr>
</table>

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<tr><th>Period</th><th>Reservations, qualifications, adverse remarks and emphasis of matter in the CARO Report</th><th>Impact on the financial statement and financial position of the Company</th><th>Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures</th></tr>
<tr><td></td><td>During the year, the Company has been sanctioned working capital limits in excess of `5 crores, in aggregate, from banks on the basis of security of current assets. Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited books of account as set out in Note 55(iv) to the standalone financial statements
₹ in Crore
<table>
<tr><th>Name of the Bank/Financial Institution</th><th>Aggregate working capital limits sanctioned basis security of current assets</th><th>Nature of Current Assets offered as Security</th><th>Amount disclosed as per quarterly return</th><th>Amount as per books of account</th><th>Difference *</th></tr>
<tr><td>State Bank of India, HDFC Bank Limited and Axis Bank Limited (Quarter ended June 2021)</td><td>808.00</td><td>Inventory and books debts</td><td>2,677.55</td><td>2,808.54</td><td>130.99</td></tr>
<tr><td>State Bank of India, HDFC Bank Limited and Axis Bank Limited (Quarter ended September 2021)</td><td>808.00</td><td>Inventory and books debts</td><td>3,141.96</td><td>3,315.73</td><td>173.77</td></tr>
<tr><td>State Bank of India, HDFC Bank Limited and Axis Bank Limited (Quarter ended December 2021)</td><td>808.00</td><td>Inventory and books debts</td><td>2,928.97</td><td>3,254.04</td><td>325.07</td></tr>
<tr><td>State Bank of India, HDFC Bank Limited and Axis Bank Limited(Quarter ended March 2022)</td><td>808.00</td><td>Inventory and books debts</td><td>2,986.09</td><td>3,483.63</td><td>497.54</td></tr>
</table></td><td>No impact</td><td>It is a factual reporting. Difference in 1st three quarters were not material. The same has been communicated to the lenders. Further, The statement of March is submitted after the closure of books for March and the same was subsequently submitted with the bank.</td></tr>
<tr><td rowspan="4">Financial year ended March 31, 2022-Consolidated</td><td>The Company has not incurred cash losses in the financial year and hand incurred cash losses of Rs. 502.58 lakhs in the immediately preceding financial year</td><td>No impact</td><td>It is a factual reporting</td></tr>
<tr><td>The Company has not incurred cash losses of Rs. 2,322.64 lakhs in the financial year and had incurred cash losses of Rs. 70.23 lakhs in the immediately preceding financial year</td><td>No impact</td><td>It is a factual reporting</td></tr>
<tr><td>The Company has not incurred cash losses in the financial year and had incurred cash losses of Rs. 41.71 lakhs in the immediately preceding financial year</td><td>No impact</td><td>It is a factual reporting</td></tr>
<tr><td>The Company has incurred cash losses amounting to Rs.2840.12 Lacs during the financial year under audit and Rs.2410.43 Lacs during the immediately preceding financial year</td><td>No impact</td><td>It is a factual reporting</td></tr>
</table>

<table>
<tr><th>Period</th><th>Reservations, qualifications, adverse remarks and emphasis of matter in the CARO Report</th><th>Impact on the financial statement and financial position of the Company</th><th>Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures</th></tr>
<tr><td></td><td>The Company has incurred cash losses amounting to Rs. 20.64 Lacs during the financial year under audit. There was no cash loss during immediately preceding financial year</td><td>No material Impact.</td><td>It is a factual reporting</td></tr>
<tr><td rowspan="2">Financial year ended March 31, 2021- Standalone</td><td>According to information and explanations given by the management, the title deeds of immovable properties, included in Property, plant and equipment are held in the name of the Company except for the following immovable properties other than self-constructed buildings aggregating to ` 6.02 Crore which are held in the name of the demerged companies and are in the
<table>
<tr><th>Total number of cases</th><th>Asset category</th><th>Amount as at March 31, 2021 (₹ in Crore)</th><th>Remarks</th></tr>
<tr><td>12</td><td>Freehold Land</td><td>5.92</td><td>Title deeds are in names of the companies whose divisions got merged with the Company and are pending to be transferred in the name of the Company.</td></tr>
<tr><td>1</td><td>Building (Flat)</td><td>0.10</td><td></td></tr>
</table></td><td>No material impact.</td><td>Since the Company has already paid the stamp duty during restructuring the Company does not intend to do anything now.</td></tr>
<tr><td>According to the information and explanation given by the management, we report that remuneration of the Managing Director and Whole-time Directors for the year ended March 31, 2021 is in excess of the limits applicable under section 197 of the Act, read with Schedule V thereto, by Rs 0.56 Crore. We are informed by the management that it proposes to obtain approval of the shareholders in a general meeting by way of a special resolution.</td><td>No material impact.</td><td>It has been ratified subsequently</td></tr>
</table>

<table>
<tr><th>Period</th><th>Reservations, qualifications, adverse remarks and emphasis of matter in the CARO Report</th><th>Impact on the financial statement and financial position of the Company</th><th>Company's response to reservations, qualifications, adverse remarks and emphasis of matter including, any corrective measures</th></tr>
<tr><td>Financial year ended March 31, 2020-Standalone</td><td>According to information and explanations given by the management, the title deeds of immovable properties, included in Property, plant and equipment are held in the name of the Company except for the following immovable properties other than self-constructed buildings aggregating to Rs 6.05 Crore which are held in the name of the demerged companies and are in
<table>
<tr><th>Total number of cases</th><th>Asset category</th><th>Amount as at March 31, 2020 (₹ in Crore)</th><th>Remarks</th></tr>
<tr><td>12</td><td>Freehold Land</td><td>5.92</td><td rowspan="2">Title deeds are in names of the companies whose divisions got merged with the Company and are pending to be transferred in the name of the Company.</td></tr>
<tr><td>1</td><td>Building (Flat)</td><td>0.13</td></tr>
</table></td><td>No material impact.</td><td>Since the Company has already paid the stamp duty during restructuring the Company does not intend to do anything now.</td></tr>
</table>

Details of default in annual filings under the Companies Act, 2013 or rules made thereunder

As on the date of this Placement Document, there has been no default in the annual filings under the Companies Act, 2013 or the rules made thereunder.

Material tax litigation against the Company

Direct tax

Nil

Indirect tax

1. Retailers Association of India ("**RAI**"), on behalf of its members including the Company, filed a writ petition before the High Court of Bombay challenging the constitutional validity of the imposition of a service tax on renting of immoveable property with retrospective effect under sub-clause (zzzz) of clause (105) of section 65 read with section 66 of the Finance Act of 1994 as amended by the Finance Act, 2010. The High Court of Bombay, by its order dated August 4, 2011 ("**Order**"), upheld the constitutional validity of levy of service tax on renting of immovable property and dismissed the writ petition. RAI filed a civil appeal before the Supreme Court ("**Civil Appeal**") against the Order along with a prayer for interim relief to stay the Order. The Supreme Court by its order dated October 14, 2011, ("**Stay Order**") stayed the operation of the Order with regard to the arrears of service tax dues from members of the RAI, including the Company, subject to members of RAI depositing fifty percent of the arrears towards service tax in three equated instalments, amongst fulfilment of other conditions. The Company deposited fifty percent of total service tax arrears as per the conditions mentioned in the Stay Order and paid the balance fifty percent of service tax dues under protest. The Company thereafter filed an application before the Supreme Court to be impleaded as an appellant in the Civil Appeal and the Supreme Court, by its order dated February 8, 2016, impleaded the Company as an appellant. The amount involved in the matter is of ₹ 24.15 crore. The matter is currently pending.

2. The jurisdictional GST Joint Commissioner of Uttar Pradesh ("**GST JC**") initiated scrutiny proceedings against the Company in the State of Uttar Pradesh, under section 61 of the CGST Act, 2017 for the period July 2017 to March 2018, on April 24, 2023. The Company provided the requisite details and documents to the GST JC for their examination. After their verification, the GST JC issued a show cause notice dated September 19, 2023 under section 73 of the CGST Act, 2017 ("**SCN**") in relation to availment of input tax credit ("**ITC**") in contravention of section 16(2) of the CGST Act, 2017, claim of transition ITC and difference in declaration of transactions in monthly vis-à-vis annual returns. The Company submitted a reply dated November 2, 2023 against the SCN, refuting all the allegations made in the SCN. Aggrieved by the GST JC demand order dated December 26, 2023 imposing demand amounting to ₹ 17.99 crores, the Company has preferred an appeal dated March 25, 2024 within the stipulated timelines before the First Appellate Authority for the suitable relief and adjudication of the matter. The matter is currently pending.

3. The Company received a show cause notice dated September 24, 2020 ("**SCN**") from the Principal Commissioner of Customs- Kolkata for the period December 2016 to July 2019 in respect of 327 bill of entries ("**BOEs**"). The differential duty liability, after considering amount already paid on clearance by the Company is an amount of ₹ 27.66 crores excluding applicable interest and penalties under the Customs Act, 1962. The customs department has alleged that the entire arrangement is in contravention of the South Asian Free Trade Agreement ("**SAFTA**") framework and exemption has been claimed with defective certificates of origin considering the value difference. The Company filed its reply dated December 10, 2020 ("**Reply**") to the SCN and in addition to the Reply, and a personal hearing, an additional submission was submitted on August 4, 2021. The matter is currently pending.

4. The Office of Assistant Commissioner (Audit branch), Vyapar Bhavan, Delhi ("**Officer**") initiated a special audit under section 66 of the CGST Act, 2017 for the Fiscal 2019 on August 24, 2023. The Company provided all the

relevant information and documents for assessment on November 22, 2023. After verification of the details and submissions made by the Company, the Officer issued the audit report to the Company's jurisdictional GST office. Based on the said report, the Officer issued a show cause notice dated December 30, 2023 ("**SCN**") directing the Company to furnish their reply along with supporting documents. The Company filed a reply dated February 14, 2024 to the SCN. Thereafter, the Sales Tax Officer (Class II) passed an order dated April 29, 2024 ("**Order**"), confirming the demand proposed in the SCN and levying demand amounting to ₹ 21.08 crores mainly on account of input tax credit availed by the Company allegedly in contravention of section 16(2) of the CGST Act, 2017, short payment of tax due to difference in turnover reported in GST 1, GSTR3B and ancillary matters. Aggrieved by the Order, the Company filed a writ petition dated July 26, 2024 before the High Court of Delhi. The matter is currently pending.

5. The Company received a show cause notice dated December 29, 2023 ("**SCN**"), from the Excise and Taxation Jurisdictional Officer, Haryana State ("**Officer**"), directing the Company to furnish their reply along with supporting documentary-evidence. The Company submitted a reply dated February 16, 2024 to the SCN. However, the Officer passed an order dated April 30, 2024 imposing demand, interest and penalty amounting to ₹ 73.19 crores ("**Order**") mainly disputing the claim of input tax credit on the grounds of contravention of the provision of section 16(2) of the CGST Act, 2017, short payment of tax due to difference in reporting in turnover in GSTR1 as against GSTR3B and ancillary aspects. Aggrieved by the Order, the Company filed a writ petition dated July 26, 2024 before the High Court of Punjab and Haryana. The matter is currently pending.

6. The jurisdictional Deputy Commissioner, Mumbai, Maharashtra ("**Deputy Commissioner**") initiated GST audit proceedings under section 65 of the Maharashtra Goods and Services Tax Act, 2017 for the Fiscal 2019. After their verification, the Deputy Commissioner had issued a show cause notice dated December 26, 2023 under section 73 of the Maharashtra Goods and Services Tax Act, 2017 ("**SCN**"). The Company submitted a reply dated February 20, 2024 against the SCN, refuting every allegation made in the SCN. The Deputy Commissioner passed a demand order dated April 30, 2024 amounting to ₹ 16.48 crores under section 73(9) of the Maharashtra Goods and Services Tax Act, 2017 mainly disputing the claim of input tax credit ("**ITC**") of the Company on the grounds of availment of ITC in contravention of the provision of section 16(2) and section 17(5) of the CGST Act, 2017 and difference in turnover declared leading to short payment of tax. The Company has preferred an appeal before the first appellate authority. The matter is currently pending.

7. The jurisdictional Joint Commissioner, Kanpur, Uttar Pradesh ("**Joint Commissioner**") initiated scrutiny proceedings under section 61 of the CGST Act, 2017 for Fiscal 2020, on February 12, 2024. After their verification, the Joint Commissioner issued a show cause notice dated May 14, 2024 under section 73(1) of the CGST Act 2017, disputing the claim of input tax credit of the Company on the grounds of contravention of the provision of section 16(2) of the CGST Act, 2017 and short payment of tax due to difference in declaration of transactions in monthly return vis-à-vis annual return. The Company submitted a reply dated June 14, 2024 against the SCN, refuting every allegation made in the SCN. The Joint Commissioner has passed demand order dated August 27, 2024 ("**Order**"), refusing to accept the submissions made by the Company and imposed demand amounting to ₹ 25.14 crores. The Company has preferred an appeal dated November 21, 2024 against the Order before the first appellate authority. The matter is currently pending.

8. The Commissioner, Central Excise and CGST, Audit-II ("**Commissioner**") issued a show cause notice dated January 19, 2021 ("**SCN**") to the Company and proposed the demand of central excise duty amounting to ₹ 2.02 crores due to non-payment of central excise duty in violation of section 4 of the Central Excise Act, 1944. The SCN further imposed demand of differential duty of ₹ 91.00 crores with interest and penalty due to short-payment of central excise duty by denying the benefit of concessional rate under the Notification No. 1/2011-CE dated 01.03.2011, as amended, among others ("**Notification**") on the ground of contravening the conditions of the Notification by availing cenvat credit on inputs and input services. Both such proposals were made by invoking the extended period of limitation, along with interest and penalty. The Commissioner has adjudicated the SCN and passed an order dated December 21, 2022 ("**OIO**"). In the OIO, the Commissioner has allowed the benefit of concessional duty rate of 2% under the Notification and the demand of ₹ 2.02 crores raised in SCN has been reduced to ₹ 0.32 crores by invoking extended period of limitation. Additionally, while a penalty amounting to ₹

0.32 crores along with interest has been imposed on the Company, the differential duty demand of ₹ 91.00 crores has been dropped. The Company has challenged the confirmation of such reduced duty demand of ₹ 0.32 crores with interest and penalty before the Tribunal by filing an appeal dated April 25, 2023 ("**Appeal**"). The Appeal is pending for hearing. Further, the Principal Commissioner of CGST has also filed an appeal dated April 27, 2023 before the Customs, Excise and Service Tax Appellate Tribunal ("**CESTAT**"), by challenging the OIO on the ground that the Commissioner has wrongly applied the judgment of the Supreme Court in the case of Chandrapur Magnets, and disputed the OIO before the CESTAT. The Company has filed cross-objections dated August 3, 2023 in terms of section 35B(4) of the Excise Act, read with section 35E(4) on before the CESTAT. The matter is currently pending.

OUR STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, Price Waterhouse & Co Chartered Accountants LLP, were appointed as our Company's Statutory Auditors pursuant to a shareholders' resolution at the 14th Annual General Meeting of the Company held on September 9, 2021, for a period of five years from September 9, 2021, until the conclusion of the of 19th Annual General Meeting of the Company.

Price Waterhouse & Co Chartered Accountants LLP, our Company's Statutory Auditors have audited the Audited Consolidated Financial Statements and have issued their audit reports which are included in this Placement Document in the "*Financial Statements*" beginning on page 311. Our Statutory Auditors have issued review reports each dated January 16, 2025 on the Interim Special Purpose Condensed Consolidated Financial Statements and the Half Yearly Consolidated Financial Statements as at and for six months ended September 30, 2024 and September 30, 2023, respectively. Our Statutory Auditors have also issued review report dated November 7, 2024 on the Unaudited September 2024 Results.

The peer review certificate of our Statutory Auditors is valid as of the date of this Placement Document.

GENERAL INFORMATION

1. Our Company was incorporated as a public limited company under the name "Peter England Fashions and Retail Limited" pursuant to a certificate of incorporation dated April 19, 2007, issued by the Registrar of Companies, Karnataka at Bangalore, under the provisions of the Companies Act, 1956. Our Company received its certificate for commencement of business on May 14, 2007. The name of our Company was changed to 'Pantaloons Fashion & Retail Limited' pursuant to the Pantaloons Scheme and a fresh certificate of incorporation, dated April 23, 2013, was issued by the RoC. Subsequently, the name of our Company was changed to 'Aditya Birla Fashion and Retail Limited' pursuant to the Madura Scheme and a fresh certificate of incorporation dated January 12, 2016, was issued by the RoC. The CIN of the Company is L18101MH2007PLC233901.

2. The Registered and Corporate Office of our Company is situated at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No.401, 403, 501,502, L.B.S, Road, Kurla, Mumbai 400 070, Maharashtra, India. The website of our Company is www.abfrl.com.

3. The Issue was authorised and approved by the resolution of the Board in its meeting held on January 15, 2025. The Shareholders have authorised and approved the Issue by way of a special resolution passed at the AGM held on September 19, 2024.

4. The authorized share capital of our Company as of the date of this Placement Document is ₹ 20,48,15,00,000 divided into 2,03,60,00,000 Equity Shares of face value of ₹ 10 each amounting to ₹ 20,36,00,00,000, 8% 5,00,000 redeemable cumulative preference shares of ₹ 10 each, amounting to ₹ 50,00,000, 6% 15,000 redeemable cumulative preference Shares of ₹ 100 each amounting to ₹ 15,00,000, 95,00,000 preference shares of ₹ 10 each amounting to ₹9,50,00,000 and 2,00,00,000 preference shares of ₹ 1 each amounting to ₹ 2,00,00,000. Our issued share capital as of the date of this Placement Document is ₹ 10,72,53,92,700 divided into 1,07,14,29,270 Equity Shares of ₹ 10 each, amounting to ₹ 10,71,42,92,700 and 11,10,000 Preference Shares of face value ₹ 10 each, amounting to ₹ 1,11,00,000, and our subscribed and paid-up share capital as of the date of this Placement Document is ₹ 10,72,33,37,660 divided into 1,07,12,23,766 Equity Shares of ₹ 10 each, amounting to ₹ 10,71,22,37,660 and 11,10,000 Preference Shares of face value ₹ 10 each, amounting to ₹ 1,11,00,000.

5. The Equity Shares are listed on BSE and NSE.

6. Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations from BSE and NSE on January 15, 2025, for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We will apply to the Stock Exchanges for the final listing and trading approvals of the Equity Shares on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

7. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

8. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on all working days (except Saturdays and public holidays) during the Bid/Issue Period at the Registered and Corporate Office.

9. Our Company has obtained necessary consents, approvals and authorizations, wherever applicable, in connection with the Issue.

10. No change in control of the Company will occur consequent to the Issue.

11. Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see "*Legal Proceedings*" on page 290.

12. There have been no defaults in the annual filings of our Company under the Companies Act, 2013 or the rules made thereunder.

13. Except as disclosed in this Placement Document, there has been no material change in the financial or trading position of our Company since the date of the latest Interim Special Purpose Condensed Consolidated Financial Statements, prepared in accordance with the applicable accounting standards, which has been included in this Placement Document, till the date of filing of this Placement Document.

14. Our Company confirms that it is in compliance with the requirement of minimum public shareholding as required in terms of the SEBI Listing Regulations, SCRA and Rule 19A of the SCRR.

15. The Floor Price for the Equity Shares under the Issue is ₹ 271.28 per Equity Share which has been calculated in accordance with provisions of Chapter VI of the SEBI ICDR Regulations.

16. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

17. Details of the Company Secretary and Compliance Officer of our Company:

    Anil Kumar Malik
    Company Secretary and Compliance Officer
    Telephone: +91 97020 80290
    Address: Aditya Birla Fashion and Retail Limited, Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai 400 070, Maharashtra, India,
    E-mail: secretarial@abfrl.adityabirla.com

FINANCIAL STATEMENTS

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM SPECIAL PURPOSE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
Aditya Birla Fashion and Retail Limited
Piramal Agastya Corporate Park,
Building 'A', 4th and 5th Floor,
Unit No. 401, 403, 501, 502,
L.B.S. Road, Kurla,
Mumbai - 400 070

1. This report is issued in accordance with the terms of our agreement dated January 15, 2025.

2. We have reviewed the accompanying Interim Special Purpose Condensed Consolidated Financial Statements of Aditya Birla Fashion and Retail Limited (the "Holding Company"), which includes the financial information of ABFRL Employee Welfare Trust (the "Trust") and its subsidiaries (the Holding Company, Trust and its subsidiaries together hereinafter referred to as the "Group") its Joint Venture and its Associate (refer Annexure A) comprising its Interim Special Purpose Condensed Consolidated Balance Sheet as at September 30, 2024, the Interim Special Purpose Condensed Consolidated Statement of Profit and Loss, the Interim Special Purpose Condensed Consolidated Statement of Cash Flows and the Interim Special Purpose Condensed Consolidated Statement of Changes in Equity for the six months period then ended and a summary of selected accounting policies and other explanatory information to these Interim Special Purpose Condensed Consolidated Financial Statements (hereinafter referred to as the "Condensed Consolidated Financial Statements") prepared by the Management of the Holding Company in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and notified under Section 133 of the Companies Act, 2013, to be included in the Preliminary Placement Document ("PPD") and Placement Document ("PD") (hereinafter collectively referred to as the "Offer Documents"), in connection with a proposed Qualified Institutional Placement of the equity shares of the Holding Company (the "Offering"). We have signed the accompanying Condensed Consolidated Financial Statements for identification purposes only.

Management's Responsibilities for the Condensed Consolidated Financial Statements

3. The Holding Company's Management is responsible for the preparation of the Condensed Consolidated Financial Statements in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules 2015 (as amended) and notified under Section 133 of the Companies Act, 2013, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Condensed Consolidated Financial Statements that is free from material misstatement, whether due to fraud or error, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Condensed Consolidated Financial Statements includes the interim financial information of the entities listed in Annexure A.

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Price Waterhouse & Co Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor
Bengaluru - 560 008
T:+91 (80) 40794188

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

Auditors' Responsibilities

5. Our responsibility is to express a conclusion on the Condensed Consolidated Financial Statements based on our review. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India.

6. A review consists of making inquiries primarily of the personnel responsible for financial and accounting matters and applying analytical and other review procedures to the financial data. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing, the objective of which is the expression of an opinion on the truth and fairness of the financial statements taken as a whole, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

7. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Financial Statements has not been prepared, in all material respects, in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules 2015, (as amended) notified under Section 133 of the Companies Act, 2013, or that it contains any material misstatement.

Emphasis of matter – Basis of Preparation

8. We draw attention to Note 2.1 to the Condensed Consolidated Financial Statements, which describes the basis of its preparation. The Condensed Consolidated Financial Statements have been prepared in accordance with Ind AS 34 "Interim Financial Reporting" for the purpose of inclusion in the Offer Documents in connection with a proposed Qualified Institutional Placement of the equity shares of the Holding Company. As a result, the Condensed Consolidated Financial Statements may not be suitable for any other purpose.

   These Condensed Consolidated Financial Statements are not the statutory financial statements of the Group, and are not intended to, and do not, comply with the disclosure provisions applicable to the consolidated statutory financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of these Condensed Consolidated Financial Statements for the purposes for which those have been prepared.

   Our conclusion is not modified in respect of this matter.

Other matter

9. The Condensed Consolidated Financial Statements includes the interim financial information of 3 subsidiaries (including a step-down subsidiary) which reflect total assets of Rs. 1500.46 crores and net assets of Rs. 947.86 crores as at September 30, 2024 and total revenues of Rs. 199.60 crores, profit/(loss) for the year of Rs. (36.41 crores) and total comprehensive income of Rs. (36.82 crores) and cash outflows (net) of Rs. 29.50 crores for the period from April 1, 2024 to September 30, 2024. These interim financial information have been reviewed by other auditors in accordance with SRE 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the entity' and their reports, with an unmodified conclusion, have been furnished to us by the Management or the other auditors and our conclusion on the Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the reports of the other auditors and the procedures performed by us as stated in paragraphs 5 and 6 above.

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Bengaluru

10. The Condensed Consolidated Financial Statements include the interim financial information of 5 subsidiaries (including step-down subsidiaries) which have not been reviewed by their auditors, and whose interim financial information reflect total assets of Rs. 123.03 crores and net assets of Rs. (3.61 crores) as at September 30, 2024 and total revenue of Rs. 125.98 crores, profit/(loss) for the year of Rs. (6.74 crores) and total comprehensive income of Rs. (6.76 crores) and cash flows (net) of Rs. 2.52 crores for the period from April 1, 2024 to September 30, 2024, as considered in the Condensed Consolidated Financial Statements. The Condensed Consolidated Financial Statements also include the Group's share of net loss after tax of Rs. (3.23 crores) and total comprehensive income of Rs. (3.23 crores) for the period from April 1, 2024 to September 30, 2024, as considered in the Condensed Consolidated Financial Statements, in respect of an Associate based on its interim financial information, which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, those interim financial information are not material to the Group.

Our conclusion on the Condensed Consolidated Financial Statements is not modified in respect of the matters described in paragraphs 9 and 10 above.

Restriction on use

11. Our obligations in respect of this review report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have or may have had as auditors of the Holding Company or otherwise. Nothing in this review report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we have or may have had in our capacity as auditors of the Holding Company.

12. This report has been issued at the request of the Board of Directors of the Holding Company to whom it is addressed for the purpose of preparation of Condensed Consolidated Financial Statements of the Group for inclusion in the Offer Documents in connection with the Offering. Our Report should not be used by any other person or used, circulated, quoted, or otherwise referred to for any other purpose, nor is it to be filed with or referred to in whole or in part orally or in any document. Price Waterhouse & Co Chartered Accountants LLP does not accept or assume any liability or any duty of care for any other purpose or to any person other than the Holding Company.

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

A.J.Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSHY3499

Place: Bengaluru
Date: January 16, 2025

Annexure A

Holding Company
Aditya Birla Fashion and Retail Limited

Trust controlled by the Holding Company
ABFRL Employee Welfare Trust

Subsidiaries (including step-down subsidiaries)
Aditya Birla Lifestyle Brands Limited
Sabyasachi Calcutta LLP
Sabyasachi Inc., USA
Jaypore E-Commerce Private Limited
Jaypore Fashions Inc., USA
TG Apparel & Decor Private Limited
Indivinity Clothing Retail Private Limited
Goodview Fashion Private Limited (from July 11, 2024)
Finesse International Design Private Limited
Aditya Birla Digital Fashion Ventures Limited
Aditya Birla Garments Limited
House of Masaba Lifestyle Private Limited
Pratyaya E-Commerce Private Limited
Imperial Online Services Private Limited
Awesomefab Shopping Private Limited
Bewakoof Brands Private Limited
Next Tree Products Private Limited
Styleverse Lifestyle Private Limited

Joint venture
Goodview Fashion Private Limited (till July 10, 2024)

Associate
Wrogn Private Limited (formerly Universal Sportsbiz Private Limited) (from June, 2024)

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Bengaluru

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Condensed Consolidated Balance Sheet as at September 30, 2024

₹ in Crore

	Notes	As at September 30, 2024	As at March 31, 2024
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	1,347.39	1,337.46
(b) Capital work-in-progress		201.88	171.07
(c) Right-of-use assets	4a	4,472.80	4,306.76
(d) Investment property		3.60	3.62
(e) Goodwill	5	3,343.57	3,200.99
(f) Other intangible assets	5	3,233.36	3,017.72
(g) Intangible assets under development		0.22	-
(h) Financial assets			
(i) Investment in joint venture		-	83.09
(ii) Other investments		94.24	21.03
(iii) Loans		0.30	0.45
(iv) Security deposits		502.53	499.73
(v) Other financial assets		316.14	323.10
(i) Deferred tax assets	6	380.24	657.20
(j) Non-current tax assets (net)		34.99	25.94
(k) Other non-current assets		105.43	70.69
Total - Non-current assets		**14,036.69**	**13,718.85**
II Current assets			
(a) Inventories	7	4,490.44	4,505.34
(b) Financial assets			
(i) Current investments	8	512.66	880.71
(ii) Loans		9.06	10.55
(iii) Security deposits		170.20	137.95
(iv) Trade receivables	9	1,706.41	1,278.81
(v) Cash and cash equivalents		249.28	454.03
(vi) Bank balance other than Cash and cash equivalents		7.38	8.36
(vii) Other financial assets		142.41	105.03
(c) Other current assets	10	1,352.16	1,311.43
Total - Current assets		**8,640.00**	**8,692.21**
TOTAL - ASSETS		**22,676.69**	**22,411.06**

ADITYA BIRLA FASHION AND RETAIL LIMITED

Price Waterhouse & Co Chartered Accountants LLP
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Bengaluru

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Condensed Consolidated Balance Sheet as at September 30, 2024

₹ in Crore

	Notes	As at September 30, 2024	As at March 31, 2024
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	11	1,071.16	1,015.01
(b) Other equity		3,030.83	3,018.77
Equity attributable to owners of the Company		**4,101.99**	**4,033.78**
(c) Non-controlling interest		(0.27)	687.23
Total - Equity		**4,101.72**	**4,721.01**
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	3,226.11	2,511.56
(ii) Lease liabilities	4b	4,186.25	4,087.66
(iii) Deposits		303.55	280.16
(iv) Other financial liabilities		1,805.22	1,446.77
(b) Deferred tax liabilities	6	361.50	660.93
(c) Provisions		78.16	73.95
(d) Other non-current liabilities		28.66	27.56
Total - Non-current liabilities		**9,989.45**	**9,088.59**
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,302.12	1,693.62
(ii) Lease liabilities	4b	1,284.70	1,158.56
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		295.63	323.90
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,056.60	3,811.76
(iv) Deposits		301.03	276.98
(v) Other financial liabilities		272.96	374.38
(b) Liabilities for current tax (net)		2.22	3.21
(c) Provisions		210.45	199.26
(d) Other current liabilities	14	859.81	759.79
Total - Current liabilities		**8,585.52**	**8,601.46**
TOTAL - EQUITY AND LIABILITIES		**22,676.69**	**22,411.06**
Basis of preparation	2		

The accompanying notes are an integral part of the Interim Special Purpose Condensed Consolidated Financial Statements.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Bangalore
Date : January 16, 2025

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : January 16, 2025

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : January 16, 2025

ADITYA BIRLA FASHION & RETAIL LIMITED

Aditya Birla Fashion and Retail Limited

Interim Special Purpose Condensed Consolidated Statement of Profit and Loss for the six months ended September 30, 2024

₹ in Crore

		Notes	For the six months ended September 30, 2024	For the six months ended September 30, 2023
I	Revenue from operations	15	7,071.68	6,422.50
II	Other income		99.37	106.03
III	**Total income (I + II)**		**7,171.05**	**6,528.53**
IV	**Expenses**			
	(a) Cost of materials consumed		689.03	707.48
	(b) Purchase of stock-in-trade		2,294.07	2506.21
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		92.37	(263.96)
	(d) Employee benefits expense	16	987.73	860.65
	(e) Finance costs	17	469.54	395.67
	(f) Depreciation and amortisation expense		896.94	755.78
	(g) Rent expense		444.16	436.64
	(h) Other expenses		1,844.61	1,559.82
	Total expenses		**7,718.45**	**6,958.29**
V	**Profit/(Loss) before Share in Profit/ (Loss) of Associate and Joint Venture, exceptional items and tax (III - IV)**		**(547.40)**	**(429.76)**
VI	Exceptional items	18	23.11	-
VII	**Profit/(Loss) before Share in Profit/ (Loss) of Associate and Joint Venture and tax (V + VI)**		**(524.29)**	**(429.76)**
VIII	Add: Share in Loss of Associate/Joint Venture		(3.54)	(0.09)
IX	**Profit/(Loss) before tax (VII+ VIII)**		**(527.83)**	**(429.85)**
X	**Income tax expense**			
	(a) Current tax		2.73	0.02
	(b) Current tax relating to earlier years		-	0.01
	(c) Deferred tax		(100.94)	(67.92)
			(98.21)	**(67.89)**
XI	**Profit/(Loss) for the period (IX - X)**		**(429.62)**	**(361.96)**
XII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans		(1.21)	(2.63)
	Income tax effect on above		0.39	0.81
	(b) Fair value gains/ (losses) on equity instruments		3.34	3.62
	Income tax effect on above		(0.84)	(0.91)
	Items that will be reclassified to profit or loss			
	(a) Exchange differences on translation of foreign operations		0.13	0.20
	Income tax effect on above		-	-
	(b) Effective Portion of Cashflow Hedge		(0.44)	0.24
	Income tax effect on above		0.04	(0.08)
	Total other comprehensive income for the period		**1.41**	**1.25**
XIII	**Total comprehensive income for the period (XI + XII)**		**(428.21)**	**(360.71)**

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FRN 304026E/E300009
★ Bengaluru ★

ADITYA BIRLA FASHION AND RETAIL LIMITED ★

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Condensed Consolidated Statement of Profit and Loss for the six months ended September 30, 2024

₹ in Crore

		Notes	For the six months ended September 30, 2024	For the six months ended September 30, 2023
XIV	**Profit/(Loss) attributable to**			
	- Owners of the Company		(347.35)	(320.58)
	- Non-controlling interest		(82.27)	(41.38)
			(429.62)	**(361.96)**
XV	**Other comprehensive income attributable to**			
	- Owners of the Company		1.24	1.17
	- Non-controlling interest		0.17	0.08
			1.41	**1.25**
XVI	**Total comprehensive income attributable to**			
	- Owners of the Company		(346.11)	(319.41)
	- Non-controlling interest		(82.10)	(41.30)
			(428.21)	**(360.71)**
XVII	**Earnings per equity share [Nominal value of share ₹ 10 (September 30, 2023 : ₹ 10)]**			
	Basic (₹)		(3.41)	(3.34)
	Diluted (₹)		(3.41)	(3.34)
Basis of preparation		2		

The accompanying notes are an integral part of the Interim Special Purpose Condensed Consolidated Financial Statements.

As per our report of even date

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

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Bangalore
Date : January 16, 2025

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : January 16, 2025

ADITYA BIRLA FASHION & RETAIL LIMITED

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : January 16, 2025

Aditya Birla Fashion and Retail Limited

Interim Special Purpose Condensed Consolidated Statement of Changes in Equity for six months ended September 30, 2024

a. Equity share capital

	As at September 30, 2024 No. of shares	As at September 30, 2024 ₹ in Crore	As at March 31, 2024 No. of shares	As at March 31, 2024 ₹ in Crore
Equity shares of ₹ 10 each issued				
As at the beginning of the year/period	1,01,52,15,146	1,015.22	94,89,96,351	949.00
Equity shares under Preferential Issue	-	-	6,58,00,866	65.80
Equity shares issued pursuant to amalgamation (Refer Note 19(b))	5,57,43,053	55.74		
Exercise of Options	4,10,186	0.41	4,17,929	0.42
As at the end of the year/period	1,07,13,68,385	1,071.37	1,01,52,15,146	1,015.22

	As at September 30, 2024 No. of shares	As at September 30, 2024 ₹ in Crore	As at March 31, 2024 No. of shares	As at March 31, 2024 ₹ in Crore
Equity shares of ₹ 10 each subscribed and fully paid				
As at the beginning of the year/period	1,01,50,09,642	1,015.01	94,87,90,847	948.79
Equity shares under Preferential Issue	-	-	6,58,00,866	65.80
Equity shares issued pursuant to amalgamation (Refer Note 19(b))	5,57,43,053	55.74	-	-
Exercise of Options	4,10,186	0.41	4,17,929	0.42
As at the end of the year/period	1,07,11,62,881	1,071.16	1,01,50,09,642	1,015.01

b. Other equity

₹ in Crore

	Share application money pending allotment	Share suspense account	Reserves and surplus: Securities premium	Reserves and surplus: Retained earnings	Reserves and surplus: Share options outstanding account	Reserves and surplus: Treasury shares	Reserves and surplus: Capital reserve	Share warrants	Other equity	Other comprehensive income: Remeasurement gains/ (losses) on defined benefit plans	Other comprehensive income: Effective portion of cashflow hedge	Other comprehensive income: Fair value gains/ (losses) on equity instruments	Foreign currency translation reserve	Equity attributable to owners of the Company	Non-controlling interest	Total other equity
As at April 01, 2023	0.01	0.02	3,408.06	(1,469.51)	67.36	(115.00)	22.70	475.00	-	0.75	0.25	4.78	0.09	2,394.50	2.71	2,397.21
Loss for the year	-	-	-	(628.02)	-	-	-	-	-	-	-	-	-	(628.02)	(107.89)	(735.91)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(4.41)	(0.04)	2.71	0.15	(1.59)	(0.51)	(2.10)
Share based payment expenses	-	-	-	-	18.10	-	-	-	-	-	-	-	-	18.10	-	18.10
Preferential Issue of equity shares on conversion of warrants	-	-	1,375.65	-	-	-	-	-	-	-	-	-	-	1,375.65	-	1,375.65
Conversion of warrants (amount transferred to securities premium)			458.55					(475.00)						(16.45)		(16.45)
Non-controlling interest recognised on April 01, 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	724.08	724.08
Non-controlling interest recognised pursuant to business combinations during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	846.60	846.60
Acquisition of NCI share				(7.59)					(2.99)					(10.58)	7.59	(2.99)
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest	-	-	-	(119.79)	-	-	-	-	-	-	-	-	-	(119.79)	119.79	-
Non-controlling interest derecognised on March 31, 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(907.44)	(907.44)
Exercise price received pending allotment	0.03	-	-	-	-	-	-	-	-	-	-	-	-	0.03	-	0.03
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	-	3.69	-	-	-	-	-	-	-	3.69	-	3.69
Issue of shares upon exercise of options	-	-	9.23	-	(6.19)	-	0.19	-	-	-	-	-	-	3.23	2.30	5.53
As at March 31, 2024	0.04	0.02	5,251.50	(2,224.91)	79.27	(111.31)	22.89	-	(2.99)	(3.66)	0.21	7.49	0.24	3,018.77	687.23	3,706.00

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ADITYA BIRLA FASHION AND ... LIMITED

Aditya Birla Fashion and Retail Limited

Interim Special Purpose Condensed Consolidated Statement of Changes in Equity for six months ended September 30, 2024

₹ in Crore

	Share application money pending allotment	Share suspense account	Reserves and surplus					Share warrants	Other equity	Other comprehensive income				Equity attributable to owners of the Company	Non-controlling interest (NCI)	Total other equity
			Securities premium	Retained earnings	Share options outstanding account	Treasury shares	Capital reserve			Remeasurement gains/ (losses) on defined benefit plans	Effective portion of cashflow hedge	Fair value gains/ (losses) on equity instruments	Foreign currency translation reserve			
As at April 01, 2024	0.04	0.02	5,251.50	(2,224.91)	79.27	(111.31)	22.89	-	(2.99)	(3.66)	0.21	7.49	0.24	3,018.77	687.23	3,706.00
Loss for the period	-	-	-	(347.35)	-	-	-	-	-	-	-	-	-	(347.35)	(82.27)	(429.62)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	(1.13)	(0.20)	2.50	0.07	1.24	0.17	1.41
Share based payment expenses	-	-	-	-	5.49	-	-	-	-	-	-	-	-	5.49	-	5.49
Additional contribution by Non- controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.99	7.99
Issue of equity shares to Non- controlling shareholders of TCNS, upon amalgamation (Refer Note 19(b) and 11)							593.25							593.25	(648.99)	(55.74)
Non-controlling interest recognised on April 01, 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	907.44	907.44
Non-controlling interest recognised pursuant to business combinations during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	142.29	142.29
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest	-	-	-	(249.68)	-	-	-	-	-	-	-	-	-	(249.68)	249.68	-
Non-controlling interest derecognised on September 30, 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,263.81)	(1,263.81)
Exercise price received pending allotment	0.50	-	-	-	-	-	-	-	-	-	-	-	-	0.50	-	0.50
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	-	4.93	-	-	-	-	-	-	-	4.93	-	4.93
Issue of shares upon exercise of options	-	-	7.29	-	(5.92)	-	2.31	-	-	-	-	-	-	3.67	-	3.67
As at September 30, 2024	0.54	0.02	5,258.79	(2,821.94)	78.84	(106.38)	618.45	-	(2.99)	(4.79)	0.01	9.99	0.31	3,030.83	(0.27)	3,030.56

The accompanying notes are an integral part of the Interim Special Purpose Condensed Consolidated Financial Statements

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Bangalore
Date : January 16, 2025

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : January 16, 2025

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : January 16, 2025

ADITYA BIRLA FASHION & RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Condensed Consolidated Statement of Cash Flows

₹ in Crore

	For the six months ended September 30, 2024	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit/(Loss) before tax	**(527.83)**	**(429.85)**
Adjustments for:		
Depreciation, amortisation and impairment	979.76	755.78
Finance costs	469.54	395.67
Gain on retirement of right-of-use assets	(17.51)	(17.12)
(Profit)/ Loss on sale/ discard of property, plant and equipment	(3.12)	2.55
Share-based payment to employees	10.60	15.19
Interest income	(8.34)	(18.31)
Liabilities no longer required written back	(2.41)	(1.17)
Net gain on sale of current investments	(22.41)	(20.79)
Net Unrealised exchange (gain)/ loss	12.77	8.10
Loss/ (gain) on financial assets/ liabilities that are designated at fair value through profit or loss	(40.72)	(19.42)
Remeasurement of interest held in an erstwhile Joint Venture	(121.44)	-
Provision for doubtful debts, deposits and advances	4.86	0.30
Bad debts written off	0.42	-
Share of (profit)/ loss of Joint Venture and/or Associate	3.54	0.09
Operating profit before working capital changes	**737.71**	**671.02**
Changes in working capital:		
(Increase)/ decrease in trade receivables	(427.23)	(589.61)
(Increase)/ decrease in inventories	33.99	(304.25)
(Increase)/ decrease in other assets	(58.95)	(294.66)
Increase/ (decrease) in trade payables	201.01	416.88
Increase/ (decrease) in provisions	5.58	9.67
Increase/ (decrease) in other liabilities	50.91	64.98
Cash generated from operations	**543.02**	**(25.97)**
Income taxes paid (net of refund)	(11.31)	(12.07)
Net cash flows from/ (used) in operating activities	**531.71**	**(38.04)**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(276.35)	(403.17)
Consideration paid for acquisition of subsidiaries (net of cash acquired)	(127.42)	(1,608.52)
Investment in an associate	(73.09)	-
Purchase of current investments	(8,567.12)	(8,824.75)
Proceeds from sale of property, plant and equipment and intangible assets	16.32	3.45
Proceeds from sale/ maturity of current investments	8,968.87	8,798.15
Interest received	8.28	18.30
Net cash flows from/ (used) in investing activities	**(50.51)**	**(2,016.54)**
Cash flows from financing activities		
Proceeds from issue of equity shares	7.65	6.04
Treasury shares issued/ (purchased) by ESOP Trust	4.93	2.73
Proceeds from non-current borrowings (net off charges)	733.21	1,312.45
Proceeds/ (repayments) from current borrowings (net)	14.70	1,448.99
Repayment of non-current borrowings	(426.25)	(338.64)
Repayment of lease liabilities	(560.26)	(455.61)
Interest paid	(459.93)	(383.28)
Net cash flows from/ (used) in financing activities	**(685.95)**	**1,592.68**

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ADITYA BIRLA FASHION AND RETAIL LIMITED ★

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Condensed Consolidated Statement of Cash Flows

₹ in Crore

	For the six months ended September 30, 2024	For the six months ended September 30, 2023
Net Decrease in cash and cash equivalents	**(204.75)**	**(461.90)**
Cash and cash equivalents at the beginning of the year/period	454.03	692.69
Cash and cash equivalents at the end of the year/period	**249.28**	**230.79**
Components of Cash and cash equivalents		
Balances with banks - on current accounts	200.39	175.68
Balances with banks - on deposit accounts (original maturity less than 3 months)	0.03	0.13
Balances with credit card companies and e-wallet companies	34.02	33.90
Cash on hand	11.31	13.35
Cheques/ drafts on hand	3.53	7.73
Total Cash and cash equivalents	**249.28**	**230.79**

The accompanying notes are an integral part of the Interim Special Purpose Condensed Consolidated Financial Statements.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Bangalore
Date : January 16, 2025

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : January 16, 2025

ADITYA BIRLA FASHION & RETAIL LIMITED

Bajaj

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : January 16, 2025

1. Corporate information

Aditya Birla Fashion and Retail Limited ("the Company" or "the Holding Company"), a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400070.

The Company, a Trust controlled by the Company and its subsidiaries (together referred to as the "Group") and its associate are engaged in the business of manufacturing and retailing of branded apparels/accessories and runs a chain of apparels and accessories retail stores in India.

The Interim Special Purpose Condensed Consolidated Financial Statements (or 'Condensed Consolidated Financial Statements'), have been approved by theBoard of Directors in their meeting held on January 16, 2025.

2. Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

The Condensed Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting" ("Ind AS 34") as prescribed under with Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time. These Condensed Consolidated Financial Statements are not the statutory financial statements of the Group, and are not intended to, and do not, comply with the disclosure provisions applicable to the consolidated statutory financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of these Condensed Consolidated Financial Statements for the purposes for which those have been prepared. Accordingly, this Condensed Consolidated Financial Statements should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2024. The Condensed Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which havebeen measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities;
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

2.2 New and amended standards adopted by the Group

The Ministry of Corporate Affairs ("MCA") has vide notification dated August 12, 2024 notified Companies (Indian Accounting Standards) Amendment Rules, 2024 (the 'Rules'). The notification introduces Ind AS 117, Insurance Contracts and amendment to other accounting standards which are effective from April 1, 2024. Amendments to other Ind AS are in the nature of consequential amendments pursuant to the notification of Ind AS 117.

Management has determined that amendment to Ind AS 117 and other accounting standards does not have any material impact on the Condensed Consolidated Financial Statements for the period.

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ADITYA BIRLA FASHION & RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Condensed Consolidated Financial Statements

NOTE: 3
PROPERTY, PLANT AND EQUIPMENT

₹ In Crore

	Freehold land	Freehold buildings	Plant and equipment	Leasehold Improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
As at April 01, 2023	5.92	43.89	301.76	556.95	180.07	741.65	191.99	19.33	2,041.56
Additions	-	22.65	67.71	166.30	36.73	269.25	47.39	28.68	638.71
Addition pursuant to business combination	-	-	1.47	39.35	2.11	19.01	8.16	1.14	71.24
Disposals	-	-	38.08	44.61	20.29	158.46	11.72	4.54	277.70
As at March 31, 2024	5.92	66.54	332.86	717.99	198.62	871.45	235.82	44.61	2,473.81
Additions	-	10.54	20.08	50.96	12.95	61.14	8.72	12.37	176.76
Addition pursuant to business combination	-	-	10.10	5.67	1.34	6.73	2.15	1.85	27.84
Disposals	-	-	22.84	30.66	28.39	52.59	6.37	3.33	144.18
As at September 30, 2024	5.92	77.08	340.20	743.96	184.52	886.73	240.32	55.50	2,534.23
Depreciation									
As at April 01, 2023	-	8.82	140.28	257.25	107.96	426.87	86.11	5.14	1,032.43
Depreciation for the year	-	1.53	28.30	112.04	33.07	151.48	27.89	7.56	361.87
Disposals	-	-	34.94	38.04	20.00	152.66	9.17	3.14	257.95
As at March 31, 2024	-	10.35	133.64	331.25	121.03	425.69	104.83	9.56	1,136.35
Depreciation for the period	-	1.18	15.20	54.12	17.55	72.14	14.29	5.62	180.10
Disposals	-	-	23.16	28.81	26.42	44.50	4.72	2.00	129.61
As at September 30, 2024	-	11.53	125.68	356.56	112.16	453.33	114.40	13.18	1,186.84
Net carrying value as at:									
September 30, 2024	5.92	65.55	214.52	387.40	72.36	433.40	125.92	42.32	1,347.39
March 31, 2024	5.92	56.19	199.22	386.74	77.59	445.76	130.99	35.05	1,337.46

Net carrying value

₹ In Crore

	As at September 30, 2024	As at March 31, 2024
Property, plant and equipment	1,347.39	1,337.46
Total	1,347.39	1,337.46

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Condensed Consolidated Financial Statements
NOTE: 4
RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

₹ in Crore

	Land	Buildings	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost							
As at April 01, 2023	11.60	6,042.82	21.33	3.90	106.09	6.58	6,192.32
Additions	-	1,672.22	-	-	5.46	-	1,677.68
Addition pursuant to business combination	-	494.38	-	-	-	-	494.38
Termination	-	738.03	-	-	-	0.16	738.19
As at March 31, 2024	11.60	7,471.39	21.33	3.90	111.55	6.42	7,626.19
Additions	-	872.11	-	-	0.44	-	872.55
Addition pursuant to business combination	-	46.37	-	-	-	-	46.37
Termination	-	366.04	-	-	-	-	366.04
As at September 30, 2024	11.60	8,023.83	21.33	3.90	111.99	6.42	8,179.07
Depreciation							
As at April 01, 2023	0.79	2,505.02	10.11	1.60	48.99	2.37	2,568.88
Depreciation for the year	0.16	1,148.51	4.28	0.79	22.57	1.28	1,177.59
Termination	-	427.04	-	-	-	-	427.04
As at March 31, 2024	0.95	3,226.49	14.39	2.39	71.56	3.65	3,319.43
Depreciation for the period#	0.08	619.77	2.18	0.44	10.88	1.27	634.62
Termination	-	247.78	-	-	-	-	247.78
As at September 30, 2024	1.03	3,598.48	16.57	2.83	82.44	4.92	3,706.27
Net carrying value as at:							
September 30, 2024	10.57	4,425.35	4.76	1.07	29.55	1.50	4,472.80
March 31, 2024	10.65	4,244.90	6.94	1.51	39.99	2.77	4,306.76

During the period, depreciation of ₹ 7.12 crore (March 31, 2024: ₹ 11.97 Crore) has been transferred to Capital work-in progress for property under construction.

Net carrying value

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Right-of-use assets	4,472.80	4,306.76
Total	4,472.80	4,306.76

(b) Lease liabilities

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Opening balance	5,246.22	4,267.34
Additions*	932.51	1,756.21
Addition pursuant to business combination	49.88	554.04
Retirements	(181.76)	(377.58)
Interest expense on lease liabilities#	240.73	445.96
Payments	(816.63)	(1,399.75)
Closing balance	5,470.95	5,246.22
Current	1,284.70	1,158.56
Non-current	4,186.25	4,087.66

*Includes liabilities towards net investment in sub-lease amounting to ₹ 402.89 Crore (March 31, 2024: ₹ 397.45 Crore)

During the period, interest expense on lease liabilities of ₹ 7.81 crore (March 31, 2024: ₹ 12.58 Crore) has been transferred to Capital work-in progress for a property under construction.

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ADITYA BIRLA FASHION AND RETAIL LIMITED ★

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Condensed Consolidated Financial Statements

NOTE: 5
(a) GOODWILL AND OTHER INTANGIBLE ASSETS

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer software	Technical know-how	Franchisee rights	Non-Compete right	Total
Cost							
As at April 01, 2023	**2,329.70**	**900.68**	**114.63**	**1.84**	**549.15**	**3.00**	**3,899.00**
Additions	-	2.59	90.70	-	43.53	-	**136.82**
Addition pursuant to business combination	871.29	1,613.60	1.60	-	-	-	**2,486.49**
Disposals	-	-	0.91	-	-	-	**0.91**
As at March 31, 2024	**3,200.99**	**2,516.87**	**206.02**	**1.84**	**592.68**	**3.00**	**6,521.40**
Additions	-	5.85	6.78	-	-	-	**12.63**
Addition/Adjustment pursuant to business combination	206.96	312.00	0.56	-	-	-	**519.52**
Disposals	-	-	26.73	-	35.43	-	**62.16**
As at September 30, 2024	**3,407.95**	**2,834.72**	**186.63**	**1.84**	**557.25**	**3.00**	**6,991.39**
Amortisation							
As at April 01, 2023	-	**50.09**	**95.87**	**1.48**	**28.11**	**0.29**	**175.84**
Amortisation for the year	-	61.27	33.03	-	33.44	-	**127.74**
Disposals	-	-	0.89	-	-	-	**0.89**
As at March 31, 2024	-	**111.36**	**128.01**	**1.48**	**61.55**	**0.29**	**302.69**
Amortisation for the period	-	51.17	20.59	-	36.03	-	**107.79**
Impairment for the period	64.38	-	-	-	-	-	**64.38**
Disposals	-	-	26.59	-	33.81	-	**60.40**
As at September 30, 2024	**64.38**	**162.53**	**122.01**	**1.48**	**63.77**	**0.29**	**414.46**
Net carrying value as at:							
September 30, 2024	**3,343.57**	**2,672.19**	**64.62**	**0.36**	**493.48**	**2.71**	**6,576.93**
March 31, 2024	**3,200.99**	**2,405.51**	**78.01**	**0.36**	**531.13**	**2.71**	**6,218.71**

Net carrying value

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Goodwill	3,343.57	3,200.99
Other intangible assets	3,233.36	3,017.72
Total	**6,576.93**	**6,218.71**

(b) IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through various business combinations have been allocated to the ten Cash-Generating Units (CGUs) as below:

1. Pantaloons CGU
2. Madura Fashion & Lifestyle CGU
3. Forever 21 CGU
4. Jaypore CGU
5. Finesse CGU
6. Sabyasachi CGU
7. HMLPL CGU
8. TMRW subsidiaries
9. TCNS CGU
10. GFPL CGU

ADITYA BIRLA FASHION AND RETAIL LIMITED

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Carrying amounts of Goodwill allocated to each of the CGUs are as below:

₹ In Crore

	As at September 30, 2024	As at March 31, 2024
Pantaloons CGU	1,167.55	1,167.55
Madura Fashion & Lifestyle CGU	627.67	627.67
Forever 21 CGU	-	64.38
Jaypore CGU	88.44	88.44
Finesse CGU	35.02	35.02
Sabyasachi CGU	226.14	226.14
HMLPL CGU	45.24	45.24
TMRW subsidiaries:		
Awesome Fab Shopping Private Limited	7.48	7.48
Imperial Online Services Private Limited	6.82	6.82
Pratyaya E-Commerce Private Limited	3.64	3.64
NautiNati	4.35	4.35
Bewakoof Brands Private Limited	72.47	72.47
Styleverse lifesyle private Limited	48.11	24.62
TCNS CGU	827.17	827.17
GFPL CGU	183.47	-
Total	**3,343.57**	**3,200.99**

Management carries out impairment testing on an annual basis. All the CGU's mentioned above were tested for impairment at March 31, 2024.

At September 30, 2024, management has restructured the operations of Forever 21 CGU and re-estimated the recoverable amount of the Forever 21 CGU, using the value-in-use (VIU) method. The following table sets out the key assumptions used by the management in determining the recoverable amount of the Forever 21 CGU. The recoverable amount of Forever 21 CGU has been determined to be Nil.

Assumptions	**30-Sep-24**	**31-Mar-24**
Long-term growth rate (%)	NA	5.00%
Pre-tax discount rate (%)	NA	17.40%

Basis the above evaluation, management has recognised an impairment provision of ₹ 64.38 crores during the interim period. The amount of impairment has been presented as an exceptional item. (Refer Note 18)

Management has not updated impairment calculations for the other CGUs, as no indicators of impairment were identified.

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NOTE: 6
DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

	As at September 30, 2024	As at March 31, 2024
Deferred tax assets	380.24	657.20
Deferred tax liabilities	361.50	660.93

Carry forward business losses in repect of which deferred tax asset has been recognised, will expire (if unutilised) based on their year of origination as below:-

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Within 4 years	367.51	63.72
Beyond 4 years upto 8 years	830.78	888.81
Total	**1,198.29**	**952.53**

Note:-
(a) Unabsorbed depreciation does not have any expiry period.

(b) Consequent to the amalgamation of TCNS with the Company, all the assets (including brands and goodwill), liabilities and reserves of TCNS, as appearing in the consolidated books, has been recognised in the standalone books of the Holding Company. Further deferred tax liabilities on the brands amounting to ₹ 376 Crore, as appearing in the consolidated books of accounts, has also been recognised in the standalone books of accounts of the Holding Company at September 26, 2023 (Deferred tax liability continues to be recognised, upon amalgamation, until uncertainty with respect to allowability for Income Tax no longer exists).

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Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Condensed Consolidated Financial Statements

NOTE: 7
INVENTORIES

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
At lower of cost and net realisable value		
Raw materials	336.42	269.11
Work-in-progress	128.58	104.85
Finished goods	733.41	947.17
Stock-in-trade	3,208.19	3,110.39
Stores and spares	49.39	41.18
Packing materials	34.45	32.64
Total	**4,490.44**	**4,505.34**

NOTE: 8
CURRENT INVESTMENTS (Carried at fair value through profit and loss (FVTPL))

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Quoted investments		
Investment in Overnight Mutual Fund	-	236.31
Investment in Liquid Mutual Fund	497.65	644.40
Investment in Money Market Mutual Fund	15.01	-
Total	**512.66**	**880.71**
Aggregate book value of quoted investments	512.66	880.71
Aggregate market value of quoted investments	512.66	880.71

NOTE: 9
TRADE RECEIVABLES

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Trade receivables from others	1,774.81	1,342.50
Less: Loss Allowances	(68.40)	(63.69)
Total	**1,706.41**	**1,278.81**

NOTE: 10
OTHER CURRENT ASSETS

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Advance to suppliers	201.89	203.54
Balances with government authorities (other than income tax)	698.62	722.23
Right to return assets	358.03	296.61
Other receivables	93.62	89.05
Total	**1,352.16**	**1,311.43**

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NOTE: 11
EQUITY SHARE CAPITAL

Movement in Share Capital

	As at September 30, 2024		As at March 31, 2024	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year/period	1,01,50,09,642	1,015.01	94,87,90,847	948.79
Increase during the year/period towards:				
Equity shares under Preferential Issue	-	-	6,58,00,866	65.80
Equity shares issue pursuant to amalgamation	5,57,43,053	55.74	-	-
Exercise of Options	4,10,186	0.41	4,17,929	0.42
As at the end of the year/period	**1,07,11,62,881**	**1,071.16**	**1,01,50,09,642**	**1,015.01**

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Notes to the Interim Special Purpose Condensed Consolidated Financial Statements

NOTE: 12
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	Effective interest rate	Maturity	As at September 30, 2024	As at March 31, 2024
	% p.a.		₹ in Crore	₹ in Crore
Redeemable non-convertible debentures				
Redeemable non-convertible debentures - Series 9 Zero coupon (Unsecured)*	7.97%	January 29, 2026	498.92	498.42
Redeemable non-convertible debentures - Series 10 Zero coupon (Unsecured)*	7.71%	September 11, 2030	742.61	743.07
Redeemable non-convertible debentures - Series 11 Zero coupon (Unsecured)*	7.86%	December 31, 2026	499.05	-
Non-convertible debentures - Unsecured	8.80%	August 26, 2027	174.77	-
Term loans from banks				
Term loan from Federal Bank (Secured)	7.95%	March 28, 2028	499.98	499.54
Term loan from Axis Bank (Secured)	8.15%	April 24, 2030	597.25	597.32
Term loan-FCTL (Secured)	Reference Rate+1.90%	November 23, 2026	11.13	15.50
Term loan from ICICI Bank (Secured)	9.60%	July 2, 2028	1.09	-
Term loan from ICICI Bank (Secured)	8.21%	December 15, 2028	33.23	38.79
Term loan from ICICI Bank (Secured)	1 Year MCLR	December 31, 2026	35.00	35.00
Term loan from ICICI Bank (Secured)	8.75%	March 31 ,2026	1.25	2.50
Term loan from Bank (Secured)	9.35%	July 02, 2028	-	1.28
Term loan from ICICI Bank (Secured)	9.10%	March 31, 2027	4.62	3.67
Term loan from Axis Bank (Secured)	8.56%	September 30, 2028	68.06	58.03
Term loan from ICICI Bank (Secured)	1 Year MCLR + Spread	April 30, 2026	5.63	15.00
Term loan from ICICI Bank Bank (Secured)	9.25%	May 05, 2029	1.07	-
Term loan from others				
Other borrowings (Unsecured)	8.00% - 14.37%	March 14, 2025 - February 15, 2027	1.34	2.33
Other borrowings (Secured)	9.60%	July 15, 2026	50.00	-
Cumulative redeemable preference shares	8.00%	March 26, 2029	1.11	1.11
Total			3,226.11	2,511.56

*Net off unamortised charges

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Current maturities of long-term borrowings

	Effective interest rate	Maturity	As at September 30, 2024	As at March 31, 2024
	% p.a.		₹ in Crore	₹ in Crore
Current maturities of long-term borrowings				
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	-	399.14
Term loan from HDFC Bank (TUF) (Secured)	1 year MCLR + 0.25%	March 15, 2025	1.67	3.33
Term loan from Axis Bank (Secured)	1 Year MCLR + 1.25%	September 30, 2024	-	0.99
Term loan from ICICI Bank (Secured)	8.75%	March 31 ,2026	2.50	2.50
Term loan from Aditya Birla Finance Limited (Secured)	10.00%	March 31 ,2025	6.00	9.99
Term loan-FCTL (Secured)	Reference Rate + 1.90%	November 23, 2026	8.90	8.86
Term loan from ICICI Bank (Secured)	1 Year MCLR	December 31, 2026	15.00	15.00
Other borrowings (Unsecured)	8.00% - 14.37%	March 14, 2025 - February 15, 2027	6.92	12.50
Term loan from ICICI Bank (Secured)	8.21%	December 15, 2028	11.13	11.14
Term loan from ICICI Bank (Secured)	9.10%	March 31, 2027	1.55	-
Term loan from Axis Bank (Secured)	8.56%	September 30, 2028	17.29	5.74
Term loan from Axis Bank (Secured)	1 Year MCLR + Spread	April 30, 2026	7.50	-
Term loan from ICICI Bank Bank (Secured)	9.25%	May 05, 2029	0.26	-
Term loan from bank (Secured)	8.85% - 9.40%	December 31, 2024	-	15.99
Total (Included in Current Borrowings)			**78.72**	**485.18**

*Net off unamortised charges

Aggregate secured borrowings	1,380.11	1,340.17
Aggregate unsecured borrowings	1,924.72	1,656.57
	3,304.83	**2,996.74**

Notes:

a). The Group has not defaulted on repayment of principal or interest payments. There has been no breach of any covenants attached to the borrowings.

b). The Group has used the borrowings from banks and financial institutions for the specific purpose for which the borrowings were availed.

c). The Group has registered all the charges with Registrar of Companies within the statutory period.

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Notes to the Interim Special Purpose Condensed Consolidated Financial Statements

NOTE: 13
CURRENT - BORROWINGS

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Loans repayable on demand from banks		
Cash credit/ Working capital demand loan (Secured)	398.90	445.88
Cash credit/ Working capital demand loan (Unsecured)	37.25	450.00
Loans repayable on demand from others (Secured)	42.68	10.60
Loans repayable on demand from others (Unsecured)		
Commercial paper	744.57	295.48
Gold Metal Loan	-	6.48
Redeemable non-convertible debentures		
Current maturities of long-term borrowings (Refer Note - 12)	78.72	485.18
Total current borrowings	**1,302.12**	**1,693.62**
Aggregate secured borrowings	513.38	536.50
Aggregate unsecured borrowings	788.74	1,157.12
	1,302.12	**1,693.62**

Notes:

a) The Group has not defaulted on repayment of principal or interest payments. There has been no breach of any covenants attached to the borrowings.

b) The Group has used the borrowings from banks and financial institutions for the specific purpose for which the borrowings were availed.

c) The Group has registered all the charges with Registrar of Companies within the statutory period.

NOTE: 14
OTHER CURRENT LIABILITIES

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Statutory dues (other than income tax)	54.22	90.42
Refund liabilities	617.73	551.41
Others	187.86	117.96
Total	**859.81**	**759.79**

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Condensed Consolidated Financial Statements

NOTE: 15
REVENUE FROM OPERATIONS

₹ in Crore

	For the six months ended September 30, 2024	For the six months ended September 30, 2023
Revenue from sale of products	7,019.86	6,361.99
Revenue from rendering of services	20.58	27.15
Other operating revenue	31.24	33.36
Total	**7,071.68**	**6,422.50**

(a) Disclosure of disaggregated revenue recognised in the Interim Special Purpose Condensed Consolidated Statement of Profit and Loss:

₹ in Crore

	For the six months ended September 30, 2024	For the six months ended September 30, 2023
Madura Fashion & Lifestyle		
Revenue from retail operations	1,522.33	1,535.05
Revenue from non-retail operations	2,134.47	2,132.69
	3,656.80	**3,667.74**
Pantaloons		
Revenue from retail operations	2,099.16	2,013.17
Revenue from non-retail operations	84.38	86.35
	2,183.54	**2,099.52**
Ethinic and Others		
Revenue from retail operations	612.05	453.41
Revenue from non-retail operations	619.29	201.83
	1,231.34	**655.24**
Revenue as per the Interim Special Purpose Condensed Consolidated Statement of Profit and Loss	**7,071.68**	**6,422.50**

NOTE: 16
EMPLOYEE BENEFITS EXPENSE

₹ in Crore

	For the six months ended September 30, 2024	For the six months ended September 30, 2023
Salaries, wages and bonus	868.78	747.93
Contribution to provident and other funds	52.13	47.85
Share-based payment to employees	10.60	15.19
Gratuity expense	15.09	13.24
Staff welfare expenses	41.13	36.44
Total	**987.73**	**860.65**

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NOTE: 17
FINANCE COSTS

₹ in Crore

	For the six months ended September 30, 2024	For the six months ended September 30, 2023
Interest expense on borrowings	207.18	160.05
Interest expense on lease liabilities (Refer Note - 4b)	232.92	208.33
Other borrowing costs	1.66	1.35
Fair value impact on financial instruments at FVTPL	27.78	25.94
Total	**469.54**	**395.67**

NOTE: 18
Exceptional items

Exceptional item for the six months ended September 30, 2024 includes: a) Provision for impairment of goodwill, right-of-use assets, franchisee rights and inventory Obsolescence amounting to ₹ 98.33 Crore pursuant to restructuring of operations of a business unit and b) Gain of ₹ 121.44 Crore on account of remeasurement of 33.5% of equity interest held by the holding company in Goodview Fashion Private Limited (GFPL) upon GFPL becoming a subsidiary of the Group.

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NOTE - 19

(a) De-merger of Madura Lifestyle and Fashion business

The Board at its meeting held on April 19, 2024, has subject to necessary approvals, considered and approved demerger of MFL Business under a Scheme of Arrangement among Aditya Birla Fashion and Retail Limited ('Demerged Company') and Aditya Birla Lifestyle Brands Limited ('Resulting Company'), wholly owned subsidiary of the Company and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). The Scheme, inter alia, provides for demerger, transfer and vesting of the MFL Business from the Demerged Company into the Resulting Company on a going concern basis, and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof. The demerger will be implemented through an NCLT scheme of arrangement and upon its completion, all shareholders of ABFRL will have identical shareholdings in both the companies. The Company has received 'No objection' from the BSE and National Stock Exchange on the Scheme filed. The Scheme would become effective after receipt of all requisite approvals as mentioned in the Scheme. Pending receipt of necessary approvals, no effect of the Scheme has been given in these Interim Special Purpose Condensed Consolidated Financial Statements for the period ended September 30, 2024.

(b) Amalgamation of TCNS Clothing Co. Limited

The Board of Directors at its meeting held on May 5 2023, approved a draft Scheme of Amalgamation by way of merger by absorption ("Scheme") between TCNS Clothing Co. Limited (Transferor Company) and Aditya Birla Fashion and Retail Limited (Transferee Company) and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013.

The Scheme was sanctioned by the Hon'ble NCLT on August 2, 2024 and the certified copy of the order was received on August 16, 2024. The Transferor and Transferee Companies have filed the certified copies of the order and the Scheme with the Registrar of Companies, Mumbai, on September 1, 2024 and accordingly, the Scheme has become effective from September 1, 2024 ("Effective Date") and consequently TCNS stands amalgamated into and with ABFRL and dissolved without being wound up. In accordance with the Scheme, The Appointed Date is specified to be the same as the Effective Date i.e. September 1, 2024.

On September 5, 2024, the Company has allotted 5,57,43,053 fully paid-up equity shares of face value ₹10/- each, to the eligible shareholders of TCNS as on the record date i.e. September 3, 2024, in the share exchange ratio i.e. 11 fully paid-up equity shares of the Company of face value ₹10/- each for every 6 fully paid-up equity shares of TCNS of face value ₹2/- each, in terms of the Scheme.

Pursuant to the amalgamation, non-controlling interest relating to TCNS has been derecognised. The amalgamation had no material impact on the Interim Special Purpose Condensed Consolidated Financial Statements. The difference between book value at August 31, 2024 of non-controlling interest relating to TCNS and shares issued to non-controlling shareholders has been transferred to capital reserve.

(c) On June 18, 2024, Aditya Birla Digital Fashion Ventures Limited ("ABDFVL"), wholly owned subsidiary of the Company, had executed a Binding Offer Letter with Wrogn Private Limited ("Wrogn") [formerly known as Universal Sportbiz Private Limited] for a minority investment with an option for a path to majority stake acquisition in Wrogn. The said investment was subject to completion of due diligence, customary closing formalities and statutory and regulatory approvals, as applicable. Post its completion and subsequent corporate actions, ABDFVL holds 17.10 % interest, on a fully diluted basis, in Wrogn. Wrogn has become an associate of the group with effect from June 18, 2024.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Condensed Consolidated Financial Statements

NOTE - 20
COMMITMENTS

a) Leases
Lease commitments as lessee
The Group has entered into agreements for taking on lease certain land/residential/ office/ store premises, warehouses, factories, property, plant and equipment on lease and licence basis. The lease term is for periods ranging from 3 to 23 years, with escalation clauses in the lease agreements. Consistent with industry practice, the Group has contracts which have fixed rentals or variable rentals based on a percentage of sales in the stores, or a combination of both.

Lease commitments for leases not considered in measurement of lease liabilities

₹ in Crore

Particulars	As at September 30, 2024	As at March 31, 2024
Lease commitment for short-term leases	43.13	6.40
Lease commitment for leases of low value assets	-	-
Total	**43.13**	**6.40**

b) Capital commitments

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	129.55	111.25
Total	**129.55**	**111.25**

NOTE - 21
CONTINGENT LIABILITIES

₹ in Crore

	As at September 30, 2024	As at March 31, 2024
Claims against the Group not acknowledged as debts		
Commercial taxes	18.76	9.88
Excise duty	2.20	0.50
Customs duty	9.73	8.39
Bank Guarantees	27.20	37.71
Textile committee cess	0.75	0.75
Income Tax	11.56	4.95
Others*	22.13	33.69
Total	**92.33**	**95.87**

* Pertains to claims made by third parties, pending settlement which are considered not tenable.

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Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Condensed Consolidated Financial Statements

NOTE - 22
BUSINESS COMBINATIONS
Acquisitions of additional stake in Goodview Fashion Private Limited (GFPL) during the period ended September 30, 2024

(i). Acquisitions of additional stake in Goodview Fashion Private Limited

The Group has raised its shareholding in GFPL, a joint venture company of the Group, from 33.5% to 51%, through secondary acquisition of 17.5% equity stake for an aggregate amount of ~₹127.42 crore from the existing shareholders of GFPL, thereby making GFPL a subsidiary of the Company with effect from July 11, 2024.

Management is in the process of completing the purchase price allocation for the purpose of determining the fair values of assets and liabilities acquired pursuant to the amalgamation. As per Ind AS 103, Business Combinations, management is permitted to complete the purchase price allocation within a period of 12 months from the date of transfer of control and retrospectively adjust the provisional amounts recorded for assets, liabilities and goodwill.

Details of the fair value of assets and liabilities taken over on acquisition and consideration paid by the Group has been explained in the table below:

	Fair value recognised on acquisition	
	₹ in Crore	₹ in Crore
Assets taken over		
Property, plant and equipment	27.84	
Brand	312.00	
Other intangible assets	0.56	
Right to use assets	46.37	
Security deposits (non current)	7.86	
Deferred tax assets	1.93	
Other non-current assets	2.05	
Inventories	19.09	
Cuurent investment	11.29	
Security deposits (current)	1.22	
Trade receivables	4.29	
Cash and cash equivalent	4.71	
Other financial assets (current)	0.30	
Other current assets	4.75	444.26
Liabilities taken over		
Borrowings (non-current)	1.13	
Lease liability (non-current)	42.69	
Provisions (non-current)	1.31	
Deferred Tax Liabilities	78.53	
Borrowings (Current)	0.25	
Trade payables	7.19	
Lease liability (current)	7.19	
Other financial liabilities	2.84	
Provisions (current)	0.97	
Other current liabilities	11.71	153.81
Total identifiable net assets at fair value as at acquisition date (A)		290.45
Company's share of net assets		148.16
Non-Controlling Interest (B)		142.29
Purchase consideration transferred and fair value of previously held equity (C)		331.63
Goodwill arising on acquisition (B+C-A)		**183.47**

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NOTE - 23
RELATED PARTY TRANSACTIONS

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

₹ in Crore

	Six months ended September 30, 2024			Six months ended September 30, 2023		
	Joint Venture	KMP and Relative of KMP	Other related parties	Joint Venture	KMP and Relative of KMP	Other related parties
Sale of goods	-	-		-	-	0.24
Reimbursement of expenses paid to	-	-	26.51	-	-	25.17
Share in Profit/(loss) after tax of Joint Venture and associate	(3.54)	-	-	(0.09)	-	-
Contribution to trusts	-	-	0.78	-	-	2.12
Remuneration paid to KMP*	-	18.98	-	-	22.86	-

* Includes director sitting fees

Balances outstanding

₹ in Crore

	As at September 30, 2024		As at March 31, 2024	
	KMP and Relative of KMP	Other related parties	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	-	6.01	-	8.79
Deposits receivable	-	5.64	-	5.64

NOTE - 24
SEGMENT INFORMATION

During the previous year, Management has reorganized and restructured its internal monitoring and operations review process, which resulted in a change in the operating and reportable segments. Pursuant to this, the business of the Group is divided into three business segments - Madura Fashion & Lifestyle, Pantaloons and Ethnic & Others. These segments are the basis for management decision and hence the basis for reporting. Management has restated the comparative previous year amounts to reflect the new reportable segments.

Based on the "management approach", as defined under Ind AS 108 - Operating segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates the resources based on the analysis of various performance indicators by business segments. Accordingly, the business of the Group is divided into three business segments, which are as follows:

Segments	Activities
Madura Fashion & Lifestyle	Manufacturing, distribution and retailing of branded fashion apparel and accessories
Pantaloons	Retailing of apparel and accessories
Ethnic & Others	Manufacturing, distribution and retailing of branded fashion apparel and accessories

Jaypore, TG Apparel, Finesse, Sabyasachi, Sabyasachi Inc., Indivinity, HMLPL, Aditya Birla Digital Fashion Ventures Limited and TCNS Clothing Company Limited businesses have been included in Ethnic & Others segment. Aditya Birla Garments Limited considered part of Madura Fashion & Lifestyle.

Transcation prices for transactions between segments are determined on an arm's length basis, similar to transactions of the Group with third parties.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

INTERIM SPECIAL PURPOSE CONDENSED CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

₹ in Crore

Sr. No.	Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023
I	**Segment revenue**		
	Madura Fashion & Lifestyle	3,774.36	3,800.03
	Pantaloons	2,183.54	2,099.52
	Ethnic and Others	1,362.74	657.84
	Total segment revenue	**7,320.64**	**6,557.39**
	Less: Inter-segment revenue	248.96	134.89
	Revenue from operations	**7,071.68**	**6,422.50**
II	**Segment results [Profit/ (loss) before finance costs and tax]**		
	Madura Fashion & Lifestyle	77.30	105.71
	Pantaloons	(47.11)	(167.17)
	Ethnic and Others	(325.89)	(188.79)
	Total segment results	**(295.70)**	**(250.25)**
	(Less)/Add: Inter-segment results	(37.50)	(49.08)
	Net segment results before finance costs, tax and share in Profit/ (loss) of Joint Venture and Associate	**(333.20)**	**(299.33)**
	Less: i) Finance costs	213.11	153.60
	ii) Other unallocable expenditure/ (income) - net	1.09	(23.17)
	iii) Exceptional items	(23.11)	-
	Add: i) Share in Profit/ (loss) of Joint Venture and Associate	(3.54)	(0.09)
	Profit/ (loss) before tax	**(527.83)**	**(429.85)**
III	**Segment assets**	**As at September 30, 2024**	**As at March 31, 2024**
	Madura Fashion & Lifestyle	7,869.78	8,211.08
	Pantaloons	5,361.43	5,358.57
	Ethnic and Others	8,550.52	7,755.33
	Total segment assets	**21,781.73**	**21,324.98**
	Inter-Segment eliminations	(202.11)	(56.37)
	Investment in Joint Venture	-	83.09
	Unallocated corporate assets	1,097.07	1,059.36
	Total assets	**22,676.69**	**22,411.06**
IV	**Segment liabilities**	**As at September 30, 2024**	**As at March 31, 2024**
	Madura Fashion & Lifestyle	6,745.66	7,130.74
	Pantaloons	3,887.46	3,683.08
	Ethnic and Others	5,591.13	4,546.61
	Total segment liabilities	**16,224.25**	**15,360.43**
	Inter-segment eliminations	(475.79)	(313.57)
	Unallocated corporate liabilities (including borrowings)	2,826.51	2,643.19
	Total liabilities	**18,574.97**	**17,690.05**

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

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Condensed Consolidated Financial Statements

NOTE - 25
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at September 30, 2024 and March 31, 2024 are as follows:

As at September 30, 2024

₹ In Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value Level 1	Fair value Level 2	Fair value Level 3
Financial assets							
Investments	512.66	24.36	-	537.02	512.66	-	24.36
Loans	-	-	9.36	9.36	-	-	-
Security deposits	-	-	672.73	672.73	-	-	-
Trade receivables	-	-	1,706.41	1,706.41	-	-	-
Cash and cash equivalents	-	-	249.28	249.28	-	-	-
Bank balance other than Cash and cash equivalents	-	-	7.38	7.38	-	-	-
Other financial assets	-	-	458.55	458.55	-	-	-
Total	**512.66**	**24.36**	**3,103.71**	**3,640.73**	**512.66**	**-**	**24.36**
Financial liabilities							
Non-current borrowings	-	-	3,226.11	3,226.11	-	-	-
Current borrowings	-	-	1,302.12	1,302.12	-	-	-
Deposits	-	-	604.58	604.58	-	-	-
Trade payables	-	-	4,352.23	4,352.23	-	-	-
Other financial liabilities	-	-	813.80	813.80	-	-	-
Derivative contracts	0.57	-	-	0.57	0.57	-	-
Non-controlling interest put option	1,263.81	-	-	1,263.81	-	-	1,263.81
Total	**1,264.38**	**-**	**10,298.84**	**11,563.22**	**0.57**	**-**	**1,263.81**

As at March 31, 2024

₹ In Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value Level 1	Fair value Level 2	Fair value Level 3
Financial assets							
Investments	880.71	21.03	-	901.74	880.71	-	21.03
Loans	-	-	11.00	11.00	-	-	-
Security deposits	-	-	637.68	637.68	-	-	-
Trade receivables	-	-	1,278.81	1,278.81	-	-	-
Cash and cash equivalents	-	-	454.03	454.03	-	-	-
Bank balance other than Cash and cash equivalents	-	-	8.36	8.36	-	-	-
Other financial assets	-	-	427.67	427.67	-	-	-
Derivative contracts	0.46	-	-	0.46	0.46	-	-
Total	**881.17**	**21.03**	**2,817.55**	**3,719.75**	**881.17**	**-**	**21.03**
Financial liabilities							
Non-current borrowings	-	-	2,511.56	2,511.56	-	-	-
Current borrowings	-	-	1,693.62	1,693.62	-	-	-
Deposits	-	-	557.14	557.14	-	-	-
Trade payables	-	-	4,135.66	4,135.66	-	-	-
Other financial liabilities	-	-	913.43	913.43	-	-	-
Derivative contracts	0.28	-	-	0.28	0.28	-	-
Non-controlling interest put option	907.44	-	-	907.44	-	-	907.44
Total	**907.72**	**-**	**9,811.41**	**10,719.13**	**0.28**	**-**	**907.44**

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The carrying value of investment made in associate as at September 30, 2024 is ₹ 69.88 Crore (March 31, 2024: Nil) and are measured at cost.
The carrying value of investment made in joint venture as at September 30, 2024 is Nil (March 31, 2024: ₹ 83.09 Crore) and are measured at cost.

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Condensed Consolidated Financial Statements

NOTE - 25 (Contd.)
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

Key inputs for level 3 fair valuation techniques

a) Derivative contracts:
i) Forward contracts: Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Company (level 1)
b) Non-controlling interest put option :
i) Option contracts: Fair value of option contracts is determined basis Monte Carlo Simulation Method ("MC Model") by independent valuer appointed by the Company (level 3)

c) Investment:
i) Unquoted equity instruments: Valuation has been done by considering the net worth of the company to arrive at the fair value (level 3)
ii) Quoted investments: Valuation has been done based on market value of the investment i.e. fair value (level 1)

Valuation inputs and relationships to fair value
The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservables inputs used (refer above notes for valuation technique adopted)

Financial instruments measured at fair value

Particulars	Fair Value as at September 30, 2024	Significant unobservable inputs	Fair Value as at September 30, 2024		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Non-controlling interest put option	1,263.81	Risk adjusted discount rate	1,215.37	1,312.53	Increase in discount rate by 0.50% would decrease the fair value by ₹ 48.44 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 48.72 Crore.
		EBITDA margin projection	1,294.04	1,232.05	Increase in EBITDA margin by 0.50% would increase the fair value by ₹ 30.23 Crore and decrease in EBITDA margin by 0.50% would decrease the fair value by ₹ 31.76 Crore.
		Revenue projection	1,319.09	1,208.73	Increase in revenue by 0.50% would increase the fair value by ₹ 55.28 Crore and decrease in revenue by 0.50% would decrease the fair value by ₹ 55.08 Crore.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No. : 203637

Place: Bangalore
Date : January 16, 2025

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : January 16, 2025

Bajaj

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : January 16, 2025

ADITYA BIRLA FASHION & RETAIL LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
Aditya Birla Fashion and Retail Limited
Piramal Agastya Corporate Park,
Building 'A', 4th and 5th Floor,
Unit No. 401, 403, 501, 502,
L.B.S. Road, Kurla,
Mumbai - 400 070

1. This report is issued in accordance with the terms of our agreement dated January 15, 2025.

2. We have reviewed the accompanying Interim Special Purpose Consolidated Financial Statements of Aditya Birla Fashion and Retail Limited (the "Holding Company") which includes the financial information of ABFRL Employee Welfare Trust (the "Trust"), and its subsidiaries (the Holding Company, Trust and its subsidiaries together hereinafter referred to as the "Group") and its joint venture (refer Annexure A) comprising its Interim Special Purpose Consolidated Balance Sheet as at September 30, 2023, and the Interim Special Purpose Consolidated Statement of Profit and Loss, the Interim Special Purpose Consolidated Statement of Cash Flows and the Interim Special Purpose Consolidated Statement of Changes in Equity for the six months period then ended and a summary of selected accounting policies and other explanatory information to these Interim Special Purpose Consolidated Financial Statements (hereinafter referred to as the "Interim Consolidated Financial Statements") prepared by the Management of the Holding Company in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and notified under Section 133 of the Companies Act, 2013, to be included in the Preliminary Placement Document ("PPD") and Placement Document ("PD") (hereinafter collectively referred to as the "Offer Documents"), in connection with a proposed Qualified Institutional Placement of the equity shares of the Holding Company (the "Offering"). We have signed the accompanying Interim Consolidated Financial Statements for identification purpose only.

Management's Responsibilities for the Interim Consolidated Financial Statements

3. The Holding Company's Management is responsible for the preparation of the Interim Consolidated Financial Statements in accordance with the recognition and measurement principles of Ind AS 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules 2015 (as amended) and notified under Section 133 of the Companies Act, 2013, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Interim Consolidated Financial Statements that is free from material misstatement, whether due to fraud or error, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Interim Consolidated Financial Statements includes the unaudited interim financial information of the entities listed in Annexure A.

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

Price Waterhouse & Co Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor
Bengaluru - 560 008
T: +91 (80) 40794188

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

Auditors' Responsibilities

5. Our responsibility is to express a conclusion on the Interim Consolidated Financial Statements based on our review. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India.

6. A review consists of making inquiries primarily of the personnel responsible for financial and accounting matters and applying analytical and other review procedures to the financial data. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing, the objective of which is the expression of an opinion on the truth and fairness of the financial statements taken as a whole, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

7. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Interim Consolidated Financial Statements has not been prepared, in all material respects in accordance with the recognition and measurement principles of Ind AS 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules 2015, (as amended) notified under Section 133 of the Companies Act, 2013, or that it contains any material misstatement.

Emphasis of matter – Basis of Preparation

8. We draw attention to Note 2.1 to the Interim Consolidated Financial Statements, which describes the basis of its preparation. The Interim Consolidated Financial Statements have been prepared in accordance with recognition and measurement principles of Ind AS 34 "Interim Financial Reporting" for the purposes of inclusion in the Offer Documents in connection with a proposed Qualified Institutional Placement of the equity shares of the Holding Company. As a result, the Interim Consolidated Financial Statements may not be suitable for any other purpose.

   These Interim Consolidated Financial Statements are not intended to, and do not, comply with the disclosure provisions applicable to the consolidated statutory financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of these Interim Consolidated Financial Statements for the purposes for which those have been prepared. Further, the comparative financial information has not been included as the same is not considered relevant for the intended purpose of preparation of the Interim Consolidated Financial Statements as fully described in the aforesaid note.

   Our conclusion is not modified in respect of this matter.

Other matter

9. The Interim Consolidated Financial Statements includes the interim financial information of 3 subsidiaries (including a step down subsidiary) which reflect total assets of Rs. 1412.97 crores and net assets of Rs. 926.07 crores as at September 30, 2023 and total revenues of Rs. 192.38 crores, profit/(loss) for the year of Rs. (25.09 crores) and total comprehensive income of Rs. (25.06 crores), and cash outflows (net) of Rs. 0.64 crores for the period from April 1, 2023 to September 30, 2023. These interim financial information have been reviewed by other auditors in accordance with SRE 2410 and their reports, with an unmodified conclusion, have been furnished to us by the Management or the other auditors and our conclusion on the Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the reports of the other auditors and the procedures performed by us as stated in Paragraphs 5 and 6 above.

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Bengaluru

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10. The Interim Consolidated Financial Statements includes the interim financial information of 5 subsidiaries (including step down subsidiaries) which have not been reviewed by their auditors and whose interim financial information reflect total assets of Rs. 88.04 crores and net assets of Rs. (6.19 crores) as at September 30, 2023 and total revenue of Rs. 78.24 crores, profit/(loss) for the year of Rs. (10.00 crores) and total comprehensive income of Rs. (10.00 crores) and cash outflows (net) of Rs. 0.91 crores for the period from April 1, 2023 to September 30, 2023, as considered in the Interim Consolidated Financial Statements. According to the information and explanations given to us by the Management, those interim financial information are not material to the Group.

Our conclusion on the Interim Consolidated Financial Statements is not modified in respect of the matters described in paragraphs 9 and 10 above.

Restriction on use

11. Our obligations in respect of this review report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have or may have had as auditors of the Holding Company or otherwise. Nothing in this review report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we have or may have had in our capacity as auditors of the Holding Company.

12. This report has been issued at the request of the Board of Directors of the Holding Company to whom it is addressed for the purpose of preparation of Interim Consolidated Financial Statements of the Group for inclusion in the Offer Documents in connection with the Offering. Our Report should not be used by any other person or used, circulated, quoted, or otherwise referred to for any other purpose, nor is it to be filed with or referred to in whole or in part orally or in any document. Price Waterhouse & Co Chartered Accountants LLP does not accept or assume any liability or any duty of care for any other purpose or to any person other than the Holding Company.

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

A.J.Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSHX7264

Place: Bengaluru
Date: January 16, 2025

Annexure A

Holding Company
Aditya Birla Fashion and Retail Limited

Trust controlled by the Holding Company
ABFRL Employee Welfare Trust

Subsidiaries (including step-down subsidiaries)
Sabyasachi Calcutta LLP
Sabyasachi Inc., USA
Jaypore E-Commerce Private Limited
Jaypore Fashions Inc., USA
TG Apparel & Decor Private Limited
Indivinity Clothing Retail Private Limited
Finesse International Design Private Limited
Aditya Birla Digital Fashion Ventures Limited
Aditya Birla Garments Limited
House of Masaba Lifestyle Private Limited
Pratyaya E-Commerce Private Limited
Imperial Online Services Private Limited
Awesomefab Shopping Private Limited
Bewakoof Brands Private Limited
Next Tree Products Private Limited
TCNS Clothing Co. Limited

Joint Venture
Goodview Fashion Private Limited

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

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Consolidated Balance Sheet as at September 30, 2023

	Notes	₹ in Crore As at September 30, 2023
ASSETS		
I Non-current assets		
(a) Property, plant and equipment	3	1,224.51
(b) Capital work-in-progress		137.33
(c) Right-of-use assets	4a	4,525.91
(d) Investment property		3.63
(e) Goodwill	5	3,156.87
(f) Other intangible assets	5	2,949.47
(g) Intangible assets under development		4.71
(h) Financial assets		
(i) Investment in joint venture		73.52
(ii) Other investments		14.20
(iii) Loans		0.79
(iv) Security deposits		506.72
(v) Other financial assets		275.34
(i) Deferred tax assets	6	608.76
(j) Non-current tax assets (net)		23.59
(k) Other non-current assets		108.56
Total - Non-current assets		**13,613.91**
II Current assets		
(a) Inventories	7	4,973.35
(b) Financial assets		
(i) Current investments	8	229.82
(ii) Loans		11.50
(iii) Security deposits		104.01
(iv) Trade receivables	9	1,632.71
(v) Cash and cash equivalents		230.79
(vi) Bank balance other than Cash and cash equivalents		5.15
(vii) Other financial assets		76.55
(c) Other current assets	10	1,423.76
Total - Current assets		**8,687.64**
TOTAL - ASSETS		**22,301.55**

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

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Consolidated Balance Sheet as at September 30, 2023

₹ In Crore

		Notes	As at September 30, 2023
EQUITY AND LIABILITIES			
I	**Equity**		
	(a) Equity share capital	11	949.17
	(b) Other equity		1,990.17
	Equity attributable to owners of the Company		2,939.34
	(c) Non-controlling interest		732.95
	Total - Equity		3,672.29
II	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	12	2,388.09
	(ii) Lease liabilities	4b	4,222.91
	(iii) Deposits		258.85
	(iv) Other financial liabilities		1,310.19
	(b) Deferred tax liabilities	6	641.65
	(c) Provisions		132.38
	(d) Other non-current liabilities		21.57
	Total - Non-current liabilities		8,975.64
III	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	13	2,432.59
	(ii) Lease liabilities	4b	1,131.18
	(iii) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises		300.16
	Total outstanding dues of creditors other than micro enterprises and small enterprises		4,231.91
	(iv) Deposits		245.78
	(v) Other financial liabilities		285.78
	(b) Liabilities for current tax (net)		-
	(c) Provisions		156.91
	(d) Other current liabilities	14	869.31
	Total - Current liabilities		9,653.62
	TOTAL - EQUITY AND LIABILITIES		22,301.55
Basis of preparation		2	

The accompanying notes are an integral part of the Interim Special Purpose Consolidated Financial Statements.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Bangalore
Date : January 16, 2025

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : January 16, 2025

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : January 16, 2025

ADITYA BIRLA FASHION & RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Consolidated Statement of Profit and Loss for the six months ended September 30, 2023

		Notes	For the six months ended September 30, 2023
I	Revenue from operations	15	6,422.50
II	Other income		106.03
III	**Total income (I + II)**		**6,528.53**
IV	**Expenses**		
	(a) Cost of materials consumed		707.48
	(b) Purchase of stock-in-trade		2,506.21
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(263.96)
	(d) Employee benefits expense	16	860.65
	(e) Finance costs	17	395.67
	(f) Depreciation and amortisation expense		755.78
	(g) Rent expense		436.64
	(h) Other expenses		1,559.82
	Total expenses		**6,958.29**
V	**Profit/(Loss) before Share in Profit/ (Loss) of Joint Venture and Tax (III - IV)**		**(429.76)**
VI	Add: Share in Loss of Joint Venture		(0.09)
VII	**Profit/(Loss) before tax (V+ VI)**		**(429.85)**
VIII	**Income tax expense**		
	(a) Current tax		0.02
	(b) Current tax relating to earlier years		0.01
	(c) Deferred tax		(67.92)
			(67.89)
IX	**Profit/(Loss) for the year (VII - VIII)**		**(361.96)**
X	**Other comprehensive income**		
	Items that will not be reclassified to profit or loss		
	(a) Re-measurement gains/ (losses) on defined benefit plans		(2.63)
	Income tax effect on above		0.81
	(b) Fair value gains/ (losses) on equity instruments		3.62
	Income tax effect on above		(0.91)
	Items that will be reclassified to profit or loss		
	(a) Exchange differences on translation of foreign operations		0.20
	Income tax effect on above		-
	(b) Effective Portion of Cashflow Hedge		0.24
	Income tax effect on above		(0.08)
	Total other comprehensive income for the period		**1.25**
XI	**Total comprehensive income for the period (IX + X)**		**(360.71)**

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

ADITYA BIRLA FASHION AND RETAIL LIMITED ★

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Consolidated Statement of Profit and Loss for the six months ended September 30, 2023

		Notes	For the six months ended September 30, 2023
XII	**Profit/(Loss) attributable to**		
	- Owners of the Company		(320.58)
	- Non-controlling interest		(41.38)
			(361.96)
XIII	**Other comprehensive income attributable to**		
	- Owners of the Company		1.17
	- Non-controlling interest		0.08
			1.25
XIV	**Total comprehensive income attributable to**		
	- Owners of the Company		(319.41)
	- Non-controlling interest		(41.30)
			(360.71)
XV	**Earnings per equity share [Nominal value of share ₹ 10]**		
	Basic (₹)		(3.34)
	Diluted (₹)		(3.34)
Basis of preparation		2	

The accompanying notes are an integral part of the Interim Special Purpose Consolidated Financial Statements.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Bangalore
Date : January 16, 2025

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : January 16, 2025

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : January 16, 2025

ADITYA BIRLA FASHION & RETAIL LIMITED

Aditya Birla Fashion and Retail Limited

Interim Special Purpose Consolidated Statement of Changes in Equity for the six months ended September 30, 2023

a. Equity share capital

	As at September 30, 2023	
	No. of shares	₹ in Crore
Equity shares of ₹ 10 each issued		
As at the beginning of the year	**94,89,96,351**	949.00
Equity shares under Preferential Issue		
Exercise of Options	3,74,195	0.38
As at the end of the year	94,93,70,546	949.38

	As at September 30, 2023	
	No. of shares	₹ in Crore
Equity shares of ₹ 10 each subscribed and fully paid		
As at the beginning of the year	**94,87,90,847**	948.79
Equity shares under Preferential Issue		
Exercise of Options	3,74,195	0.38
As at the end of the year	94,91,65,042	949.17

Aditya Birla Fashion and Retail Limited

Interim Special Purpose Consolidated Statement of Changes in Equity for the six months ended September 30, 2023

b. Other equity

₹ in Crore

			Reserves and surplus						Other comprehensive income						
	Share application money pending allotment	Share suspense account	Securities premium	Retained earnings	Share options outstanding account	Treasury shares	Capital reserve	Share warrants	Remeasurement gains/ (losses) on defined benefit plans	Effective portion of cashflow hedge	Fair value gains/ (losses) on equity instruments	Foreign currency translation reserve	Equity attributable to owners of the Company	Non-controlling interest (NCI)	Total other equity
As at April 01, 2023	0.01	0.02	3,408.06	(1,469.51)	67.36	(115.00)	22.70	475.00	0.75	0.25	4.78	0.09	2,394.50	2.71	2,397.21
Loss for the year	-	-	-	(320.58)	-	-	-	-	-	-	-	-	(320.58)	(41.38)	(361.96)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(1.72)	0.08	2.71	0.10	1.17	0.08	1.25
Recognition of Share based payment expenses	-	-	-	-	8.89	-	-	-	-	-	-	-	8.89	-	8.89
Non-controlling interest recognised on April 01, 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	724.08	724.08
Non-controlling interest recognised pursuant to business combinations during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	735.75	735.75
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest	-	-	-	(100.01)	-	-	-	-	-	-	-	-	(100.01)	100.01	-
Non-controlling interest derecognised on September 30, 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	(788.30)	(788.30)
Exercise price received pending allotment	0.22	-	-	-	-	-	-	-	-	-	-	-	0.22	-	0.22
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	-	2.73	-	-	-	-	-	-	2.73	-	2.73
Issue of shares upon exercise of options	-	-	8.31	-	(5.17)	-	0.11	-	-	-	-	-	3.25	-	3.25
As at September 30, 2023	0.23	0.02	3,416.37	(1,590.10)	71.08	(112.27)	22.81	475.00	(0.97)	0.33	7.49	0.19	1,990.17	732.95	2,723.12

The accompanying notes are an integral part of the Interim Special Purpose Consolidated Financial Statements.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Bangalore
Date : January 16, 2025

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : January 16, 2025

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : January 16, 2025

ADITYA BIRLA FASHION & RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Consolidated Statement of Cash Flows for the six months ended September 30, 2023

	₹ in Crore
	For the six months ended September 30, 2023
Cash flows from operating activities	
Profit/(Loss) before tax	**(429.85)**
Adjustments for:	
Depreciation and amortisation expense	755.78
Finance costs	395.67
Gain on retirement of right-of-use assets	(17.12)
Loss on sale/ discard of property, plant and equipment	2.55
Share-based payment to employees	15.19
Interest income	(18.31)
Liabilities no longer required written back	(1.17)
Net gain on sale of current investments	(20.79)
Net Unrealised exchange loss	8.10
Gain on financial assets/ liabilities that is designated at fair value through profit or loss	(19.42)
Provision for doubtful debts, deposits and advances	0.30
Share of loss of Joint Venture	0.09
Operating profit before working capital changes	**671.02**
Changes in working capital:	
(Increase)/ decrease in trade receivables	(589.61)
(Increase)/ decrease in inventories	(304.25)
(Increase)/ decrease in other assets	(294.66)
Increase/ (decrease) in trade payables	416.88
Increase/ (decrease) in provisions	9.67
Increase/ (decrease) in other liabilities	64.98
Cash generated from operations	**(25.97)**
Income taxes paid (net of refund)	(12.07)
Net cash flows used in operating activities	**(38.04)**
Cash flows from investing activities	
Purchase of property, plant and equipment and intangible assets	(403.17)
Consideration paid for acquisition of subsidiaries (net of cash acquired)	(1,608.52)
Purchase of current investments	(8,824.75)
Proceeds from sale of property, plant and equipment and intangible assets	3.45
Proceeds from sale/ maturity of current investments	8,798.15
Interest received	18.30
Net cash flows used in investing activities	**(2,016.54)**
Cash flows from financing activities	
Proceeds from issue of equity shares	6.04
Treasury shares issued by ESOP Trust	2.73
Proceeds from non-current borrowings (net off charges)	1,312.45
Proceeds/ (repayments) from current borrowings (net)	1,448.99
Repayment of non-current borrowings	(338.64)
Repayment of lease liabilities	(455.61)
Interest paid	(383.28)
Net cash flows from financing activities	**1,592.68**

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Interim Special Purpose Consolidated Statement of Cash Flows for the six months ended September 30, 2023

₹ in Crore

	For the six months ended September 30, 2023
Net Decrease in cash and cash equivalents	**(461.90)**
Cash and cash equivalents at the beginning of the year/period	692.69
Cash and cash equivalents at the end of the year/period	**230.79**
Components of Cash and cash equivalents	
Balances with banks - on current accounts	175.68
Balances with banks - on deposit accounts (original maturity less than 3 months)	0.13
Balances with credit card companies and e-wallet companies	33.90
Cash on hand	13.35
Cheques/ drafts on hand	7.73
Total Cash and cash equivalents	**230.79**

The accompanying notes are an integral part of the Interim Special Purpose Consolidated Financial Statements.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Bangalore
Date : January 16, 2025

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : January 16, 2025

ADITYA BIRLA FASHION & RETAIL LIMITED

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : January 16, 2025

1. Corporate information

Aditya Birla Fashion and Retail Limited ("the Company" or "the Holding Company"), a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400070.

The Company, a Trust controlled by the Company and its subsidiaries (together referred to as the "Group") and its joint venture are engaged in the business of manufacturing and retailing of branded apparels/accessories and runs a chain of apparels and accessories retail stores in India.

The Interim Special Purpose Consolidated Financial Statements ('Interim Consolidated Financial Statements' or 'Half Yearly Consolidated Financial Statements'), have been approved by the Board of Directors in their meeting held on January 16, 2025.

2. Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

The Interim Consolidated Financial Statements of the Group have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These Interim Consolidated Financial Statements are not the statutory financial statements of the Group, and are not intended to, and do not, comply with the disclosure provisions applicable to the consolidated statutory financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of these Interim Consolidated Financial Statements for the purposes for which those have been prepared. Further, the comparative financial information has not been included as the same is not considered relevant for the intended purpose of preparation of the Interim Consolidated Financial Statements. The Interim Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities;
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

2.2 New and amended standards adopted by the Group

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

Disclosure of accounting policies amendments to Ind AS 1
Definition of accounting estimates amendments to Ind AS 8
Deferred tax related to assets and liabilities arising from a single transaction amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.
These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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ADITYA BIRLA FASHION & RETAIL LIMITED ★

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Consolidated Financial Statements

NOTE: 3
PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

	Freehold land	Freehold buildings	Plant and equipment	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
As at April 01, 2022	5.92	43.36	259.45	383.74	133.41	535.57	149.09	10.06	1,520.60
Additions	-	0.53	64.89	200.22	54.84	252.88	46.26	12.71	632.33
Addition pursuant to business combination	1.04	-	9.08	0.82	0.37	1.58	1.21	0.09	14.19
Disposals	1.04	-	31.66	27.83	8.55	48.38	4.57	3.53	125.56
As at March 31, 2023	5.92	43.89	301.76	556.95	180.07	741.65	191.99	19.33	2,041.56
Additions	-	-	32.25	89.22	21.31	145.36	18.21	11.48	317.83
Addition pursuant to business combination	-	-	0.28	39.34	1.71	14.59	7.70	1.14	64.76
Disposals	-	-	16.57	19.75	10.69	114.01	4.37	0.78	166.17
As at September 30, 2023	5.92	43.89	317.72	665.76	192.40	787.59	213.53	31.17	2,257.98
Depreciation									
As at April 01, 2022	-	7.24	119.67	213.10	96.60	369.74	78.05	5.00	889.40
Depreciation for the year	-	1.58	49.86	69.58	18.65	102.19	11.82	3.19	256.87
Disposals	-	-	29.25	25.43	7.29	45.06	3.76	3.05	113.84
As at March 31, 2023	-	8.82	140.28	257.25	107.96	426.87	86.11	5.14	1,032.43
Depreciation for the year	-	0.73	16.21	44.95	16.38	69.29	11.19	2.83	161.58
Disposals	-	-	16.60	17.58	10.49	111.40	3.93	0.54	160.54
As at September 30, 2023	-	9.55	139.89	284.62	113.85	384.76	93.37	7.43	1,033.47
Net carrying value as at:									
September 30, 2023	5.92	34.34	177.83	381.14	78.55	402.83	120.16	23.74	1,224.51
March 31, 2023	5.92	35.07	161.48	299.70	72.11	314.78	105.88	14.19	1,009.13

Net carrying value

	₹ in Crore As at September 30, 2023
Property, plant and equipment	1,224.51
Total	1,224.51

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Consolidated Financial Statements
NOTE: 4
RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

₹ in Crore

	Land	Buildings	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost							
As at April 01, 2022	10.69	4,339.75	21.33	3.90	96.59	6.22	4,478.48
Additions	0.91	2,144.61	-	-	9.50	0.36	2,155.38
Addition pursuant to business combination	-	9.37	-	-	-	-	9.37
Termination	-	450.91	-	-	-	-	450.91
As at March 31, 2023	11.60	6,042.82	21.33	3.90	106.09	6.58	6,192.32
Additions	0.20	1,060.89	-	-	4.24	-	1,065.33
Addition pursuant to business combination	-	482.79	-	-	-	-	482.79
Termination	-	266.70	-	-	-	-	266.70
As at September 30, 2023	11.80	7,319.80	21.33	3.90	110.33	6.58	7,473.74
Depreciation							
As at April 01, 2022	0.65	1,921.45	5.83	0.81	25.72	1.09	1,955.55
Depreciation for the year	0.14	898.09	4.28	0.79	23.27	1.28	927.85
Termination	-	314.52	-	-	-	-	314.52
As at March 31, 2023	0.79	2,505.02	10.11	1.60	48.99	2.37	2,568.88
Depreciation for the period	0.08	533.23	2.83	0.40	11.57	1.65	549.76
Termination	-	170.81	-	-	-	-	170.81
As at September 30, 2023	0.87	2,867.44	12.94	2.00	60.56	4.02	2,947.83
Net carrying value as at:							
September 30, 2023	10.93	4,452.36	8.39	1.90	49.77	2.56	4,525.91
March 31, 2023	10.81	3,537.80	11.22	2.30	57.10	4.21	3,623.44

Net carrying value

	As at September 30, 2023
Right-of-use assets	4,525.91
Total	4,525.91

(b) Lease liabilities

₹ in Crore

	As at September 30, 2023
Opening balance	4,267.34
Additions*	1,109.59
Addition pursuant to business combination	542.81
Retirements	(121.77)
Interest expense on lease liabilities	208.33
Payments	(652.21)
Closing balance	5,354.09

Current	1,131.18
Non-current	4,222.91

*Includes liabilities towards net investment in sub-lease amounting to ₹ 329.15 Crore (March 31, 2023: ₹ 281.92 Crore)

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ADITYA BIRLA FASHION AND RETAIL LIMITED ★

NOTE: 5
(a) GOODWILL AND OTHER INTANGIBLE ASSETS

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer software	Technical know-how	Franchisee rights	Non-Compete right	Total
Cost							
As at April 01, 2022	**2,209.20**	**687.09**	**102.31**	**1.84**	**33.81**	**3.00**	**3,037.25**
Additions	-	1.19	12.63	-	515.34	-	**529.16**
Addition pursuant to business combination	120.50	212.40	0.27	-	-	-	**333.17**
Disposals	-	-	0.58	-	-	-	**0.58**
As at March 31, 2023	**2,329.70**	**900.68**	**114.63**	**1.84**	**549.15**	**3.00**	**3,899.00**
Additions	-	0.62	73.35	-	29.94	-	**103.91**
Addition/Adjustment pursuant to business combination	827.17	1,495.00	1.58	-	-	-	**2,323.75**
Disposals	-	-	0.20	-	-	-	**0.20**
As at September 30, 2023	**3,156.87**	**2,396.30**	**189.36**	**1.84**	**579.09**	**3.00**	**6,326.46**
Amortisation							
As at April 01, 2022	-	**33.61**	**85.77**	**1.48**	**12.91**	**0.29**	**134.06**
Amortisation for the year	-	16.48	10.56	-	15.20	-	**42.24**
Disposals	-	-	0.46	-	-	-	**0.46**
As at March 31, 2023	-	**50.09**	**95.87**	**1.48**	**28.11**	**0.29**	**175.84**
Amortisation for the period	-	15.53	12.71	-	16.20	-	**44.44**
Disposals	-	-	0.16	-	-	-	**0.16**
As at September 30, 2023	-	**65.62**	**108.42**	**1.48**	**44.31**	**0.29**	**220.12**
Net carrying value as at:							
September 30, 2023	**3,156.87**	**2,330.68**	**80.94**	**0.36**	**534.78**	**2.71**	**6,106.34**
March 31, 2023	**2,329.70**	**850.59**	**18.76**	**0.36**	**521.04**	**2.71**	**3,723.16**

Net carrying value

	₹ in Crore As at September 30, 2023
Goodwill	3,156.87
Other intangible assets	2,949.47
Total	**6,106.34**

(b) IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through various business combinations have been allocated to the nine Cash-Generating Units (CGUs) as below:

1. Pantaloons CGU
2. Madura Fashion & Lifestyle CGU
3. Forever 21 CGU
4. Jaypore CGU
5. Finesse CGU
6. Sabyasachi CGU
7. HMLPL CGU
8. TMRW subsidiaries
9. TCNS CGU

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Carrying amounts of Goodwill allocated to each of the CGUs are as below:

	₹ in Crore As at September 30, 2023
Pantaloons CGU	1,167.55
Madura Fashion & Lifestyle CGU	627.67
Forever 21 CGU	64.38
Jaypore CGU	88.44
Finesse CGU	35.02
Sabyasachi CGU	226.14
HMLPL CGU	45.24
TMRW subsidiaries	
Awesome Fab Shopping Private Limited	7.48
Imperial Online Services Private Limited	6.82
Pratyaya E-Commerce Private Limited	3.64
NautiNati	4.35
Bewakoof Brands Private Limited	52.97
TCNS CGU	827.17
Total	**3,156.87**

Management carries out impairment testing on an annual basis. All the CGU's mentioned above were tested for impairment at March 31, 2023.

NOTE: 6
DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

Reflected in the Consolidated Balance Sheet as follows:

	₹ in Crore As at September 30, 2023
Deferred tax assets	608.76
Deferred tax liabilities	641.65

Carry forward business losses in repect of which deferred tax asset has been recognised, will expire (if unutilised) based on their year of origination as below:-

	₹ in Crore As at September 30, 2023
Within 4 years	22.55
Beyond 4 years upto 8 years	503.19
Total	**525.74**

Note:-
(a) Unabsorbed depreciation does not have any expiry period.
(b) Deferred tax liability has been recognised on TCNS brands amounting to ₹ 228 Crore.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Consolidated Financial Statements

NOTE: 7
INVENTORIES

	As at September 30, 2023
At lower of cost and net realisable value	
Raw materials	334.27
Work-in-progress	72.31
Finished goods	1,162.73
Stock-in-trade	3,318.08
Stores and spares	42.92
Packing materials	43.04
Total	**4,973.35**

NOTE: 8
CURRENT INVESTMENTS (Carried at fair value through profit and loss (FVTPL))

	As at September 30, 2023
Quoted investments	
Investment in Overnight Mutual Fund	158.93
Investment in Liquid Mutual Fund	66.16
Investment in Money Market Mutual Fund	0.04
Investment in Corporate Bond Fund	4.69
Total	**229.82**
Aggregate book value of quoted investments	229.82
Aggregate market value of quoted investments	229.82

NOTE: 9
TRADE RECEIVABLES

	As at September 30, 2023
Trade receivables from others	1,681.93
Less: Loss Allowances	(49.22)
Total	**1,632.71**

NOTE: 10
OTHER CURRENT ASSETS

	As at September 30, 2023
Advance to suppliers	367.64
Balances with government authorities (other than income tax)	578.24
Right to return assets	327.15
Other receivables	150.73
Total	**1,423.76**

ADITYA BIRLA FASHION AND RETAIL LIMITED

NOTE: 11
EQUITY SHARE CAPITAL

Movement in equity share capital

	As at September 30, 2023	
	No. of shares	₹ in Crore
As at the beginning of the year	**94,87,90,847**	**948.79**
Increase during the year towards:		
Exercise of Options	3,74,195	0.38
As at the end of the period	**94,91,65,042**	**949.17**

NOTE: 12
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	Effective interest rate	Maturity	As at September 30, 2023
	% p.a.		₹ in Crore
Redeemable non-convertible debentures			
Redeemable non-convertible debentures - Series 9 Zero coupon (Unsecured)*	7.97%	January 29, 2026	498.91
Redeemable non-convertible debentures - Series 10 Zero coupon (Unsecured)*	7.71%	September 11, 2030	743.56
Term loan from HDFC Bank (TUF) (Secured)	1 year MCLR + 0.25%	March 15, 2025	1.67
Term loan from Federal Bank (Secured)	7.95%	March 28, 2028	498.57
Term loan from Axis Bank (Secured)	8.15%	April 24, 2030	497.94
Term loan-FCTL (Secured)	Reference Rate+1.90%	November 23, 2026	19.86
Term loan from ICICI Bank (Secured)	8.21%	December 15, 2028	44.36
Term loan from ICICI Bank (Secured)	1 Year MCLR	December 31, 2026	50.00
Term loan from Bank (Secured)	9.35%	July 02, 2028	0.11
Term loan from ICICI Bank (Secured)	1 Year MCLR + Spread	April 30, 2026	15.00
Other borrowings (Unsecured)	8.00% - 14.37%	March 14, 2025 - February 15, 2027	8.38
Other borrowings (Secured)	10.00%	March 31, 2025	9.72
Cumulative redeemable preference shares	6.00%	October 12, 2024	0.01
Total			**2,388.09**

*Net off unamortised charges

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Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Consolidated Financial Statements

Current maturities of long-term borrowings

	Effective interest rate	Maturity	As at September 30, 2023
	% p.a.		₹ in Crore
Current maturities of long-term borrowings			
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	397.00
Term loan from HDFC Bank (TUF) (Secured)	1 year MCLR + 0.25%	March 15, 2025	3.33
Term loan from Axis Bank (Secured)	1 Year MCLR + 1.25%	September 30, 2024	3.30
Term loan from ICICI Bank (Secured)	8.75%	March 31 ,2026	1.25
Term loan-FCTL (Secured)	Reference Rate + 1.90%	November 23, 2026	8.82
Other borrowings (Unsecured)	8.00% - 14.37%	March 14, 2025 - February 15, 2027	12.38
Term loan from ICICI Bank (Secured)	8.21%	December 15, 2028	5.63
Other borrowings from ABFL (Secured)	10.00%	March 31, 2025	4.01
Term loan from bank (Secured)	8.85% - 9.40%	December 31, 2024	14.74
Cumulative redeemable preference shares	8.00%	March 29, 2024	0.50
Total (Included in Current Borrowings)			**450.96**

*Net off unamortised charges

Aggregate secured borrowings	1,178.31
Aggregate unsecured borrowings	1,660.74
	2,839.05

Notes:

a). The Group has not defaulted on repayment of principal or interest payments. There has been no breach of any covenants attached to the borrowings.

b). The Group has used the borrowings from banks and financial institutions for the specific purpose for which the borrowings were availed.

c). The Group has registered all the charges with Registrar of Companies within the statutory period.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Consolidated Financial Statements

NOTE: 13
CURRENT - BORROWINGS

	As at September 30, 2023
Loans repayable on demand from banks	
Cash credit/ Working capital demand loan (Secured)	722.93
Cash credit/ Working capital demand loan (Unsecured)	200.00
Loans repayable on demand from others (Secured)	20.00
Loans repayable on demand from others (Unsecured)	
Commercial paper	1,036.91
Others	1.35
Redeemable non-convertible debentures	0.44
Current maturities of long-term borrowings (Refer Note - 12)	450.96
Total current borrowings	**2,432.59**
Aggregate secured borrowings	784.45
Aggregate unsecured borrowings	1,648.14
	2,432.59

Notes:

a). The Group has not defaulted on repayment of principal or interest payments. There has been no breach of any covenants attached to the borrowings.

b). The Group has used the borrowings from banks and financial institutions for the specific purpose for which the borrowings were availed.

c). The Group has registered all the charges with Registrar of Companies within the statutory period.

NOTE: 14
OTHER CURRENT LIABILITIES

	As at September 30, 2023
Statutory dues (other than income tax)	109.94
Refund liabilities	605.74
Others	153.63
Total	**869.31**

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Consolidated Financial Statements

NOTE: 15
REVENUE FROM OPERATIONS

	For the six months ended September 30, 2023
Revenue from sale of products	6,361.99
Revenue from rendering of services	27.15
Other operating revenue	33.36
Total	**6,422.50**

(d) Disclosure of disaggregated revenue recognised in the Interim Special Purpose Consolidated Statement of Profit and Loss:

	For the six months ended September 30, 2023
Madura Fashion & Lifestyle	
Revenue from retail operations	1,535.05
Revenue from non-retail operations	2,132.69
	3,667.74
Pantaloons	
Revenue from retail operations	2,013.17
Revenue from non-retail operations	86.35
	2,099.52
Ethinic and Others	
Revenue from retail operations	453.41
Revenue from non-retail operations	201.83
	655.24
Revenue as per the Interim Special Purpose Consolidated Statement of Profit and Loss	**6,422.50**

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Notes to the Interim Special Purpose Consolidated Financial Statements

NOTE: 16
EMPLOYEE BENEFITS EXPENSE

	For the six months ended September 30, 2023
Salaries, wages and bonus	747.93
Contribution to provident and other funds	47.85
Share-based payment to employees	15.19
Gratuity expense	13.24
Staff Welfare Expenses	36.44
Total	**860.65**

NOTE: 17
FINANCE COSTS

	For the six months ended September 30, 2023
Interest expense on borrowings	160.05
Interest expense on lease liabilities (Refer Note - 4b)	208.33
Other borrowing costs	1.35
Fair value impact on financial instruments at FVTPL	25.94
Total	**395.67**

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ADITYA BIRLA FASHION AND RETAIL LIMITED

NOTE - 18
CONTINGENT LIABILITIES NOT PROVIDED FOR

₹ in Crore

	As at September 30, 2023
Claims against the Group not acknowledged as debts	
Commercial taxes	30.26
Excise duty	0.50
Customs duty	3.69
Bank Guarantees	38.29
Textile committee cess	0.75
Income Tax	14.63
Others*	14.99
Total	**103.11**

* Pertains to claims made by third parties, pending settlement which are considered not tenable.

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Notes to the Interim Special Purpose Consolidated Financial Statements

NOTE: 19
BUSINESS COMBINATIONS
Acquisitions during the period ended September 30, 2023

(i). Acquisitions of TCNS Clothing Company Limited

a) On May 5, 2023, the Board of Directors of the Company approved acquisition of TCNS Clothing Co. Ltd. (" TCNS"), subject to requisite regulatory approvals.

b) On August 31, 2023, the Company completed the acquisition of 1,87,12,577 equity shares constituting 29% of the Expanded Share Capital of TCNS (as defined in the letter of offer for the Open Offer) pursuant to the open offer.

c) On September 26, 2023, the Company completed the acquisition of 1,41,95,748 equity shares constituting 22% of the Expanded Share Capital of TCNS pursuant to the Share Purchase Agreement dated May 5, 2023 ("SPA").

Pursuant to the completion of the Open Offer and acquisition of shares as specified in the SPA, the Company acquired 51% of the Expanded Share Capital, thereby acquired control over TCNS. The Company has also become Promoter of TCNS w.e.f. September 26, 2023.

d) The purchase price allocation for acquisition of TCBS was completed at March 31, 2024. Accordingly, the fair value of acquired assets and liabilities (including brand and goodwill) of TCNS at September 26, 2023 have been re-casted and reflects the results of the completed purchase price allocation.

Details of the fair value of assets and liabilities taken over on acquisition and consideration paid by the Group has been explained in the table below:

	Fair value recognised on acquisition	
	₹ in Crore	₹ in Crore
Assets taken over		
Property, plant and equipment	64.76	
Capital work-in-progress	0.35	
Brand	1,495.00	
Other intangible assets	1.58	
Right to use assets	482.79	
Security deposits (non-current)	55.49	
Other financial assets (non-current)	0.12	
Deferred tax assets	116.47	
Non-current tax assets (net)	5.52	
Other non-current assets	2.65	
Inventories	454.72	
Trade receivables	161.41	
Cash and cash equivalent	17.67	
Bank balance other than above	0.17	
Other financial assets (current)	0.14	
Other current assets	88.26	2,947.10

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	Fair value recognised on acquisition	
	₹ in Crore	₹ in Crore
Liabilities taken over		
Deposits (non-current)	5.63	
Lease liability (non-current)	457.63	
Provisions (non-current)	17.51	
Deferred Tax Liabilities	376.29	
Other non-current liabilities	0.47	
Borrowings (Current)	92.35	
Trade payables	270.54	
Lease liability (current)	85.19	
Other financial liabilities	39.44	
Provisions (current)	1.05	
Other current liabilities	66.24	1,412.34
Total identifiable net assets at fair value as at acquisition date (A)		1,534.76
Company's share of net assets		799.02
Non-Controlling Interest (B)		735.75
Purchase consideration transferred and fair value of previously held equity (C)		1,626.19
Goodwill arising on acquisition (B+C-A)		**827.17**

Subsequently, TCNS has been amalgamated with the Holding Company pursuant with the effective date of September 01, 2024, upon approval of the Scheme by the National Company Law Tribunal.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the Interim Special Purpose Consolidated Financial Statements

NOTE - 20
RELATED PARTY TRANSACTIONS

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

	Six months ended September 30, 2023		
	Joint Venture	KMP and Relative of KMP	Other related parties
Sale of goods	-	-	0.24
Reimbursement of expenses paid to	-	-	25.17
Share in Profit/(loss) after tax of Joint Venture	(0.09)	-	-
Contribution to trusts	-	-	2.12
Remuneration paid to KMP*	-	22.86	-

* Includes director sitting fees

Balances outstanding

	As at September 30, 2023	
	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	-	16.38
Deposits receivable	-	5.64

NOTE - 21
SEGMENT INFORMATION

During the period ended September 30,2023, Management has reorganized and restructured its internal monitoring and operations review process, which resulted in a change in the operating and reportable segments. Pursuant to this, the business of the Group is divided into three business segments - Madura Fashion & Lifestyle, Pantaloons and Ethnic & Others. These segments are the basis for management decision and hence the basis for reporting.

Based on the "management approach", as defined under Ind AS 108 - Operating segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates the resources based on the analysis of various performance indicators by business segments. Accordingly, the business of the Group is divided into three business segments, which are as follows:

Segments	Activities
Madura Fashion & Lifestyle	Manufacturing, distribution and retailing of branded fashion apparel and accessories
Pantaloons	Retailing of apparel and accessories
Ethnic & Others	Manufacturing, distribution and retailing of branded fashion apparel and accessories

Jaypore, TG Apparel, Finesse, Sabyasachi, Sabyasachi Inc., Indivinity, HMLPL, Aditya Birla Digital Fashion Ventures Limited and TCNS Clothing Company Limited businesses have been included in Ethnic & Others segment, considering all of these deals into branded apparel and accessories and is viewed as branded business. Aditya Birla Garments Limited considered part of Madura Fashion & Lifestyle.

Prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

INTERIM SPECIAL PURPOSE CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

₹ in Crore

Sr. No.	Particulars	Six months ended September 30, 2023
I	**Segment revenue**	
	Madura Fashion & Lifestyle	3,800.03
	Pantaloons	2,099.52
	Ethnic and Others	657.84
	Total segment revenue	**6,557.39**
	Less: Inter-segment revenue	134.89
	Revenue from operations	**6,422.50**
II	**Segment results [Profit/ (loss) before finance costs and tax]**	
	Madura Fashion & Lifestyle	105.71
	Pantaloons	(167.17)
	Ethnic and Others	(188.79)
	Total segment results	**(250.25)**
	(Less)/Add: Inter-segment results	(49.08)
	Net segment results before finance costs, tax and share in Profit/ (loss) of Joint Venture	**(299.33)**
	Less: i) Finance costs	153.60
	ii) Other unallocable expenditure/ (income) - net	(23.17)
	Add: i) Share in Profit/ (loss) of Joint Venture	(0.09)
	Profit/ (loss) before tax	**(429.85)**
III	**Segment assets**	**As at September 30, 2023**
	Madura Fashion & Lifestyle	8,453.79
	Pantaloons	5,647.43
	Ethnic and Others	7,535.74
	Total segment assets	**21,636.96**
	Inter-Segment eliminations	(266.36)
	Investment in Joint Venture	73.52
	Unallocated corporate assets	857.43
	Total assets	**22,301.55**
IV	**Segment liabilities**	**As at September 30, 2023**
	Madura Fashion & Lifestyle	7,708.55
	Pantaloons	4,047.00
	Ethnic and Others	4,419.27
	Total segment liabilities	**16,174.82**
	Inter-segment eliminations	(431.88)
	Unallocated corporate liabilities (including borrowings)	2,886.32
	Total liabilities	**18,629.26**

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ADITYA BIRLA FASHION AND RETAIL LIMITED

NOTE - 22
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at September 30, 2023 are as follows:

As at September 30, 2023

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value Level 1	Level 2	Level 3
Financial assets							
Investments	229.82	14.20	-	244.02	229.82	-	14.20
Loans	-	-	12.29	12.29	-	-	-
Security deposits	-	-	610.73	610.73	-	-	-
Trade receivables	-	-	1,632.71	1,632.71	-	-	-
Cash and cash equivalents	-	-	230.79	230.79	-	-	-
Bank balance other than Cash and cash equivalents	-	-	5.15	5.15	-	-	-
Other financial assets	-	-	351.42	351.42	-	-	-
Derivative contracts	0.47	-	-	0.47	0.47	-	-
Total	**230.29**	**14.20**	**2,843.09**	**3,087.58**	**230.29**	**-**	**14.20**
Financial liabilities							
Non-current borrowings	-	-	2,388.09	2,388.09	-	-	-
Current borrowings	-	-	2,432.59	2,432.59	-	-	-
Deposits	-	-	504.63	504.63	-	-	-
Trade payables	-	-	4,532.07	4,532.07	-	-	-
Other financial liabilities	-	-	807.12	807.12	-	-	-
Derivative contracts	0.55	-	-	0.55	0.55	-	-
Non-controlling interest put option	788.30	-	-	788.30	-	-	788.30
Total	**788.85**	**-**	**10,664.50**	**11,453.35**	**0.55**	**-**	**788.30**

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The carrying value of investment made in joint venture as at September 30, 2023 is ₹ 73.52 Crore and are measured at cost.
Key inputs for level 1 and 3 fair valuation techniques

a) Derivative contracts:
i) Forward contracts: Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Company (level 1)

b) Non-controlling interest put option :
i) Option contracts: Fair value of option contracts is determined basis Monte Carlo Simulation Method ("MC Model") by independent valuer appointed by the Company (level 3)

c) Investment:
i) Unquoted equity instruments: Valuation has been done by considering the net worth of the company to arrive at the fair value (level 3)
ii) Quoted investments: Valuation has been done based on market value of the investment i.e. fair value (level 1)

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ADITYA BIRLA FASHION AND RETAIL LIMITED

NOTE - 22 (Contd.)
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

Financial instruments measured at fair value

₹ in Crore

Particulars	Fair Value as at September 30, 2023	Significant unobservable inputs	Fair Value as at September 30, 2023		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Non-controlling interest put option	788.30	Risk adjusted discount rate	778.67	799.70	Increase in discount rate by 0.50% would decrease the fair value by ₹ 9.63 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 11.40 Crore.
		EBITDA margin projection	795.35	782.12	Increase in EBITDA margin by 0.50% would increase the fair value by ₹ 7.05 Crore and decrease in EBITDA margin by 0.50% would decrease the fair value by ₹ 6.18 Crore.
		Revenue projection	795.45	782.02	Increase in revenue by 0.50% would increase the fair value by ₹ 7.15 Crore and decrease in revenue by 0.50% would decrease the fair value by ₹ 6.28 Crore

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No. : 203637

Place: Bangalore
Date : January 16, 2025

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : January 16, 2025

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : January 16, 2025

ADITYA BIRLA FASHION & RETAIL LIMITED

Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report
To the Members of Aditya Birla Fashion and Retail Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Aditya Birla Fashion and Retail Limited (hereinafter referred to as the "Holding Company") which includes the financial statements of ABFRL Employee Welfare Trust and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (refer Note 49 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2024, and consolidated total comprehensive loss (comprising of loss and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill (Refer Note 5 to the consolidated financial statements) The Group has recognised goodwill of Rs.3,200.99 crores as at March 31, 2024. The goodwill was acquired in business combinations recorded in the current and previous years and was allocated to Cash Generating Units (CGU) identified by the Group. In accordance with Ind AS 36, *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment annually. Management has performed impairment assessment for each of the CGUs to which goodwill has been allocated by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU, which is higher of its value in use and fair value less costs of disposal. Impairment assessment of goodwill requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill is considered to be a key audit matter.	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Holding Company's controls to assess impairment of goodwill on an annual basis. • Evaluated whether the CGUs were determined and the goodwill allocation was performed in accordance with requirements of Ind AS 36 and our knowledge of the Group's operations. • Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount of the CGU. • Evaluated the objectivity, competency and independence of the management expert engaged by the Holding Company. • Assessed the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis and evaluated the consistency of the cashflow projections with the budgets approved by the Board of Directors of the Holding Company, Board of Directors of the subsidiary companies and Partners of a Limited Liability Partnership (LLP) (accounted as a subsidiary). • Evaluated the sensitivity analysis performed by management on the growth rates and discount rates to determine whether reasonable changes in these key assumptions would result in the carrying amounts of individual CGUs to exceed their recoverable amounts. • Involved auditor's expert to assist in evaluating the impairment assessment including certain assumptions used. • Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements. Based on procedures above, management's impairment assessment of goodwill appears to be reasonable.

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Provision for Inventory obsolescence (Refer Notes 12 and 2.5(d) to the consolidated financial statements) The Group held inventories of Rs.4,505.34 crores as at March 31, 2024. In accordance with Ind AS 2, *Inventories*, inventories are carried at lower of cost or net realizable value. The Group operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost. Management has a policy to recognize provisions for inventory considering assessment of future trends and the Group's past experience related to its ability to liquidate the aged inventory. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimates.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for inventory obsolescence. • Evaluated the methodology used by the management to determine the provision for inventory obsolescence and determined whether the method is consistent with that applied in the prior year. • Assessed whether the changes in the methodology (if any) are reasonable and consistent with our understanding of the changes in the business. • Evaluated the ageing report including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Group's policy. • Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provision for inventory obsolescence.
Provisions for discount and sales returns (Refer Note 2.5(e) to the Consolidated Financial Statements) The Group has recognised provisions for unsettled discounts and sales returns amounting to Rs.470.12 crores and Rs.551.41 crores respectively, at March 31, 2024. Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer. Recognition of revenue requires	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for discounts and sales returns. • Evaluated the periodic account reconciliations prepared by the management during the year. • Evaluated the management estimates and judgements in determining the provision for

determination of the net selling price after considering variable consideration including forecast of sales returns and discounts. The estimate of sales returns and discounts depends on contract terms, forecasts of sales volumes and past history of quantum of returns. The expected returns and discounts that have not yet been settled with the customers are estimated and accrued. Determination of provisions for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.	discounts and sales returns and assessed whether the same is consistent with the prior year. • Evaluated the contract terms for a sample of customer contracts to assess the reasonableness of the provision for discounts and returns and determine whether the same is in line with terms of the contract. • Verified credits notes issued to customers on a sample basis and assessed the validity of claims with the underlying documents and appropriate approvals. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provisions for discount and sales returns.
Assessment of Purchase Price Allocation (PPA) on acquisition of TCNS Clothing Co. Limited in accordance with Ind AS 103 'Business Combinations' (Refer Note 47(a)(i) to the consolidated financial statements) On September 26, 2023, the Group completed the acquisition of TCNS Clothing Co. Limited, pursuant to the acquisition plan, for a consideration of Rs.1,626.19 crores. The Group determined the acquisition to be a business combination in accordance with Ind AS 103 'Business Combinations', which requires the identified assets and liabilities to be recognised at fair value on the date of acquisition. The Group's Management determined that the fair values of the net identifiable assets acquired was Rs.1,534.76 crores; and appointed independent external professional valuers (management's expert) to perform the valuation of certain assets namely brands aggregating to Rs. 1,495 crores. Such valuation was performed as part of the PPA exercise. Consequently, the Group has recognized goodwill of Rs.827.17 crores attributable to this business combination.	Our audit procedures included the following: • Obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Group's key controls over the accounting for business combinations. • Traced the value of the consideration transferred to the Share Purchase Agreement and approval of the Board of Directors. • Assessed the Group's determination of the fair value of the assets and liabilities having regard to the completeness of assets identified and liabilities assumed and the reasonableness of underlying assumptions in their respective valuations. • Verified the management's computation of goodwill. • Involved auditor's valuation expert ("auditor's expert") to test the PPA report including the work performed by the management's expert to assess reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date. • Assessed and corroborated the adequacy and appropriateness of the

Significant assumptions and estimates have been used by the Management and the professional valuers in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction and thus we considered this area to be a key audit matter.	disclosures made in the consolidated financial statements. Based on above procedures, we noted that the PPA performed by the Management is in accordance with Ind AS 103 'Business Combinations'.

5. The following Key Audit Matters were included in the audit report dated May 21, 2024, containing an unmodified audit opinion on the consolidated financial statements of Sabyasachi Calcutta LLP, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants reproduced by us as under:

Key Audit Matter	How the work of the Component auditor addressed the key audit matter
Impairment assessment of indefinite life intangible asset Sabyasachi Calcutta LLP has an intangible asset being 'Brand' amounting to Rs.623.26 crores at March 31, 2024 which was recognized in a prior year on reconstitution of the Limited Liability Partnership. Sabyasachi Calcutta LLP's management has engaged independent valuation expert to perform impairment assessment of brand using the value in use method in accordance with Ind AS 36 – Impairment of Assets for financial reporting purposes. Impairment assessment of brand with indefinite useful life is considered as a key audit matter since it requires estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates which are subject to judgement and subjectivity and might be affected by changes in economic conditions.	The audit procedures included the following: • Assessed the reasonableness of the cash flow projections by evaluating the Sabyasachi Calcutta LLP's management assumptions and estimates used in the impairment analysis and evaluated the consistency of cashflow projections with the budgets approved by the Partners of the LLP. • Assessed that the methodology used by Sabyasachi Calcutta LLP's management to estimate the value in use of the brand is consistent with accounting standards and is in line with the valuation standards applicable in India. • Involved auditor's expert to assess the methodologies used by Sabyasachi Calcutta LLP's management to determine the value in use of the Brand. • Evaluated the Sabyasachi Calcutta LLP management's determination that no re-estimation of the useful life of the brand is considered necessary at the year end. • Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements of Sabyasachi Calcutta LLP. Based on procedures above, Sabyasachi Calcutta LLP management's impairment assessment of the brand appears to be reasonable.

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Provision for inventory obsolescence	The audit procedures included the following:
Sabyasachi Calcutta LLP held inventories of Rs. 241.67 crores at March 31, 2024. In accordance with Ind AS 2 – Inventories, inventories are carried at lower of cost or net realisable value. Sabyasachi Calcutta LLP operates in a fast-changing fashion market where there is a risk of inventory (mainly apparels and accessories segment) falling out of fashion and proving difficult to be sold taking into consideration the fact that the Brand does not sell its products at a discount. Management has a policy to recognize provisions for Inventory considering assessment of future trends and the Sabyasachi Calcutta LLP's past experience related to its ability to liquidate the aged inventory. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimates.	• Understood and evaluated the design and tested the operating effectiveness of Sabyasachi Calcutta LLP's controls to assess the adequacy of provision for inventory obsolescence. • Evaluated the methodology used by the Sabyasachi Calcutta LLP's management to determine the provision for inventory obsolescence and determined whether the method is consistent with that applied in the prior year. • Assessed whether the changes in the methodology (if any) are reasonable and consistent with our understanding of the changes in the business. • Evaluated the ageing report / workings shared by the Sabyasachi Calcutta LLP including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Sabyasachi Calcutta LLP's policy. • Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis. • Evaluated the adequacy of the disclosures made in the consolidated financial statements of Sabyasachi Calcutta LLP. Based on procedures above, auditor of Sabyasachi Calcutta LLP did not identify any material exceptions in recognition and measurement of provision for inventory obsolescence.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group and its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies, trustees of a trust and Partners of a LLP included in the Group and Board of Directors of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies, trustees of a trust and Partners of a LLP included in the Group and Board of Directors of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies, trustees of a trust and Partners of a LLP included in the Group and Board of Directors of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

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Auditor's Responsibilities for the audit of the consolidated financial statements

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

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

    e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of 8 subsidiaries (including step down subsidiaries), whose financial statements reflect total assets of Rs.1,469.21 crores and net assets of Rs.947.30 crores as at March 31, 2024, total revenue of Rs.725.20 crores, total net (loss) after tax of Rs.(10.26 crores), total comprehensive loss (comprising of loss and other comprehensive loss) of Rs.(10.69 crores) and net cash inflows amounting to Rs.24.35 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

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Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B", a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year and the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and a joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 17(b) above on reporting under Section 143(3)(b) and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Rules.

(g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint venture. (Refer Notes 30 and 46 to the consolidated financial statements).

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Bengaluru

ii. The Group and its joint venture were not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group has made a provision as required under the accounting standards for material foreseeable losses, if any, on derivative contracts as at March 31, 2024. The joint venture did not have any derivative contracts as at March 31, 2024.

iii. During the year ended March 31, 2024, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and a joint venture incorporated in India.

iv. (a)The respective Managements of the Holding Company and its subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, any of such subsidiaries or the joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries or the joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries or joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, any of such subsidiaries or joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company, its subsidiary companies and joint venture, has not declared or paid any dividend during the year.

Price Waterhouse & Co Chartered Accountants LLP
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Bengaluru

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Group and its joint venture have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of performing our procedures, other than the below mentioned instances where audit trail was not maintained the question of our commenting does not arise, we and the respective auditors of the above referred subsidiaries, did not notice any instance of the audit trail feature being tampered with:

a) In respect of 2 subsidiary companies (including a step-down subsidiary) incorporated in India, the feature of recording audit trail (edit log) facility was not available.

b) In respect of the Holding company and 6 subsidiary companies (including a step-down subsidiary) incorporated in India, accounting software has the feature of recording audit trail (edit log), except for certain type of masters, changes made through specific access at application level and for direct database changes. Accordingly, we are unable to comment whether the audit trail feature of the aforesaid software were enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

c) In respect of the Holding company, 2 subsidiary companies and a joint venture incorporated in India, certain accounting software are maintained by third party service providers and due to absence of or insufficient information in the service auditors' report, we are unable to comment whether the audit trail feature of the aforesaid software were enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

18. The Holding Company, its Subsidiary Company and a Joint Venture, which are Companies incorporated in India, have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLV7132

Place: Mumbai
Date: May 28, 2024

Price Waterhouse & Co Chartered Accountants LLP

Report on the Internal Financial Controls with reference to consolidated financial statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of Aditya Birla Fashion and Retail Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its joint venture, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to Sabyasachi Calcutta LLP, a subsidiary of the Holding Company and Jaypore Fashions Inc. and Sabyasachi Inc., step down subsidiaries of the Holding Company, since these are not required to comply with the requirements of the provisions of the Companies Act, 2013.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, and a joint venture, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Price Waterhouse & Co Chartered Accountants LLP
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Bengaluru

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the holding company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal financial controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 5 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

   Our opinion is not modified in respect of this matter.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLV7132

Place: Mumbai
Date: May 28, 2024

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of Aditya Birla Fashion and Retail Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2024

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1	Aditya Birla Fashion and Retail Limited	L18101MH2007PLC233901	Holding Company of the Group	May 28, 2028	(i)(c)
2	Aditya Birla Digital Fashion Ventures Limited	U74999MH2022PLC380326	Subsidiary	May 21, 2024	(iii)(e)
3	TCNS Clothing Co. Limited	L99999DL1997PLC090978	Subsidiary	May 16, 2024	(ii)(b)

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLV7132

Place: Mumbai
Date: May 28, 2024

Aditya Birla Fashion and Retail Limited
Consolidated Balance Sheet as at March 31, 2024

₹ in Crore

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3a	1,337.46	1,009.13
(b) Capital work-in-progress	3b	171.07	145.68
(c) Right-of-use assets	4a	4,306.76	3,623.44
(d) Investment property	4c	3.62	3.66
(e) Goodwill	5	3,200.99	2,329.70
(f) Other intangible assets	5	3,017.72	1,393.46
(g) Intangible assets under development	5a	-	58.02
(h) Financial assets			
(i) Investment in joint venture	6a	83.09	73.58
(ii) Other investments	6b	21.03	10.57
(iii) Loans	7	0.45	1.15
(iv) Security deposits	8	499.73	434.31
(v) Other financial assets	9	323.10	244.86
(i) Deferred tax assets	10	657.20	408.50
(j) Non-current tax assets (net)		25.94	6.42
(k) Other non-current assets	11	70.69	128.75
Total - Non-current assets		**13,718.85**	**9,871.23**
II Current assets			
(a) Inventories	12	4,505.34	4,214.38
(b) Financial assets			
(i) Current investments	13	880.71	182.43
(ii) Loans	14	10.55	10.04
(iii) Security deposits	15	137.95	97.09
(iv) Trade receivables	16	1,278.81	886.44
(v) Cash and cash equivalents	17	454.03	692.69
(vi) Bank balance other than Cash and cash equivalents	18	8.36	8.37
(vii) Other financial assets	19	105.03	71.23
(c) Other current assets	20	1,311.43	1,007.38
Total - Current assets		**8,692.21**	**7,170.05**
TOTAL - ASSETS		**22,411.06**	**17,041.28**

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E-300009
Bengaluru

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Balance Sheet as at March 31, 2024

₹ in Crore

	Notes	As at March 31, 2024	As at March 31, 2023
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	21	1,015.01	948.79
(b) Other equity	22	3,018.77	2,394.50
Equity attributable to owners of the Company		**4,033.78**	**3,343.29**
(c) Non-controlling interest	22	687.23	2.71
Total - Equity		**4,721.01**	**3,346.00**
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	2,511.56	1,507.62
(ii) Lease liabilities	4b	4,087.66	3,346.23
(iii) Deposits		280.16	253.22
(iv) Other financial liabilities	24	1,446.77	1,117.09
(b) Deferred tax liabilities	10	660.93	251.68
(c) Provisions	25	73.95	46.13
(d) Other non-current liabilities	26	27.56	20.20
Total - Non-current liabilities		**9,088.59**	**6,542.17**
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	1,693.62	797.90
(ii) Lease liabilities	4b	1,158.56	921.11
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	28	323.90	120.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	28	3,811.76	3,725.49
(iv) Deposits		276.98	189.91
(v) Other financial liabilities	29	374.38	497.00
(b) Liabilities for current tax (net)		3.21	0.41
(c) Provisions	30	199.26	198.90
(d) Other current liabilities	31	759.79	701.76
Total - Current liabilities		**8,601.46**	**7,153.11**
TOTAL - EQUITY AND LIABILITIES		**22,411.06**	**17,041.28**
Basis of preparation	2		

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

Tanwani

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

Bajaj

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2024

₹ in Crore

		Notes	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenue from operations	32	13,995.86	12,417.90
II	Other income	33	237.58	116.46
III	**Total income (I + II)**		14,233.44	12,534.36
IV	**Expenses**			
	(a) Cost of materials consumed	34a	1,459.65	1,245.88
	(b) Purchase of stock-in-trade	34b	4,627.23	5,546.76
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	34c	180.35	(1,240.66)
	(d) Employee benefits expense	35	1,826.25	1,563.36
	(e) Finance costs	36	876.61	472.36
	(f) Depreciation and amortisation expense	37	1,655.23	1,226.96
	(g) Rent expense	45a	970.48	897.02
	(h) Other expenses	38	3,479.29	2,911.96
	Total expenses		15,075.09	12,623.64
V	**Profit/(Loss) before Share in Profit/ (Loss) of Joint Venture and Tax (III - IV)**		(841.65)	(89.28)
VI	Add: Share in Profit / (Loss) of Joint Venture		12.75	6.84
VII	**Profit/(Loss) before tax (V+ VI)**		(828.90)	(82.44)
VIII	**Income tax expense**			
	(a) Current tax	39	35.11	15.92
	(b) Current tax relating to earlier years		0.09	(2.22)
	(c) Deferred tax	39	(128.19)	(36.67)
			(92.99)	(22.97)
IX	**Profit/(Loss) for the year (VII - VIII)**		(735.91)	(59.47)
X	**Other comprehensive income/ (loss)**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans		(6.78)	(0.68)
	Income tax effect on above		1.76	0.14
	(b) Fair value gains/ (losses) on equity instruments		3.62	3.26
	Income tax effect on above		(0.91)	(0.82)
	Items that will be reclassified to profit or loss			
	(a) Exchange differences on translation of foreign operations		0.29	0.05
	Income tax effect on above		-	-
	(b) Effective Portion of Cashflow Hedge		(0.12)	0.75
	Income tax effect on above		0.04	(0.26)
	Total other comprehensive income/ (loss) for the year		(2.10)	2.44
XI	**Total comprehensive income/ (loss) for the year (IX + X)**		(738.01)	(57.03)

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

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2024

₹ in Crore

		Notes	Year ended March 31, 2024	Year ended March 31, 2023
XII	**Profit/(Loss) attributable to**			
	- Owners of the Company		(628.02)	(36.00)
	- Non-controlling interest		(107.89)	(23.47)
			(735.91)	(59.47)
XIII	**Other comprehensive income/ (loss) attributable to**			
	- Owners of the Company		(1.59)	2.36
	- Non-controlling interest		(0.51)	0.08
			(2.10)	2.44
XIV	**Total comprehensive income/ (loss) attributable to**			
	- Owners of the Company		(629.61)	(33.64)
	- Non-controlling interest		(108.40)	(23.39)
			(738.01)	(57.03)
XV	**Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2023 : ₹ 10)]**	40		
	Basic (₹)		(6.52)	(0.38)
	Diluted (₹)		(6.51)	(0.38)
Basis of preparation		2		

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)

ANIL MALIK
(Company Secretary)
(M.No.: A11197)

Place: Mumbai
Date : May 28, 2024

Place: Mumbai
Date : May 28, 2024

Place: Mumbai
Date : May 28, 2024

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

a. Equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Equity shares of ₹ 10 each issued				
As at the beginning of the year	94,89,96,351	949.00	93,85,09,538	938.50
Equity shares under Rights Issue and Preferential Issue (Refer Note- 21(iii))	6,58,00,866	65.80	1,02,16,588	10.23
Exercise of Options (Refer Note - 44)	4,17,929	0.42	2,70,225	0.27
As at the end of the year	1,01,52,15,146	1,015.22	94,89,96,351	949.00

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Equity shares of ₹ 10 each subscribed and fully paid				
As at the beginning of the year	94,87,90,847	948.79	93,83,04,034	938.29
Equity shares under Rights Issue and Preferential Issue (Refer Note- 21(iii))	6,58,00,866	65.80	1,02,16,588	10.23
Exercise of Options (Refer Note - 44)	4,17,929	0.42	2,70,225	0.27
As at the end of the year	1,01,50,09,642	1,015.01	94,87,90,847	948.79

b. Other equity

₹ in Crore

	Share application money pending allotment (Refer Note - 22)	Share suspense account (Refer Note - 22)	Reserves and surplus					Share warrants (Refer Note - 22)	Other equity	Other comprehensive income				Equity attributable to owners of the Company	Non-controlling interest (Refer Note-22)	Total other equity
			Securities premium (Refer Note - 22)	Retained earnings (Refer Note - 22)	Share options outstanding account (Refer Note - 22)	Treasury shares (Refer Note - 22)	Capital reserve (Refer Note - 22)			Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Effective portion of cashflow hedge	Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Foreign currency translation reserve (Refer Note-22)			
As at April 01, 2022	-	0.02	3,118.18	(1,265.39)	60.06	(103.09)	21.74	-	-	1.11	-	2.34	0.06	1,835.03	15.20	1,850.23
Profit for the year	-	-	-	(35.99)	-	-	-	-	-	-	-	-	-	(35.99)	(23.47)	(59.46)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(0.36)	0.25	2.44	0.03	2.36	0.08	2.44
Recognition of Share based payment expenses	-	-	-	-	20.01	-	-	-	-	-	-	-	-	20.01	-	20.01
Share forfeiture/ (issued) during the year	-	-	-	-	-	-	0.00	-	-	-	-	-	-	0.00	-	0.00
Equity shares under Rights Issue and Preferential Issue (Refer Note- 21(iii))	-	-	284.02	-	-	-	-	-	-	-	-	-	-	284.02	-	284.02
Non-controlling interest recognised on April 01, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	421.15	421.15
Non-controlling interest recognised pursuant to business combinations during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73.89	73.89
Additional contribution by Non-controlling shareholders/partners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71.80	71.80
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest (Refer Note - 24)	-	-	-	(175.87)	-	-	-	-	-	-	-	-	-	(175.87)	175.87	-
Non-controlling interest derecognised on March 31, 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(724.08)	(724.08)
Money received against share warrants	-	-	-	-	-	-	-	475.00	-	-	-	-	-	475.00	-	475.00
Exercise price received pending allotment	0.01	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	-	(11.91)	-	-	-	-	-	-	-	(11.91)	-	(11.91)
Issue of shares upon exercise of options	-	-	5.86	-	(12.71)	-	0.96	-	-	-	-	-	-	(5.89)	-	(5.89)
Others	-	-	-	7.73	-	-	-	-	-	-	-	-	-	7.73	(7.73)	-
As at March 31, 2023	0.01	0.02	3,408.06	(1,469.51)	67.36	(115.00)	22.70	475.00	-	0.75	0.25	4.78	0.09	2,394.50	2.71	2,397.21

Aditya Birla Fashion and Retail Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

₹ in Crore

	Share application money pending allotment (Refer Note - 22)	Share suspense account (Refer Note - 22)	Reserves and surplus					Share warrants (Refer Note 22)	Other equity	Other comprehensive income				Equity attributable to owners of the Company	Non-controlling Interest (NCI) (Refer Note-22)	Total other equity
			Securities premium (Refer Note - 22)	Retained earnings (Refer Note - 22)	Share options outstanding account (Refer Note - 22)	Treasury shares (Refer Note - 22)	Capital reserve (Refer Note - 22)			Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Effective portion of cashflow hedge (Refer Note -22)	Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Foreign currency translation reserve (Refer Note - 22)			
As at April 01, 2023	0.01	0.02	3,408.06	(1,469.51)	67.36	(115.00)	22.70	475.00	-	0.75	0.25	4.78	0.09	2,394.50	2.71	2,397.21
Loss for the year	-	-	-	(628.02)	-	-	-	-	-	-	-	-	-	(628.02)	(107.89)	(735.91)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(4.41)	(0.04)	2.71	0.15	(1.59)	(0.51)	(2.10)
Recognition of Share based payment expenses	-	-	-	-	18.10	-	-	-	-	-	-	-	-	18.10	-	18.10
Preferential Issue of equity shares on conversion of warrants [Refer Note - 20(iii)]	-	-	1,375.65	-	-	-	-	-	-	-	-	-	-	1,375.65	-	1,375.65
Conversion of warrants (amount transferred to securities premium) [Refer Note - 20(iii)]	-	-	458.55	-	-	-	-	(475.00)	-	-	-	-	-	(16.45)	-	(16.45)
Non-controlling interest recognised on April 01, 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	724.08	724.08
Non-controlling interest recognised pursuant to business combinations during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	846.60	846.60
Acquisition of NCI share	-	-	-	(7.59)	-	-	-	-	(2.99)	-	-	-	-	(10.58)	7.59	(2.99)
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling Interest [Refer Note - 24]	-	-	-	(119.79)	-	-	-	-	-	-	-	-	-	(119.79)	119.79	-
Non-controlling interest derecognised on March 31, 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(907.44)	(907.44)
Exercise price received pending allotment	0.03	-	-	-	-	-	-	-	-	-	-	-	-	0.03	-	0.03
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	-	3.69	-	-	-	-	-	-	-	3.69	-	3.69
Issue of shares upon exercise of options	-	-	9.23	-	(6.19)	-	0.19	-	-	-	-	-	-	3.23	2.30	5.53
As at March 31, 2024	0.04	0.02	5,251.50	(2,224.91)	79.27	(111.31)	22.89	-	(2.99)	(3.66)	0.21	7.49	0.24	3,018.77	687.23	3,706.00

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

ADITYA BIRLA FASHION AND RETAIL LIMITED *

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2024

₹ in Crore

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities			
Profit/(Loss) before tax		**(828.90)**	(82.44)
Adjustments for:			
Depreciation and amortisation expense	37	1,655.23	1,226.96
Finance costs	36	876.61	472.36
Gain on retirement of right-of-use assets	33	(50.07)	(19.75)
Rent concession on lease rentals	45a	-	(0.22)
(Profit)/ Loss on sale/ discard of property, plant and equipment		4.48	0.13
Share-based payment to employees	35	25.35	31.29
Interest income	33	(26.26)	(10.21)
Liabilities no longer required written back		(9.17)	(2.48)
Net gain on sale of current investments	33	(36.79)	(23.26)
Net Unrealised exchange (gain)/ loss		13.20	(0.99)
Expense/ (income) on financial assets/ liabilities that is designated as fair value through profit or loss		(73.74)	(42.39)
Provision for doubtful debts, deposits and advances	38	12.17	3.33
Bad debts written off		2.37	-
Share of (profit)/ loss of Joint Venture		(12.75)	(6.84)
Operating profit before working capital changes		**1,551.73**	**1,545.49**
Changes in working capital:			
(Increase)/ decrease in trade receivables		(174.42)	(107.64)
(Increase)/ decrease in inventories		230.86	(1,223.92)
(Increase)/ decrease in other assets		(133.03)	(247.20)
Increase/ (decrease) in trade payables		(62.35)	361.83
Increase/ (decrease) in provisions		(8.78)	15.28
Increase/ (decrease) in other liabilities		(19.53)	289.82
Cash generated from operations		**1,384.48**	**633.66**
Income taxes paid (net of refund)		(43.08)	2.54
Net cash flows from/ (used) in operating activities		**1,341.40**	**636.20**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(747.03)	(681.32)
Consideration paid for acquisition of subsidiaries (net of cash acquired)		(1,608.51)	(175.71)
Purchase of equity investments		(6.82)	-
Purchase of current investments		(19,002.83)	(12,791.69)
Proceeds from sale of property, plant and equipment and intangible assets		5.90	10.54
Proceeds from sale/ maturity of current investments		18,341.34	13,240.71
Interest received		26.32	10.24
Net cash flows from/ (used) in investing activities		**(2,991.63)**	**(387.23)**
Cash flows from financing activities			
Proceeds from issue of equity shares		7.30	3.55
Proceeds from Rights Issue (net off share issue expenses)		-	0.22
Proceeds from Preferential Issue (net off share issue expenses)	21(iii)	1,425.00	769.05
Treasury shares issued/ (purchased) by ESOP Trust		3.69	(11.91)
Proceeds from non-current borrowings (net off charges)		1,484.87	1,085.68
Proceeds/ (repayments) from current borrowings (net)		655.82	365.07
Repayment of non-current borrowings		(353.37)	(462.50)
Repayment of lease liabilities		(995.54)	(891.01)
Interest paid		(816.20)	(532.65)
Net cash flows from/ (used) in financing activities		**1,411.57**	**325.50**

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FRN 304026E/E300009
Bengaluru

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2024

₹ in Crore

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Net Decrease in cash and cash equivalents		**(238.66)**	**574.47**
Cash and cash equivalents at the beginning of the year		692.69	118.22
Cash and cash equivalents at the end of the year	17	**454.03**	**692.69**
Components of Cash and cash equivalents			
Balances with banks - on current accounts		383.60	153.61
Balances with banks - on deposit accounts (original maturity less than 3 months)		0.09	501.49
Balances with credit card companies		40.98	16.95
Balances with e-wallet companies		2.21	4.38
Cash on hand		22.01	13.04
Cheques/ drafts on hand		5.14	3.22
Total Cash and cash equivalents		**454.03**	**692.69**

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28, 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 28, 2024

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 28, 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 28, 2024

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited

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

1. Corporate information

Aditya Birla Fashion and Retail Limited ("the Company" or "the Holding Company"), a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400070.

The Company, its subsidiaries (together referred to as the "Group") and its joint venture are engaged in the business of manufacturing and retailing of branded apparels/accessories and runs a chain of apparels and accessories retail stores in India.

The consolidated financial statements, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors in their meeting held on May 28, 2024.

2. Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

2.2 Functional and Presentation Currency:

The functional currency of the Group, its subsidiaries and its joint venture is determined on the basis of the primary economic environment in which it operates. The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. (₹ 1 Crore is equal to ₹ 10 Million)

2.3 Principles of consolidation

The consolidated financial statements (CFS) comprise the financial statements of the Company and its Subsidiaries and Joint Venture. Subsidiaries are entities controlled by the Group. The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110) and "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 133 of the Companies Act, 2013. The Group controls an investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary and joint venture, the subsidiary and joint venture prepares, for consolidation purposes, additional financial information as of the same date as the financial statementsof the parent to enable the parent to consolidate the financial information of the subsidiary and joint venture, unless it is impracticable to do so.

Consolidation procedures for subsidiaries:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non- controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Equity Accounted Investees:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains resulting from the transaction between the Group and joint venture are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

When the Group's share of losses of joint venture equals or exceeds its interest in that joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the Consolidated Statement of Profit and Loss separately.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of Profit and Loss.

2.4 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

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A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

2.5 Critical Accounting Judgments, Estimates And Assumptions

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Group's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next three years and next 2 years have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note – 5b.

(b) Share-based payment

The Group uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Consolidated Statement of Profit and Loss. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 44.

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(c) Taxes

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

As at March 31, 2024, the Group has ₹ 2,311.9 Crore (March 31, 2023: ₹ 1,798.28 Crore) of tax losses carried forward as per tax law. These losses pertain to unabsorbed business loss as at March 31, 2024 of ₹ 934.95 Crore (March 31, 2023 of ₹ 491.92 Crore) which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2024 of ₹ 1,376.95 Crore (March 31, 2023 of ₹ 1,306.35 Crore) which do not have any expiry period. Further details on taxes are disclosed in Notes - 10 and 39.

(d) Provision on inventories

The Group has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non-core (fashion) and sub-categorised into finished goods and raw materials. The Group provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

(e) Provision for discount and sales return

The Group provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Group reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

(f) Leases

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

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

(g) Valuation of Non - controlling interest Put Option

The fair value of financial liability (put option) arising from acquisition agreements, has been determined at present value of consideration payable, using appropriate valuation model. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of the put option. Such valuation includes assumptions such as discount rate, future cashflow and EBITDA estimates. Such assumptions are reviewed at each reporting date.

(h) Going concern

Management has considered the cash and cash equivalents and current investments at March 31, 2024, committed undrawn borrowing facilities available and also evaluated the future cash flow projections for a period of 12 months from the balance sheet date. Based on the said assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the Group's ability to continue as a going concern, hence the consolidated financial statements have been prepared on a going concern basis.

2.6 New and amended standards adopted by the Group

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

Disclosure of accounting policies amendments to Ind AS 1
Definition of accounting estimates amendments to Ind AS 8
Deferred tax related to assets and liabilities arising from a single transaction amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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NOTE: 3a
PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Freehold land is carried at historical cost. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives and residual value

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

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

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Factory buildings	Freehold buildings	30 years
Fences, wells, tube wells	Freehold building	5 years
Borewells (pipes, tubes and other fittings)	Freehold building	5 years
Plant and machinery (other than retail stores)	Plant and equipment	15 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 years

(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	4 – 6 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 – 6 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	3 - 4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	5 - 7 years
Office electrical equipment	Office equipment	5 years	3 - 7 years
Air conditioner (Other than retail stores)	Office equipment	5 years	15 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	4 - 5 years

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

Leasehold assets

Assets	Estimated useful life
Leasehold improvements at stores	Lease term or management's estimate of useful life, whichever is shorter
Leasehold improvements other than stores	

See note 55 for other accounting policies relevant to property, plant and equipment.

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

PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

	Freehold land*	Freehold buildings*	Plant and equipment	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
As at April 01, 2022	5.92	43.36	259.45	383.74	133.41	535.57	149.09	10.06	**1,520.60**
Additions	-	0.53	64.89	200.22	54.84	252.88	46.26	12.71	**632.33**
Addition pursuant to business combination (Refer Note - 47a)	1.04	-	9.08	0.82	0.37	1.58	1.21	0.09	**14.19**
Disposals	1.04	-	31.66	27.83	8.55	48.38	4.57	3.53	**125.56**
As at March 31, 2023	5.92	**43.89**	**301.76**	556.95	180.07	**741.65**	191.99	19.33	2,041.56
Additions	-	22.65	67.71	166.30	36.73	269.25	47.39	28.68	**638.71**
Addition pursuant to business combination (Refer Note - 47a)	-	-	1.47	39.35	2.11	19.01	8.16	1.14	**71.24**
Disposals	-	-	38.08	44.61	20.29	158.46	11.72	4.54	**277.70**
As at March 31, 2024	**5.92**	**66.54**	**332.86**	**717.99**	198.62	**871.45**	**235.82**	**44.61**	**2,473.81**
Depreciation									
As at April 01, 2022	-	7.24	119.67	213.10	96.60	369.74	78.05	5.00	**889.40**
Depreciation for the year (Refer Note - 37)	-	1.58	49.86	69.58	18.65	102.19	11.82	3.19	**256.87**
Disposals	-	-	29.25	25.43	7.29	45.06	3.76	3.05	113.84
As at March 31, 2023	-	8.82	140.28	**257.25**	**107.96**	426.87	**86.11**	**5.14**	1,032.43
Depreciation for the year (Refer Note - 37)	-	1.53	28.30	112.04	33.07	151.48	27.89	7.56	**361.87**
Disposals	-	-	34.94	38.04	20.00	152.66	9.17	3.14	**257.95**
As at March 31, 2024	-	**10.35**	**133.64**	**331.25**	**121.03**	**425.69**	**104.83**	**9.56**	**1,136.35**
Net carrying value as at:									
March 31, 2024	5.92	56.19	199.22	**386.74**	**77.59**	445.76	130.99	**35.05**	1,337.46
March 31, 2023	**5.92**	**35.07**	**161.48**	**299.70**	**72.11**	314.78	**105.88**	**14.19**	**1,009.13**

Net carrying value

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	1,337.46	1,009.13
Total	**1,337.46**	**1,009.13**

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NOTE: 3b
CAPITAL WORK-IN-PROGRESS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress	171.07	145.68
Total	171.07	145.68

Ageing of Capital work-in-progress as on March 31, 2024

₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	170.05	1.02	-	-	171.07
(ii) Projects temporarily suspended	-	-	-	-	-

Ageing of Capital work-in-progress as on March 31, 2023

₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	120.38	13.71	11.59	-	145.68
(ii) Projects temporarily suspended	-	-	-	-	-

There are no projects as on the reporting periods where costs have been exceeded cost as compared to its original plan or where completion is overdue.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

NOTE: 4
RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting Policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assess whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Where the Group is the lessee

Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for short-term leases which are less than 12 months and leases of low value assets. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the lease commencement date to the end of the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortised cost using the effective interest method.

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

The Group presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Consolidated Balance Sheet.

Short-term leases and leases of low value assets

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

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss.

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

NOTE: 4

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

₹ in Crore

	Land	Buildings*	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost							
As at April 01, 2022	10.69	4,339.75	21.33	3.90	96.59	6.22	4,478.48
Additions	0.91	2,144.61	-	-	9.50	0.36	2,155.38
Addition pursuant to business combination (Refer Note - 47a)	-	9.37	-	-	-	-	9.37
Termination	-	450.91	-	-	-	-	450.91
As at March 31, 2023	11.60	6,042.82	21.33	3.90	106.09	6.58	6,192.32
Additions	-	1,672.22	-	-	5.46	-	1,677.68
Addition pursuant to business combination (Refer Note - 47)	-	494.38	-	-	-	-	494.38
Termination	-	738.03	-	-	-	0.16	738.19
As at March 31, 2024	11.60	7,471.39	21.33	3.90	111.55	6.42	7,626.19
Depreciation							
As at April 01, 2022	0.65	1,921.45	5.83	0.81	25.72	1.09	1,955.55
Depreciation for the year (Refer Note - 37)	0.14	898.09	4.28	0.79	23.27	1.28	927.85
Termination	-	314.52	-	-	-	-	314.52
As at March 31, 2023	0.79	2,505.02	10.11	1.60	48.99	2.37	2,568.88
Depreciation for the year (Refer Note - 37)#	0.16	1,148.51	4.28	0.79	22.57	1.28	1,177.59
Termination	-	427.04	-	-	-	-	427.04
As at March 31, 2024	0.95	3,226.49	14.39	2.39	71.56	3.65	3,319.43
Net carrying value as at:							
As at March 31, 2024	10.65	4,244.90	6.94	1.51	39.99	2.77	4,306.76
As at March 31, 2023	10.81	3,537.80	11.22	2.30	57.10	4.21	3,623.44

Depreciation for the year excludes ₹ 11.97 crore which has been transferred to Capital work-in progress for property under construction.

Net carrying value

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Right-of-use assets	4,306.76	3,623.44
Total	**4,306.76**	**3,623.44**

(b) Lease liabilities

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening balance	4,267.34	2,868.09
Additions*	1,756.21	2,318.78
Addition pursuant to business combination	554.04	9.34
Retirements	(377.58)	(125.73)
Interest expense on lease liabilities#	445.96	302.83
Rent concession	-	(0.22)
Payments	(1,399.75)	(1,105.75)
Closing balance	**5,246.22**	**4,267.34**

*Includes liabilities towards net investment in sub-lease amounting to ₹ 397.45 Crore (March 31, 2023: ₹ 281.92 Crore)

Interest expense on lease liabilities excludes ₹ 12.58 crore which has been transferred to Capital work-in progress for property under construction.

Current	1,158.56	921.11
Non-current	4,087.66	3,346.23

For maturity analysis of lease liabilities, refer Note - 45a.

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

NOTE: 4
(c) INVESTMENT PROPERTY

		₹ in Crore
	As at March 31, 2024	As at March 31, 2023
Freehold Land and Structure	3.62	3.66
Total	**3.62**	**3.66**
Fair value of investment property	**10.08**	**11.00**

The above fair value has been arrived on the basis of assessable market value of the above property as per rate specified by Directorate of Registration and Stamp Revenue, Government of West Bengal and ready reckoner site refered for Thane muncipal corporation.

Estimation of fair value: The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

NOTE: 5
GOODWILL AND OTHER INTANGIBLE ASSETS

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

Amortisation methods and periods
A summary of amortisation policies applied to the Group's intangible assets is as below:

Intangible assets	Useful life	Amortisation method used
Computer software	3 - 4 years	Amortised on straight-line basis
Brands/ trademarks	10 years to indefinite	Amortised on straight-line basis, except where the Brand/Trademark is considered to have indefinite life
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement
Non-Compete	7 years	Amortised on straight-line basis

See note 55 for other accounting policies relevant to Intangible Assets

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₹ in Crore

	Goodwill	Brands/ Trademarks	Computer software	Technical know-how	Franchisee rights	Non-Compete right	Total
Cost							
As at April 01, 2022	**2,209.20**	**687.09**	**102.31**	**1.84**	**33.81**	**3.00**	**3,037.25**
Additions	-	1.19	12.63	-	515.34	-	**529.16**
Addition pursuant to business combination (Refer Note - 47a)	120.50	212.40	0.27	-	-	-	**333.17**
Disposals	-	-	0.58	-	-	-	**0.58**
As at March 31, 2023	**2,329.70**	**900.68**	**114.63**	**1.84**	**549.15**	**3.00**	**3,899.00**
Additions	-	2.59	90.70	-	43.53	-	**136.82**
Addition/Adjustment pursuant to business combination (Refer Note - 47)	871.29	1,613.60	1.60	-	-	-	**2,486.49**
Disposals	-	-	0.91	-	-	-	**0.91**
As at March 31, 2024	**3,200.99**	**2,516.87**	**206.02**	**1.84**	**592.68**	**3.00**	**6,521.40**
Amortisation							
As at April 01, 2022	-	**33.61**	**85.77**	**1.48**	**12.91**	**0.29**	**134.06**
Amortisation for the year (Refer Note - 37)	-	16.48	10.56	-	15.20	-	**42.24**
Disposals	-	-	0.46	-	-	-	**0.46**
As at March 31, 2023	-	**50.09**	**95.87**	**1.48**	**28.11**	**0.29**	**175.84**
Amortisation for the year (Refer Note - 37)	-	61.27	33.03	-	33.44	-	**127.74**
Disposals	-	-	0.89	-	-	-	**0.89**
As at March 31, 2024	-	**111.36**	**128.01**	**1.48**	**61.55**	**0.29**	**302.69**
Net carrying value as at:							
March 31, 2024	**3,200.99**	**2,405.51**	**78.01**	**0.36**	**531.13**	**2.71**	**6,218.71**
March 31, 2023	**2,329.70**	**850.59**	**18.76**	**0.36**	**521.04**	**2.71**	**3,723.16**

Net carrying value

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Goodwill	3,200.99	2,329.70
Other intangible assets	3,017.72	1,393.46
Total	**6,218.71**	**3,723.16**

NOTE: 5

(a) INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	-	58.02
Total	-	**58.02**

INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing of Intangible assets under development as on March 31, 2024 — ₹ in Crore

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Projects in progress	-	-	-	-	-
(ii)Projects temporarily suspended	-	-	-	-	-

Ageing of Intangible assets under development as on March 31, 2023 — ₹ in Crore

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Projects in progress	57.67	0.35	-	-	58.02
(ii)Projects temporarily suspended	-	-	-	-	-

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

NOTE: 5
(b) IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through various business combinations have been allocated to the nine Cash-Generating Units (CGUs) as below:

1. Pantaloons CGU
2. Madura Fashion & Lifestyle CGU
3. Forever 21 CGU
4. Jaypore CGU
5. Finesse CGU
6. Sabyasachi CGU
7. HMLPL CGU
8. TMRW CGU
9. TCNS CGU

Pantaloons CGU

During the year ended March 31, 2013, the Company acquired Pantaloons format business ('Pantaloons business') from Future Retail Limited ("FRL"), which consisted of fashion retail business operating under the brand name "Pantaloons". Pantaloons Is a leading large format fashion retailer engaged in retailing of apparel and accessories. The business thus acquired is Pantaloons CGU.

Madura Fashion & Lifestyle CGU

Pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors ("Composite Scheme"), Madura Undertaking of ABNL and MGL Retail Undertaking of MGLRCL ("demerged undertakings") were transferred to the Company on a going concern basis, w.e.f. April 01, 2015.

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England, and MGL Retail Undertaking is primarily engaged in promoting lifestyle brands and having licences to retail various international brands like Armani Collezioni, Hugo Boss, Versace Collection and many more under one roof, 'The Collective'.

Forever 21 CGU

Effective July 01, 2016, the Company acquired exclusive franchise rights for the Indian market of Forever 21 business comprising of operating retail stores in India for the sale of clothing, artificial jewellery, accessories and related merchandise under the brand name "Forever 21" ("F21"), and is considered as a separate CGU.

Jaypore CGU

Effective July 02, 2019, the Company entered in a Share Purchase Agreement(s) with Jaypore E-Commerce Private Limited ("Jaypore") and TG Apparel & Decor Private Limited ("TG Apparel") which sells ethnic fashion merchandise under its own brand "Jaypore" and of other third-party brands through stores and on-line channels. Consequent to the above, Jaypore, Jaypore Inc., USA (an overseas wholly-owned subsidiary of Jaypore) and TG Apparel become wholly-owned subsidiaries of the Company. These Companies together are considered as a separate CGU "Jaypore CGU".

Finesse CGU

Effective July 26, 2019, the Company entered into a strategic partnership with India's leading designers "Shantanu & Nikhil" by way of acquisition of 51% stake in 'Finesse International Design Private Limited' ("Finesse"), which is primarily engaged in the business of occasional and ceremonial contemporary apparel for men and women under the brand name 'Shantanu & Nikhil'. Finesse became the subsidiary of the Company and is considered as a separate CGU "Finesse CGU". Further the company acquired additional stake of 4.81% effective from December 28, 2023.

Sabyasachi CGU

Effective February 24, 2021, the Company entered into Agreement with Sabyasachi Calcutta LLP (formerly M/s. Sabyasachi Couture, a partnership firm ("Sabyasachi") with a profit share of 51% to the Company, which is engaged in the business of manufacturing, distribution and sale of designer apparel, accessories and jewellery under its own brand 'Sabyasachi' (the "Brand" or "Brand – 'Sabyasachi'"). Sabyasachi is India's largest and most influential luxury designer brands with strong Indian roots and global appeal. The Brand straddles categories such as apparel, accessories and jewellery and has a strong franchisee network in India, US, UK, and the Middle East. Considering the terms of the Agreement, Sabyasachi Calcutta LLP became the subsidiary of the Company and is considered as a separate CGU "Sabyasachi CGU".

HMLPL CGU

On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, HMLPL became a subsidiary of the Company and is considered as a separate CGU "HMLPL CGU".

TMRW CGU

On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C') business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means. Thus, w.e.f. April 11, 2022 Aditya Birla Digital Fashion Ventures Limited ("ABDFVL") a wholly owned subsidiary of the Company was set up to carry on the "D2C" business and is considered as a separate CGU "ABDFVL CGU".

Awesome Fab Shopping Pvt Ltd, Imperial Online Services Private Limited, Pratyaya E-Commerce Pvt Ltd, NautiNati, Bewakoof Brands Private Limited and Styleverse lifesyle private Limited form part of ABDFVL CGU.

TCNS CGU

On May 5, 2023, the Board of Directors of the Company approved acquisition of TCNS Clothing Co. Ltd. (" TCNS"), subject to requisite regulatory approvals. On August 31, 2023, the Company completed the acquisition of 1,87,12,577 equity shares constituting 29% of the Expanded Share Capital of TCNS (as defined in the letter of offer for the Open Offer) pursuant to the open offer. On September 26, 2023, the Company completed the acquisition of 1,41,95,748 equity shares constituting 22% of the Expanded Share Capital of TCNS pursuant to the Share Purchase Agreement dated May 5, 2023 ("SPA").

On Sepetember 26, 2023, pursuant to the completion of the Open Offer and acquisition of shares as specified in the SPA, the Company acquired 51% of the Expanded Share Capital, TCNS became a subsidiary of the Company and is considered as a separate CGU "TCNS CGU".

Carrying amounts of Goodwill allocated to each of the CGUs are as below:

₹ in Crore

	As at March 31,	As at March 31,
Pantaloons CGU	1,167.55	1,167.55
Madura Fashion & Lifestyle CGU	627.67	627.67
Forever 21 CGU	64.38	64.38
Jaypore CGU	88.44	88.44
Finesse CGU	35.02	35.02
Sabyasachi CGU	226.14	226.14
HMLPL CGU	45.24	45.24
TMRW CGU		
Awesome Fab Shopping Private Limited	7.48	7.48
Imperial Online Services Private Limited	6.82	6.82
Pratyaya E-Commerce Private Limited	3.64	3.64
NautiNati	4.35	4.35
Bewakoof Brands Private Limited	72.47	52.97
Styleverse lifesyle private Limited	24.62	-
TCNS CGU	827.17	-
Total	**3,200.99**	**2,329.70**

Disclosures with respect to Goodwill allocated to the CGUs

Value in use calculation of CGUs

The recoverable amount of the CGUs as at March 31, 2024, has been determined based on value in use using cash flow projections from financial budgets approved by senior management covering a three years period ended March 31, 2027 and cash flow projections for financial years 2028 and 2029 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. The Group has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2029. The post-tax discount rate is applied to discounted cash flow projections. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.

Key assumptions used for value in use calculations

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both cost of debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings of the respective CGU. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

Growth rate estimates:

Rates are based on published industry research. Growth rate is based on the Group's projection of business and growth of the industry in which the Group is operating. The growth rate is in line with the long-term growth rate of the industry except for Forever 21 CGU, . The growth rate of these CGUs considers the Group's plan to launch new stores/ expected same store growth, digital e-commerce and change in merchandise.

No reasonable possible change in key assumptions is likely to result in the recoverable amount of the CGUs being less than their carrying amount.

	Terminal growth rate		Discount rate	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Pantaloons CGU	5.00%	5.00%	12.00%	13.00%
Madura Fashion & Lifestyle CGU	5.00%	5.00%	12.00%	13.00%
Forever 21 CGU	5.00%	5.00%	16.00%	16.00%
Jaypore CGU	5.00%	5.00%	16.50%	16.00%
Finesse CGU	5.00%	5.00%	14.50%	14.50%
Sabyasachi CGU	5.00%	5.00%	12.50%	17.70%
HMLPL CGU	5.00%	5.00%	14.50%	14.50%
Awesome Fab Shopping Private Limited CGU	5.00%	5.00%	17.50%	18.50%
Imperial Online Services Private Limited CGU	5.00%	5.00%	17.50%	17.50%
Pratyaya E-Commerce Private Limited CGU	5.00%	5.00%	18.00%	21.50%
NautiNati CGU	5.00%	5.00%	19.00%	24.80%
Bewakoof Brands Private Limited CGU	5.00%	5.00%	17.00%	18.20%
Styleverse lifesyle private Limited CGU	5.00%	NA	16.00%	NA
TCNS CGU	5.00%	NA	14.00%	NA

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

NOTE: 6
(a) INVESTMENT IN JOINT VENTURE

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
Joint Venture (Refer Note - 47b)		
Share in Net Assets	38.13	38.13
Goodwill	29.05	29.05
Equity Investment in Joint Venture - at cost	67.18	67.18
Share in profit / (loss) after tax (including other comprehensive income) of Joint Venture	15.91	6.40
Total	83.09	73.58

(b) OTHER INVESTMENTS: (Carried at fair value through other comprehensive income)

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
Unquoted equity instruments		
7,000 (March 31, 2023: 7,000) fully paid equity shares of ₹ 10/- each of Birla Management Centre Services Limited*	14.19	10.56
68,25,000 (March 31, 2023: NIL) fully paid equity shares of ₹ 10/- each of CLI Footwear and Accessories Private Limited#	6.83	-
10,000 (March 31, 2023: 10,000) fully paid up equity shares of ₹ 10/- each of Retailers Association of India	0.01	0.01
Total	21.03	10.57

* Increase is on account of fair valuation.

On August 04, 2023, the Board of Directors approved to incorporate a new company in partnership with Christian Louboutin SAS ("CL"). On September 12, 2023, the Company has incorporated a new company viz. CLI Footwear and Accessories Private Limited ("CLI") in partnership with Christian Louboutin SAS ("CL SAS"). CLI is a 50%-50% partnership between the Company and CL SAS. CLI is incorporated by the Company in partnership with CL SAS in India to carry out the business of distribution and sale of CL SAS's products in India. The Company has entered into shareholders agreement which provides CLI with a call option to buy the Company's 50% equity interest at any time during the agreement period at the fair value. The Company has evaluated the impact of such call option and concluded that the Company does not have a significant influence over CLI despite the Company having 3 nominee directors on the board. Accordingly, the Management has disclosed the amount invested in CLI as equity investments carried at fair value through other comprehensive income.

Aggregate book value of unquoted investments	104.12	84.15
Aggregate amount of impairment in value of investments	-	-

NOTE: 7
NON-CURRENT FINANCIAL ASSETS - LOANS

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees		
Unsecured, considered good	0.45	1.15
Total	0.45	1.15

NOTE: 8
NON-CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
Security deposits		
Deposits to related party - unsecured, considered good (Refer Note - 48)	5.64	5.64
Unsecured, considered good	494.09	428.67
Unsecured, considered doubtful	6.01	1.60
Provision for doubtful deposits	(6.01)	(1.60)
Total	499.73	434.31

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

NOTE: 9
NON-CURRENT FINANCIAL ASSETS - OTHERS

Accounting Policy

(I) Financial Instruments

(i) Classification of financial assets at amortised cost

The group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, loans and security deposits.

(ii) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVTOCI) comprise equity securities (unlisted) which are not held for trading, and for which the

(iii) Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVTPL):

- debt investments (bonds, debentures and mutual funds) that do not qualify for measurement at either amortised cost or FVTOCI,
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI, and
- Investments in financial instruments issued by subsidiaries, associate and joint venture, whose contractual terms are not wholly equity in nature.

Derivatives

The Put and Call options on the Non-Controlling Interest ("NCI") in a subsidiary or to acquire equity interest held by the venture partners in a joint venture are initially measured at fair value. The subsequent changes in fair value is recognised in the Standalone Statement of Profit and Loss.

See note 55 for other accounting policies relevant to Financial instruments

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Net investment in sublease	320.97	243.84
Other bank balance		
Bank deposits with more than 12 months maturity from the Balance Sheet date	2.05	0.30
Derivative Instruments	0.08	0.72
Total	**323.10**	**244.86**

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

NOTE: 10
DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

Reflected in the Consolidated Balance Sheet as follows:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	657.20	408.50
Deferred tax liabilities	660.93	251.68

Deferred tax assets/ (liabilities) relates to the following:

₹ in Crore

	Consolidated Balance Sheet		Consolidated Statement of Profit and Loss and OCI	
	As at March 31, 2024	As at March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Difference between carrying amount of property, plant and equipment and intangible assets and their tax base	(222.31)	(248.45)	(26.14)	(8.24)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	67.92	49.51	(18.41)	(24.75)
Share-based payment	14.27	11.08	(3.19)	(3.81)
Business and depreciation loss as per income tax computations available for off-set against future taxable income	510.82	458.73	(52.09)	33.52
Business combinations impact	104.66	(15.06)	-	-
ROU assets	(1,084.01)	(912.02)	171.99	277.00
Lease liabilities	1,320.47	1,074.09	(246.38)	(352.19)
Others	(54.62)	(9.38)	45.14	42.74
Net deferred tax assets/ (liabilities)*	**657.20**	**408.50**	**(129.08)**	**(35.73)**

* Amounts recognised in Consolidated profit and loss is ₹ 128.19 Crores and in OCI ₹ 0.89 Crores.

Deferred tax liabilities		
Deferred tax pursuant to business combination	660.93	251.68
Deferred tax liabilities (Net)	660.93	251.68

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

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

₹ in Crore

	Deferred tax assets (net)		Deferred tax liabilities (net)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	408.50	380.46	(251.68)	(211.94)
Deferred tax pursuant to business combinations (Refer Note - 47a)	116.47	(7.69)	(406.14)	(39.74)
Deferred tax (credit)/ charge recognised in profit and loss	113.51	36.67	14.58	-
Deferred tax (credit)/ charge recognised in OCI during the year (Refer Note - 39)	0.89	(0.94)	-	-
Others	17.83	-	(17.69)	-
As at the end of the year	**657.20**	**408.50**	**(660.93)**	**(251.68)**

Carry forward business losses in repect of which deferred tax asset has been recognised, expire untilised based on the year of origination as below:-

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Within 4 years	63.72	-
Beyond 4 years upto 8 years	888.81	491.92
Total	**952.53**	**491.92**

Note:- Unabsorbed depreciation does not have any expiry period.

NOTE: 11
OTHER NON-CURRENT ASSETS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Capital advances	17.08	37.46
Prepayments	19.61	50.86
Balances with government authorities (other than income tax)	32.68	39.29
Other receivables	1.32	1.14
Total	**70.69**	**128.75**

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

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

NOTE: 12
INVENTORIES

Accounting Policy
Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average cost basis.

See note 55 for other accounting policies relevant to inventories.

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
At lower of cost and net realisable value		
Raw materials	269.11	274.47
Includes Goods-in-transit ₹ 73.68 Crore (March 31, 2023: ₹ 97.71 Crore)		
Work-in-progress	104.85	72.73
Finished goods	947.17	452.17
Includes Goods-in-transit ₹ 39.94 Crore (March 31, 2023: ₹ 1.17 Crore)		
Stock-in-trade	3,110.39	3,332.63
Includes Goods-in-transit ₹ 15.65 Crore (March 31, 2023: ₹ 29.52 Crore)		
Stores and spares	41.18	48.31
Packing materials	32.64	34.07
Total	**4,505.34**	**4,214.38**

During the year ended March 31, 2024, ₹ 303.21 Crore (March 31, 2023: ₹ 56.52 Crore) is recognised as an expense for inventories carried at net realisable value.

NOTE: 13
CURRENT INVESTMENTS (Carried at fair value through profit and loss (FVTPL))

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
Quoted investments		
Aditya Birla Sun Life Overnight Fund - Growth- Regular Plan	116.13	50.01
(March 31, 2024: 9,02,998.391 units, March 31, 2023: 4,14,626.568 units)		
Axis Overnight Fund - Regular Growth(O)	10.03	50.01
(March 31, 2024: 79,445.829 units, March 31, 2023: 4,22,822.210 units)		
Axis Liquid Fund - Regular Growth(CFGP)	74.19	-
(March 31, 2024: 2,78,457.533 units, March 31, 2023: Nil units)		
HDFC Liquid Fund - Regular Plan - Growth	174.45	-
(March 31, 2024: 371332.151 units, March 31, 2023: Nil units)		
ICICI Prudential Overnight Fund Growth	100.11	-
(March 31, 2024: 7,79,427.512 units, March 31, 2023: Nil units)		
SBI Liquid Fund Regular Growth	150.63	-
(March 31, 2024: 4,02,153.776 units, March 31, 2023: Nil units)		
UTI Liquid Fund (Formerly UTI Liquid Cash Plan) - Regular Plan - Growth	60.70	-
(March 31, 2024: 1,54,571.948 units, March 31, 2023: Nil units)		
UTI Overnight Fund - Regular Plan - Growth	10.03	-
(March 31, 2024: 30,928.897 units, March 31, 2023: Nil units)		
Kotak Liquid Fund Regular Plan Growth	150.81	-
(March 31, 2024: 3,11,589.225 units, March 31, 2023: Nil units)		
Aditya Birla Sun Life Overnight Fund - Growth- Direct Plan	-	0.04
(March 31, 2024: Nil Units, March 31, 2023: 322.298 units)		
Aditya Birla Sun Life Liquid Fund - Growth- Regular Plan	33.63	12.53
(March 31, 2024: 8,72,088.519 units, March 31, 2023: 348,379.588 units)		
Aditya Birla Sun Life Overnight Fund - Growth- Regular Plan	-	8.57
(March 31, 2024: Nil units, March 31, 2023: 70,986.05 units)		
Axis Liquid Fund - Regular Growth(CF-GP)	-	6.35
(March 31, 2024: Nil units, March 31, 2023: 25,579.438 units)		
ICICI Mutual fund - Pru Liquid Direct Growth	-	0.00
(March 31, 2024: Nil units, March 31, 2023: 1.88 units)		
ICICI Mutual Funds - Money Market Direct Growth	-	0.00
(March 31, 2024: Nil units, March 31, 2023: 4.25 units)		
HDFC Mutual fund - Liquid Direct Growth	-	0.01
(March 31, 2024: Nil units, March 31, 2023: 27.93 units)		
Kotak Money Market Fund	-	0.04
(March 31, 2024: Nil units, March 31, 2023: 98.03 units)		
Kotak Overnight Fund Growth - Regular Plan	-	50.00
(March 31, 2024: Nil units, March 31, 2023: 4,19,792.177 units)		
SBI Mutual fund - Corporate Bond Fund Regular Plan Growth	-	4.62
(March 31, 2024: Nil units, March 31, 2023: 3,467,634.26 units)		
SBI Mutual fund - Liquid Direct Growth	-	0.00
(March 31, 2024: Nil unit, March 31, 2023: 0.82 units)		
SBI Liquid Fund Regular Growth	-	0.25
(March 31, 2024: Nil units, March 31, 2023: 701.692 units)		
Total	**880.71**	**182.43**
Aggregate book value of quoted investments	880.71	182.43
Aggregate market value of quoted investments	880.71	182.43

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ADITYA BIRLA FASHION AND RETAIL LIMITED

NOTE: 14
CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees		
Unsecured, considered good	10.55	10.04
Total	**10.55**	**10.04**

NOTE: 15
CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Security deposits		
Unsecured, considered good	137.95	97.09
Unsecured, considered doubtful	7.48	8.61
Provision for doubtful deposits	(7.48)	(8.61)
Total	**137.95**	**97.09**

NOTE: 16
TRADE RECEIVABLES

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business and reflect the Group's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Trade receivables from others	1,342.50	914.55
Less: Loss Allowances	(63.69)	(28.11)
Total	**1,278.81**	**886.44**

Break-up for security details:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Secured, considered good	88.92	46.55
Unsecured, considered good	1,253.58	868.00
	1,342.50	**914.55**

Ageing of Trade Receivables:

₹ in Crore

Particulars	Outstanding as on March 31,2024 (for following periods from due date of payments)						
	Not Due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	675.51	535.70	52.59	17.85	1.93	-	1,283.58
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit impaired	-	9.79	0.25	11.00	5.89	4.53	31.46
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:	-	-	-	-	-	-	-
Disputed	0.07	0.07	-	0.28	0.10	7.24	7.76
Undisputed	-	4.36	2.42	3.77	1.05	8.10	19.70
(ix) Provision on Trade Receivables assessed on individual basis							(38.08)
(x) Expected credit loss							(25.61)
Total	**675.58**	**549.92**	**55.26**	**32.90**	**8.97**	**19.87**	**1,278.81**

₹ in Crore

Particulars	Outstanding as on March 31,2023 (for following periods from due date of payments)						
	Not Due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	630.42	229.56	26.95	2.20	0.45	0.00	889.58
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:	-	-	-	-	-	-	-
Disputed	-	-	-	0.14	0.16	7.38	7.69
Undisputed	0.26	7.45	0.42	0.30	1.02	7.82	17.28
(ix) Provision on Trade Receivables assessed on individual basis							(24.97)
(x) Expected credit loss							(3.14)
Total	630.68	237.02	27.37	2.64	1.63	15.21	886.44

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

For terms and conditions relating to related party receivables, refer Note - 48.

Trade receivables are generally non-interest bearing and the credit period generally between 30 to 300 days.

Based on the risk profiling for each category of customer, the Group has not evaluated credit risk where the risk is mitigated by collateral. The Group has therefore evaluated credit risk for departmental, depletion, e-commerce b2b, e-commerce b2c, export and trade customers. The Group follows the simplified approach method for computing the expected credit loss. The risks are categorised into high, low and moderate category basis internal and external parameters. Any customer related specific information has been factored over and above the probability of default (PD). Provision matrix takes into account historical credit loss experience adjusted for forward-looking estimates and macro-economic factors. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

	Expected credit loss (%)					
	As at March 31, 2024			As at March 31, 2023		
	Departmental stores #	Depletion key accounts #	Trade Channel	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	0.00%	0.00%	0.63%	0.00%	0.00%	1.03%
0-90 days	0.00%	0.00%	5.67%	0.00%	0.00%	3.12%
91-180 days	0.00%	0.00%	5.30%	0.00%	0.00%	3.44%
181-365 days	0.00%	0.00%	2.18%	0.00%	0.00%	4.10%
1-2 years	0.00%	0.00%	80.58%	0.00%	0.00%	4.32%
2-3 years	0.00%	0.00%	99.67%	0.00%	0.00%	4.41%
More than 3 years	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%

Ageing of receivables on which impairment allowance of doubtful debts is applied

₹ in Crore

	As at March 31, 2024			As at March 31, 2023		
	Departmental stores #	Depletion key accounts #	Trade Channel	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	-	-	446.39	-	-	223.67
0-90 days	-	-	111.03	-	-	18.39
91-180 days	-	-	71.00	-	-	6.81
181-365 days	-	-	13.92	-	-	0.41
1-2 years	-	-	2.50	-	-	0.19
2-3 years	-	-	5.91	-	-	0.09
More than 3 years	-	-	4.53	-	-	-
Total	-	-	655.28	-	-	249.56

Impact is considered to be immaterial.

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Movement in the expected credit loss allowance

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	28.11	24.89
Addition pursuant to business combination	27.02	-
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	2.37	0.44
Specific provision (reversed)/ made	6.19	2.78
As at the end of the year	**63.69**	**28.11**

NOTE: 17
CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
Current accounts	383.60	153.61
Deposit accounts (original maturity less than 3 months)	0.09	501.49
Balances with credit card companies	40.98	16.95
Balances with e-wallet companies	2.21	4.38
Cash on hand	22.01	13.04
Cheques/ drafts on hand	5.14	3.22
Total	**454.03**	**692.69**

The Group has undrawn committed borrowing facility available to the extent of ₹ 1,499.13 Croreas at March 31, 2024 (March 31, 2023: ₹ 1,377.82 Crore). Further the Board of the holding company has approved to raise ₹ 2,000 Crore through commercial papers as at March 31, 2024 (March 31, 2023 : ₹ 2,000.00 Crore) whereas the group has raised ₹ 295 Croreas at March 31, 2024 (March 31, 2023 : Nil).

Details of non-cash transactions from investing activities and Changes in liabilities arising from financing activities:

As at March 31, 2024

₹ in Crore

	As at March 31, 2023	Pursuant to business combinations	Cash flows (net)	Non-cash changes: Fair value adjustments	Non-cash changes: Others	As at March 31, 2024
Investing activities						
Cash and cash equivalents	692.69	-	(238.66)	-	-	454.03
Current investments	182.43	-	661.49	4.33	32.46	880.71
Total (a)	**875.12**	**-**	**422.83**	**4.33**	**32.46**	**1,334.74**
Financing activities						
Non-current borrowings	1,507.62	-	1,131.51	-	(127.57)	2,511.56
Current borrowings (including current maturities of non-current borrowings)	797.90	112.33	655.82	-	127.57	1,693.62
Lease liabilities*	4,267.34	554.04	(995.54)	-	1,420.38	5,246.22
Total (b)	**6,572.86**	**666.37**	**791.79**	**-**	**1,420.38**	**9,451.40**
Net Debt (b-a)						**8,116.66**

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As at March 31, 2023

₹ In Crore

	As at March 31, 2022	Pursuant to business combinations	Cash flows (net)	Non-cash changes: Fair value adjustments	Non-cash changes: Others	As at March 31, 2023
Investing activities						
Cash and cash equivalents	118.22		574.47	-	-	692.69
Current investments	608.14	0.05	(449.02)	(1.41)	24.67	182.43
Total (a)	**726.36**	**0.05**	**125.45**	**(1.41)**	**24.67**	**875.12**
Financing activities						
Non-current borrowings	777.97	11.61	718.04	-	0.00	1,507.62
Current borrowings (including current maturities of non-current borrowings)	454.36	73.33	270.21	-	0.00	797.90
Lease liabilities*	2,868.09	9.34	(891.01)	-	2,280.92	4,267.34
Total (b)	**4,100.42**	**94.28**	**97.24**	**-**	**2,280.92**	**6,572.86**
Net Debt (b-a)						5,697.74

* Others represents additions/adjustments to lease liabilities on account of termination.

NOTE: 18
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
Earmarked deposits		
Current accounts	0.46	0.11
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)*#	7.90	8.26
Total	8.36	8.37

* Bank balance other than cash and cash equivalents are held as margin money under lien to banks for assuring guarantees.
# Bank deposits amounting to ₹ 4.95 Crore (March 31, 2023 ₹ 2.78 Crore) of Sabyasachi Calcutta LLP (a subsidiary of the Company) are held as margin money under lien to banks for assuring guarantees, term loan and against term loan/working capital facilities and bank deposits amounting to ₹ 2.66 Crore (March 31, 2023 ₹ 4.81 Crore) of Aditya Birla Digital Fashion Ventures Limited (a subsidiary of the Company) are held as lien by banks against term loan from bank, bank guarantees and credit card.

NOTE: 19
CURRENT FINANCIAL ASSETS - OTHERS

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
Net investment in sublease	76.48	38.08
Derivative contracts	0.38	0.65
Interest accrued on deposits	0.08	0.14
Other receivables	28.09	32.36
Total	**105.03**	**71.23**

NOTE: 20
OTHER CURRENT ASSETS

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
Capital advances	0.03	0.05
Prepayments	66.66	45.28
Advance to suppliers	203.54	177.37
Export incentives	3.52	0.58
Balances with government authorities (other than income tax)	722.23	491.95
Government grant receivables	1.24	1.24
Insurance claim receivables	-	0.91
Right to return assets	296.61	288.21
Other receivables	17.60	1.79
Total	**1,311.43**	**1,007.38**

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NOTE: 21
EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Equity share capital				
As at the beginning of the year	2,00,00,00,000	2,000.00	1,00,00,00,000	1,000.00
Increase during the year	-	-	1,00,00,00,000	1,000
As at the end of the year	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
Preference share capital				
Preference shares of ₹ 10/- each	1,00,00,000	10.00	1,00,00,000	10.00
Preference shares of ₹ 100/- each	15,000	0.15	15,000	0.15
As at the end of the year	1,00,15,000	10.15	1,00,15,000	10.15

Issued equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	94,89,96,351	949.00	93,85,09,538	938.50
Increase during the year towards:				
Equity shares under Rights Issue	-	-	138	0.01
Equity shares under Preferential Issue [Refer Note - 21(iii)]	6,58,00,866	65.80	1,02,16,450	10.22
Exercise of Options (Refer Note - 44)	4,17,929	0.42	2,70,225	0.27
As at the end of the year	1,01,52,15,146	1,015.22	94,89,96,351	949.00

Subscribed and paid-up equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	94,87,90,847	948.79	93,83,04,034	938.29
Increase during the year towards:				
Equity shares under Rights Issue	-	-	138	0.01
Equity shares under Preferential Issue [Refer Note - 21(iii)]	6,58,00,866	65.80	1,02,16,450	10.22
Exercise of Options (Refer Note - 44)	4,17,929	0.42	2,70,225	0.27
As at the end of the year	1,01,50,09,642	1,015.01	94,87,90,847	948.79

(i) Shares held by Promoters :

Shares held by Promoters as at March 31, 2024			% Change during the year
Promoter name	No. of Shares	% of total shares	
Birla Group Holdings Private Limited	17,15,52,967	16.90	-1.18%
IGH Holdings Private Limited	13,64,72,680	13.45	-0.94%
Grasim Industries Limited	9,75,93,931	9.62	-67.11%
Umang Commercial Company Private Limited	6,50,66,998	6.41	-44.74%
Hindalco Industries Limited	5,02,39,794	4.95	-34.55%
Pilani Investment and Industries Corporation Limited	39,88,866	0.39	-2.74%
Mrs. Rajashree Birla	8,63,696	0.09	-0.59%
Birla Industrial Finance (India) Limited	1,66,508	0.02	-0.11%
Birla Consultants Limited	1,66,422	0.02	-0.11%
ABNL Investment Limited	77,430	0.01	-0.05%
Birla Industrial Investments (India) Limited	34,666	0.00	-0.02%
Mr. Kumar Mangalam Birla	33,966	0.00	-0.02%
Mrs. Neerja Birla	20,270	0.00	-0.01%
Mrs. Vasavadatta Bajaj	19,542	0.00	-0.01%
Aditya Vikram Kumar Mangalam Birla HUF	1,780	0.00	0.00%
Total	52,62,99,516	51.85	

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Shares held by Promoters as at March 31, 2023			% Change during the year
Promoter name	**No. of Shares**	**% of total shares**	
Birla Group Holdings Private Limited	17,15,52,967	18.08	-0.20%
IGH Holdings Private Limited	13,64,72,680	14.38	-0.16%
Grasim Industries Limited	9,75,93,931	10.29	-0.11%
Umang Commercial Company Private Limited	6,50,66,998	6.86	-0.07%
Hindalco Industries Limited	5,02,39,794	5.30	-0.05%
Pilani Investment and Industries Corporation Limited	39,88,866	0.42	0.00%
Mrs. Rajashree Birla	8,63,696	0.09	0.00%
Birla Industrial Finance (India) Limited	1,66,508	0.02	0.00%
Birla Consultants Limited	1,66,422	0.02	0.00%
ABNL Investment Limited	77,430	0.01	0.00%
Birla Industrial Investments (India) Limited	34,666	0.00	0.00%
Mr. Kumar Mangalam Birla	33,966	0.00	0.00%
Mrs. Neerja Birla	20,270	0.00	0.00%
Mrs. Vasavadatta Bajaj	19,542	0.00	0.00%
Aditya Vikram Kumar Mangalam Birla HUF	1,780	0.00	0.00%
Total	52,62,99,516	55.47	

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(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10/- per share. Each holder of an equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution to all preference shareholders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(iii) Preferential Issue to foreign portfolio investors

a.On May 24, 2022, the Board of Directors of the Company approved a Preferential Issue ("said issue") of 1,02,16,450 fully paid up Equity Shares of face value of ₹ 10 each, for cash, at a price of ₹ 288.75 per Equity Share (including a premium of ₹ 278.75 per Equity Share) and 6,58,00,866 warrants at a price of ₹ 288.75 per warrant ("Warrant Issue Price"), each warrant being convertible into or exchangeable for 1 Equity Share of the Company of face value of ₹ 10 each aggregating to ₹ 2,195 Crore to Caladium Investment Pte. Ltd, a Foreign Portfolio Investor ("Investor") by way of preferential allotment on private placement basis in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 by way of entering into a Share Subscription Agreement, ["SSA"].
b. The Company received the approval of the Shareholders by way of Postal Ballot on June 23, 2022 and of Competition Commission of India on August 30, 2022 and Securities Exchange Board of India on September 7, 2022.
c.On September 20, 2022, post completion of the customary closing conditions of SSA, the Board of Directors approved the allotment to the Investor on receipt of consideration aggregating to ~ ₹ 770 Crore towards:
i.1,02,16,450 fully paid up Equity Shares, of which ₹ 10 is towards face value and ₹ 278.75 towards premium and
ii.6,58,00,866 warrants, upon receipt of 25% of the Warrant Issue Price (i.e. ₹ 72.1875 per warrant) as warrant subscription money. Balance 75% of the Warrant Issue Price (i.e. ₹ 216.5625 per warrant) shall be payable within 18 months from the allotment date.
d.On March 11, 2024, the Company had approved the allotment of 6,58,00,866 equity shares of face value of ₹ 10/- each at issue price of ₹ 288.75/- per equity share (including a premium of ₹ 278.75 per equity share) aggregating to ₹~1425 Crore, upon receipt of the balance 75% consideration, consequent to the conversion of warrants at a conversion ratio of 1 equity share in lieu of 1 warrant.

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital
Birla Group Holdings Private Limited	17,15,52,967	16.90%	17,15,52,967	18.08%
IGH Holdings Private Limited	13,64,72,680	13.45%	13,64,72,680	14.38%
Grasim Industries Limited	9,75,93,931	9.62%	9,75,93,931	10.29%
Flipkart Investments Private Limited	7,31,70,731	7.21%	7,31,70,731	7.71%
Umang Commercial Company Private Limited	6,50,66,998	6.41%	6,50,66,998	6.86%
Caladium Investment Pte. Ltd.	7,60,17,316	7.49%	-	-
Hindalco Industries Limited*	-	-	5,02,39,794	5.30%

* % holding is less than 5 %.

(v) There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting year.

(vi) Shares reserved for issue under Employee Stock Option Plan

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Group, refer Note - 44.

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NOTE: 22
OTHER EQUITY

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
Share application money pending allotment		
As at the beginning of the year	0.01	-
Exercise price received pending allotment	0.03	0.01
As at the end of the year	0.04	0.01
Share suspense account		
As at the beginning of the year	0.02	0.02
As at the end of the year	0.02	0.02
Reserves and surplus		
Securities premium		
As at the beginning of the year	3,408.06	3,118.18
Equity shares under Rights Issue	-	0.20
Preferential issue of equity shares on conversion of warrants (net off share issue expenses of ₹ Nil (March 31, 2023: ₹ 0.95 Crore)) [Refer Note- 21(iii)]	1,375.65	283.82
Conversion of warrants (amount transferred to securities premium)	458.55	
Issue of shares upon exercise of options	9.23	5.86
As at the end of the year	5,251.50	3,408.06
Retained earnings		
As at the beginning of the year	(1,469.51)	(1,265.39)
Loss for the year	(628.02)	(35.99)
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest [Refer Note - 24]	(119.79)	(175.87)
Acquisition of NCI share	(7.59)	7.73
As at the end of the year	(2,224.91)	(1,469.51)
Share options outstanding account		
As at the beginning of the year	67.36	60.06
Recognition of Share based payment expenses	18.10	20.01
Issue of shares upon exercise of options	(6.19)	(12.71)
As at the end of the year	79.27	67.36
Treasury shares		
As at the beginning of the year	(115.00)	(103.09)
Treasury shares issued/ (purchased) by ESOP Trust	3.69	(11.91)
As at the end of the year	(111.31)	(115.00)
Share Warrants [Refer Note 21 (iii)]		
As at the beginning of the year	475.00	-
Warrants issued during the year	-	475.00
Conversion of warrants (amount transferred to securities premium)	(475.00)	
As at the end of the year	-	475.00
Capital reserve		
As at the beginning of the year	22.70	21.74
Issue of shares upon exercise of options	0.19	0.96
As at the end of the year	22.89	22.70
Other equity		
As at the beginning of the year	-	-
Acquisition of NCI share	(2.99)	-
As at the end of the year	(2.99)	-

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		As at March 31, 2024	As at March 31, 2023
		₹ In Crore	
Other comprehensive income			
Remeasurement gains/ (losses) on defined benefit plans			
As at the beginning of the year		0.75	1.11
Gains/ (losses) during the year		(4.41)	(0.36)
As at the end of the year		(3.66)	0.75
Fair value gains/ (losses) on equity instruments			
As at the beginning of the year		4.78	2.34
Gains/ (losses) during the year		2.71	2.44
As at the end of the year		7.49	4.78
Foreign currency translation reserve			
As at the beginning of the year		0.09	0.06
Gains/ (losses) during the year		0.15	0.03
As at the end of the year		0.24	0.09
Effective portion of cashflow hedge			
As at the beginning of the year		0.25	-
Gains/ (losses) during the year		(0.04)	0.25
As at the end of the year		0.21	0.25
Other equity attributable to owners of the Company	(A)	3,018.77	2,394.50
Non-controlling interest			
As at the beginning of the year		2.71	15.20
Non-controlling interest recognised as at the beginning of the year		724.08	421.15
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest [Refer Note - 24]		119.79	175.87
Non-controlling interest recognised pursuant to business combinations during the year (Refer Note- 47a)		846.60	73.89
Additional contribution by Non-controlling shareholders/partners		-	71.80
Acquisition of NCI share		7.59	-
Profit/ (Loss) during the year		(108.40)	(23.39)
Issue of shares upon exercise of options		2.30	
Non-controlling interest derecognised at the end of the year		(907.44)	(724.08)
Others		-	(7.73)
As at the end of the year	(B)	687.23	2.71
Total other equity	(A+B)	3,706.00	2,397.21

Other equity

	As at March 31, 2024	As at March 31, 2023
	₹ in Crore	
Share application money pending allotment	0.04	0.01
Share suspense account	0.02	0.02
Reserves and surplus		
Securities premium	5,251.50	3,408.06
Retained earnings	(2,224.91)	(1,469.51)
Share options outstanding account	79.27	67.36
Treasury shares	(111.31)	(115.00)
Share warrants	-	475.00
Capital reserve	22.89	22.70
Other equity	(2.99)	
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans	(3.66)	0.75
Fair value gains/ (losses) on equity instruments	7.49	4.78
Foreign currency translation reserve	0.24	0.09
Effective portion of cashflow hedge	0.21	0.25
Other equity attributable to owners of the Company	3,018.77	2,394.50
Non-controlling interest	687.23	2.71

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The description of the nature and purpose of each reserve within other equity is as follows:

1. Share suspense account

As per the Scheme of Arrangement, the Non-Resident shareholders of ABNL, holding shares on repatriation basis, are allotted shares upon receiving necessary regulatory approval(s). The amount lying in share suspense account pertains to shares not allotted on account of pending requisite approvals.

2. Securities premium

Securities premium is used to record the premium on issue of shares, and is utilised in accordance with the provisions of the Companies Act, 2013.

3. Retained earnings

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

4. Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in Consolidated Statement of Profit and Loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

5. Treasury shares (Refer Note - 44)

The equity shares of the Company have been acquired from open markets for Employee Stock Option Scheme 2019 and is held by ABFRL Employee Welfare Trust (ESOP Trust) at cost. Trust allot shares to employees at the time of exercise of stock options by the employees.

6. Capital reserve

Capital reserve pertains to the reserve created out of the difference between the share capital issued and the net assets taken over at the time of Scheme of Arrangement and forfeiture of Rights shares.

7. Remeasurement gains/ (losses) on defined benefit plans

The cumulative balances of gains/ (losses) arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in remeasurement gains/ (losses) reserve will not be reclassified subsequently to Consolidated Statement of Profit and Loss.

8. Fair value gains/ (losses) on equity instruments

It represents the cumulative gains/(losses) arising on the fair valuation of equity shares (other than investments in subsidiaries, which are carried at cost) measured at fair value through other comprehensive income. This fair value gains/ (losses) will not be reclassified subsequently to Consolidated Statement of Profit and Loss.

9. Foreign currency translation reserve

The translation reserve comprise foreign currency exchange differences arising from the translation of the financial statements of foreign operations. This gains/ (losses) will be reclassified subsequently to Consolidated Statement of Profit and Loss.

10. Share Warrants [Refer Note 21 (iii)]

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NOTE: 23
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	Effective interest rate	Maturity	As at March 31, 2024	As at March 31, 2023
	% p.a.		₹ in Crore	₹ in Crore
Redeemable non-convertible debentures				
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	-	399.83
Redeemable non-convertible debentures - Series 9 Zero coupon (Unsecured)*	7.97%	January 29, 2026	498.42	498.42
Redeemable non-convertible debentures - Series 10 Zero coupon (Unsecured)*	7.71%	September 11, 2030	743.07	-
Term loans from banks				
Term loan from HDFC Bank (TUF) (Secured)[1]	1 year MCLR + 0.25%	March 15, 2025	-	3.33
Term loan from Federal Bank (Secured)[2]	7.95%	March 28, 2028	499.54	499.00
Term loan from Axis Bank (Secured)[3]	8.15%	April 24, 2030	597.32	-
Term loan from Axis Bank (Secured)[4]	1 Year MCLR + 1.25%	September 30, 2024	-	0.98
Term loan-FCTL (Secured)[7]	Reference Rate+1.90%	November 23, 2026	15.50	24.01
Term loan from ICICI Bank (Secured)[9]	8.21%	December 15, 2028	38.79	28.17
Term loan from ICICI Bank (Secured)[10]	1 Year MCLR	December 31, 2026	35.00	35.00
Term loan from ICICI Bank (Secured)[5]	8.75%	March 31 ,2026	2.50	4.00
Term loan from Bank (Secured)	9.40%	December 31, 2024	-	0.03
Term loan from Bank (Secured)	9.35%	July 02, 2028	1.28	-
Term loan from ICICI Bank (Secured)[11]	9.10%	March 31, 2027	3.67	-
Term loan from Axis Bank (Secured)[12]	8.56%	September 30, 2028	58.03	-
Term loan from Axis Bank (Secured)[13]	1 Year MCLR + Spread	April 30, 2026	15.00	-
Term loan from others				
Other borrowings (Unsecured)[8]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	2.33	14.82
Other borrowings (secured)	18.75%	April 30, 2024	-	0.01
Other borrowings (Unsecured)	18.75%	April 30, 2024	-	0.01
Preference shares				
Cumulative redeemable preference shares (Unsecured)[14]	8.00%	March 26, 2029	1.11	-
Cumulative redeemable preference shares (Unsecured)[14]	6.00%	October 12, 2024	-	0.01
Total			**2,511.56**	**1,507.62**

*Net off unamortised charges

Current maturities of long-term borrowings

	Effective interest rate	Maturity	As at March 31, 2024	As at March 31, 2023
	% p.a.		₹ in Crore	₹ in Crore
Current maturities of long-term borrowings				
Redeemable non-convertible debentures - Series 7 Zero coupon (Unsecured)*	8.75%	May 22, 2023	-	323.51
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	399.14	-
Term loan from HDFC Bank (TUF) (Secured) [1]	1 year MCLR + 0.25%	March 15, 2025	3.33	3.33
Term loan from Standard Chartered Bank (Secured)[3]	Repo rate + 4.00% **	March 31, 2034	-	-
Term loan from Axis Bank (Secured)[4]	1 Year MCLR + 1.25%	September 30, 2024	0.99	4.60
Term loan from ICICI Bank (Secured)[5]	8.75%	March 31 ,2026	2.50	-
Term loan from Aditya Birla Finance Limited (Secured)[6]	10.00%	March 31 ,2025	9.99	-
Term loan-FCTL (Secured)[7]	Reference Rate + 1.90%	November 23, 2026	8.86	8.74
Term loan from ICICI Bank (Secured)[10]	1 Year MCLR	December 31, 2026	15.00	-
Other borrowings (Unsecured)[8]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	12.50	11.57
Term loan from ICICI Bank (Secured)[9]	8.21%	December 15, 2028	11.14	1.69
Term loan from Axis Bank (Secured)[12]	8.56%	September 30, 2028	5.74	-
Term loan from bank (Secured)	8.85% - 9.40%	December 31, 2024	15.99	3.67
Cumulative redeemable preference shares (Unsecured)[14]	8.00%	March 29, 2024	-	0.50
Total (included in Current Borrowings)			**485.18**	**357.61**

*Net off unamortised charges

Aggregate secured borrowings	1,340.17	616.56
Aggregate unsecured borrowings	1,656.57	1,248.67

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The Group has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings.

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

The Group has registered all the charges with Registrar of Companies within the statutory period.

Details of security and terms of repayment

1. Term loan from HDFC Bank (TUF) secured by way of exclusive charge over movable assets of the Company's plant situated at Bhubaneswar, Odisha. The loan is repayable in 24 equal quarterly instalments commencing from June 15, 2019.
2. Term loan of Rs 500 Crores from Federal Bank is secured by way of First pari passu charge on the present and future fixed assets. The loan is repayable on maturity i.e 28th March, 2028.
3 Term loan of Rs 600 Crores from Axis Bank is secured by way of First pari passu charge on the present and future fixed assets. The loan is repayable on maturity i.e 24th April, 2030.
4 Term loan is secured by way of first charge created by hypothecation of movable property, plant and equipment and current assets of Finesse International Design Private Limited (a subsidiary of the Company) excluding vehicles both present and future. The loan is repayable in 12 structured quarterly instalments commencing from December 2021, i.e., after the moratorium period of 12 months.
5 The loan is secured by way of first charge created by hypothecation of movable property, plant and equipment and current assets of Finesse International Design Private Limited (a subsidiary of the Company) both present and future. The loan is repayable in 8 structured quarterly instalments commencing from June 2024.
6 The term loan is taken from Aditya birla Finance limited by Finesse International Design Private Limited (a subsidiary of the Company). The loan is repayable in structured monthly instalments commencing from June 2024, i.e., after the moratorium period of 12 months.
7 Foreign Currency Term Loan (FCTL in US Dollars) from a Bank taken by the Subsidiary of the Company (M/s Sabyasachi Inc.) is secured by an irrevocable Standby Letter of Credit backed by its Parent entity (Sabyasachi Calcutta LLP) and charge over all moveable and immovable Property, plant and equipment of the Subsidiary. The loan is repayable in 16 equal quarterly instalments starting from March 31, 2023.
8 Loans amounting to ₹ 10.98 Crore is repayable in 20 equal quarterly instalments commencing from March 2020 and loans amounting to ₹ 3.85 Crore is repayable in 48-60 equal monthly instalment commencing on various dates through March 14, 2025 to October 14, 2027.
9 Term Loan from ICICI Bank is secured by the first parri-passu charge on both movable and immovable fixed aseets both present and future amounting to ₹ 50.00 Crore of Sabyasachi Calcutta LLP (a subsidiary of the Company). The tenure of term loan is 6 years with 18 months moratorium. The repayment starts from June 2024 and ends on Decemeber 2028.The repayment of principal amount to ₹ 2.77 Crore will take place quarterly starting from June 2024.The Interest amount will be deducted monthly calculated on the outstanding principal amount.
10 Term loan has been taken from ICICI Bank which is secured by way of charge over movable Property, plant and equipment of Indivinity Clothing Retail Private Limited(a subsidiary of the Company). The loan is repayable in 10 equal quarterly instalments starting from quarter ended September 2024.
11 Term loan has been taken from ICICI Bank which is secured by way of charge over current and movable of House of Masaba (a subsidiary of the Company).
12 Term loan has been taken from Axis Bank which is secured by way of First pari passu charge on the present and future fixed assets of Aditya Birla Garments Limited(a subsidiary of the Company). Term loan is repayable in 15 structured quarterly installement after 15 months from the date of first disbursement i.e from March 2025 till September 2028.
13 Term loan has been taken from Axis Bank which is secured by way of charge by a first pari passu charge on all movable fixed assets of Jaypore E-commerce private limited (a subsidiary of the Company). The loan is repayable in 8 equal quarterly instalments starting from quarter ended June 2024.

Details of Cumulative redeemable preference shares

14 The Company has existing preference shares i.e. 5,00,000 8% Redeemable Cumulative Preference Shares of ₹ 10 each and 500 6% Redeemable Cumulative Preference Shares of ₹ 100 each ("existing Preference Shares"), which are due for redemption on March 29, 2024 and October 12, 2024 respectively. In terms of applicable provisions of the Companies Act, 2013, the preference shares can be redeemed either out of profits of the Company which would otherwise be available for dividend or out of the proceeds of the fresh issue of shares made for the purpose of such redemption. The Company did not have distributable profits in terms of Section 123 of the Companies Act, 2013, as it had past accumulated losses
The Board of Directors at its meeting held on February 14, 2024, approved issuance of Non-Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") on private placement basis subject to the approval of the shareholders of the Company, the proceeds of which is to be utilized towards redemption of the existing Preference Shares.
The Company received the approval of the Shareholders by way of Postal Ballot on March 21, 2024 for Re-classification of Authorised Share Capital and Issue of NCRPS on private placement basis to redeem the existing Preference Shares.
The Stakeholders Relationship Committee of the Board of Directors of the Company has on March 27, 2024 approved the allotment of 11,10,000 8% Non-Cumulative Non-Convertible Redeemable Preference Shares of face value of ₹ 10/- each on private placement basis to Birla Management Centre Services Private Limited.
The existing Preference Shares were redeemed through the proceeds of fresh issuance of 8% Non-Cumulative Non-Convertible Redeemable Preference Shares on March 28, 2024.

TUF - Technology Upgradation Fund.

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NOTE: 24
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

Accounting Policy - Non-controlling interest put option
Where the group does not have present ownership interest in the shares held by the non-controlling shareholders, measured at either fair value or at the proportionate share of the acquiree's identifiable net assets, and the related put option held by the group over such non-controlling shares remains unexercised, the group accounts for the non-controlling interest and the written put option at the end of each reporting period as below:
a. Group determines the amount that would have been recognised for the non-controlling interest, including an allocation to reflect the share of profit or loss, share of changes in other comprehensive income and dividends (if any) declared during the reporting period;
b. The group de-recognises the non-controlling interest as if it was acquired at the end of the reporting period;
c. The group recognises a financial liability in respect of the written put option at the present value of the amount payable on exercise of the non-controlling interest; and
d. Difference between b) and c) is accounted for as an equity transaction.

Upon exercise of the put option over the non-controlling interest the amount recognised as financial liability is extinguished by payment of the exercise price.

If the put option over the non-controlling interest remains unexercised, non-controlling interest is recognised at the amount it would have been, as if the put option had never been granted (i.e. measured initially at the date of the business combination, and remeasured for subsequent allocations of profit or loss, other comprehensive income and changes in equity attributable to the non-controlling interest). The financial liability is derecognised, with a corresponding credit to the same component of equity.

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	-	0.76
Non-controlling interest put option*	907.44	724.08
Liability towards license rights	537.13	391.06
Capital Creditors	2.20	-
Others	-	1.19
Total	**1,446.77**	**1,117.09**

*Non-controlling interest put option includes put option liability relating to Sabyasachi Calcutta LLP. During the year ended March 31, 2021, the Company acquired 51% stake in Sabyasachi Calcutta LLP by entering into an agreement on February 24, 2021. Under the terms of the Agreement, the Company has provided a Put Option to Mr. Sabyasachi Mukherjee to sell his entire holding of 49% to the Company over a period of fourteen years starting from the end of five years from the aforesaid date and thereafter in three tranches, should an initial public offer of the organisation (after conversion to a company) does not take place. In respect of the balance 49% held by promoter of Sabyasachi Calcutta LLP, the Company has accounted the same as non-current financial liability considering the put option. This qualifies as a liability under Ind AS since the Company does not have an unconditional right to not purchase the interest as per the terms of the Agreement. The Non-Controlling Interest has been recorded at the present value of the expected future cash outflows based on an independent valuation performed by the Company's appointed independent valuer.

NOTE: 25
NON-CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation		
Provision for compensated absence	1.29	2.09
Provision for gratuity (Refer Note - 43)	72.39	43.03
Stock Appreciation Rights (SAR)	0.27	1.01
Total	**73.95**	**46.13**

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ADITYA BIRLA FASHION AND RETAIL LIMITED

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NOTE: 26
OTHER NON-CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Deferred income	27.56	20.20
Total	**27.56**	**20.20**

NOTE: 27
CURRENT - BORROWINGS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand from banks		
Cash credit/ Working capital demand loan (Secured)[1]	445.88	231.19
Cash credit/ Working capital demand loan (Unsecured)	450.00	175.59
Loans repayable on demand from others (Secured)	10.60	24.81
Loans repayable on demand from others (Unsecured)		
Commercial paper	295.48	
Others		1.12
Gold Metal Loan[2]	6.48	2.60
Redeemable non-convertible debentures		4.98
Current maturities of long-term borrowings (Refer Note - 23)	485.18	357.61
Total current borrowings	**1,693.62**	**797.90**
Aggregate secured borrowings	536.50	285.61
Aggregate unsecured borrowings	1,157.12	512.29

Details of security

1. Current borrowings are secured by way of first pari passu charge on the current assets and second pari passu charge on the movable and immovable assets of the respective entities of the Group.

2. The Sabyasachi Calcutta LLP (a subsidiary of the Company) has availed Gold Metal Loan from ICICI Bank as a part of its fund based limit of sanction limit of ₹ 30 Crore for Jewellery manufacturing (domestic and export).The interest shall be charged monthly at notional value of gold linked to international gold lease rate (presently 3.50% p.a.). The loan will be available for a maximum of 180 days.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

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

NOTE: 28
TRADE PAYABLES

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	323.90	120.63
Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,811.76	3,725.49
Total	4,135.66	3,846.12

* Includes payable to related parties, for terms and conditions with related parties (Refer Note - 48).

Ageing of Trade Payables:

₹ in Crore

Particulars	Outstanding as on March 31,2024 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	98.20	223.31	1.11	0.60	0.34	323.56
(ii) Others	2,675.13	1,059.10	17.27	33.35	24.73	3,809.58
(iii) Disputed dues – MSME	-	0.22	0.12	-	-	0.34
(iv) Disputed dues – Others	0.23	0.54	0.03	0.25	1.13	2.18

Particulars	Outstanding as on March 31,2023 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	92.07	28.17	0.18	0.11	0.07	120.59
(ii) Others	2,569.07	1,055.51	25.67	12.81	60.87	3,723.92
(iii) Disputed dues – MSME	0.00	0.01	(0.00)	0.03	(0.00)	0.04
(iv) Disputed dues – Others	0.05	0.35	0.05	0.02	1.10	1.57

NOTE: 29
CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	52.93	46.02
Creditors for capital supplies/ services	80.41	139.62
Derivative contracts	0.28	4.65
Employee Payable	221.67	188.03
Liability towards license rights	0.21	94.85
Others	18.88	23.83
Total	374.38	497.00

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NOTE: 30
CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation		
Provision for compensated absences	97.14	104.31
Provision for gratuity (Refer Note - 43)	6.93	5.47
Stock Appreciation Rights (SAR)	31.60	22.49
Provision for contingency	-	1.03
Provision for pending litigations (Refer Note - 46)	63.60	65.60
Total	**199.26**	**198.90**

Movement of provision for pending litigations during the year:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening balance	65.60	66.75
Add: pursuant to business combination during the year	0.49	-
Add: provision made during the year	1.32	0.11
Less: provision utilised during the year	(1.54)	(0.59)
Less: provision reversed during the year	(2.27)	(0.67)
Closing balance	**63.60**	**65.60**

NOTE: 31
OTHER CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Advances received from customers	95.97	66.87
Deferred revenue*	20.89	18.61
Other advances received	0.49	0.41
Statutory dues (other than income tax)	90.42	81.86
Refund liabilities	551.41	534.01
Deferred income	0.61	-
Total	**759.79**	**701.76**

*** Deferred revenue**

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	**18.61**	**16.43**
Deferred during the year	80.00	70.32
Released to the Consolidated Statement of Profit and Loss	(77.72)	(68.14)
As at the end of the year	**20.89**	**18.61**

The deferred revenue relates to the accrual and release of customer loyalty points, according to the loyalty programme of respective businesses. As at March 31, 2024, the estimated liability towards unredeemed points amounts to ₹ 20.89 Crore (March 31, 2023: ₹ 18.61 Crore).

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ADITYA BIRLA FASHION AND RETAIL LIMITED

NOTE: 32
REVENUE FROM OPERATIONS

Accounting Policy

Revenue from contracts with customers

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Group expect to be entitled for those goods/ services.

To recognize revenues, the Group applies the following five-step approach:

•Identify the contract with a customer;
•Identify the performance obligations in the contract;
•Determine the transaction price;
•Allocate the transaction price to the performance obligations in the contract; and
•Recognise revenues when a performance obligation is satisfied.

Revenue from sale of products

Revenue from sales of products is measured at the amount of transaction price (net of returns, customer incentives, discounts, variable consideration and other similar charges offered by the Company) allocated to that performance obligation.

Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

Assets and liabilities arising from right to return

The Group has contracts with customers which entitles them an unconditional right to return.

Right to return assets

A right of return gives the Group a contractual right to recover the goods from a customer (right to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Group has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Group has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Income from gift voucher

Gift voucher sales are recognised when the vouchers are redeemed, and the goods are sold to the customer.

Loyalty points programme

The Group operates a loyalty programme which allows customers to accumulate points on purchases made in retail stores. The points give rise to a separate performance obligation as it entitles them for redemption as settlement of future purchase transaction price. Consideration received is allocated between the sale of products and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of points is determined by applying statistical techniques based on the historical trends.

Transaction price allocated to reward points is deferred and recognised when points are redeemed or when the points expire. The amount of revenue is based on the value of points redeemed/ expired.

Income from services

Income from services is recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

Export incentives income

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Commission income

In case of sales of goods, where the Group is an agent in the transaction, the difference between the revenue and the cost of the goods sold is disclosed as commission income in other operating income.

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REVENUE FROM OPERATIONS

	Year ended March 31, 2024	₹ in Crore Year ended March 31, 2023
Revenue from sale of products		
Sale of products	13,801.30	12,284.69
Revenue from redemption of loyalty points (Refer Note - 31)	77.72	68.14
Total revenue from sale of products	**13,879.02**	**12,352.83**
Revenue from rendering of services	51.26	10.04
Other operating income		
Scrap sales	20.49	14.46
Export incentives	7.64	9.55
Licence fees and royalties	8.69	8.33
Space on hire	1.13	0.54
Commission income	27.18	22.14
Others	0.45	0.01
Total	**13,995.86**	**12,417.90**

(a) Right to return assets and refund liabilities:

	As at March 31, 2024	₹ in Crore As at March 31, 2023
Right to return assets	296.61	288.21
Refund liabilities	551.41	534.01

(b) Contract balances:

	As at March 31, 2024	₹ in Crore As at March 31, 2023
Contract assets		
Trade receivables	1,278.81	886.44
Contract liabilities		
Advances received from customers	95.97	66.87
Deferred revenue	20.89	18.61

(c) Reconciliation of revenue as recognised in the Consolidated Statement of Profit and Loss with the contracted price:

	Year ended March 31, 2024	₹ in Crore Year ended March 31, 2023
Revenue as per contracted price	16,482.46	14,260.55
Less:		
Sales return	1,426.30	1,096.61
Discount	1,039.41	727.43
Loyalty points	20.89	18.61
Revenue as per the Consolidated Statement of Profit and Loss	**13,995.86**	**12,417.90**

(d) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Madura Fashion & Lifestyle		
Revenue from retail operations	4,297.94	4,231.20
Revenue from non-retail operations	3,256.21	3,079.84
	7,554.15	7,311.04
Pantaloons		
Revenue from retail operations	4,184.23	3,972.46
Revenue from non-retail operations	144.04	138.47
	4,328.27	4,110.93
Ethinic and Others		
Revenue from retail operations	1,406.43	776.14
Revenue from non-retail operations	707.01	219.79
	2,113.44	995.93
Revenue as per the Consolidated Statement of Profit and Loss	13,995.86	12,417.90

(e) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss based on geographical segment:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from customers outside India	292.78	242.50
Revenue from customers within India	13,703.08	12,175.40
Revenue as per the Consolidated Statement of Profit and Loss	13,995.86	12,417.90

NOTE: 33
OTHER INCOME

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income	26.26	10.21
Net gain on investment in mutual funds (including on redemption)	36.79	23.26
Fair value gain on financial instruments at FVTPL	75.86	47.25
Gain on retirement of right-of-use assets (Refer Note - 4a & 45a)	50.07	19.75
Miscellaneous income	48.60	15.99
Total	237.58	116.46

NOTE: 34
COST OF MATERIALS CONSUMED

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Materials consumed		
Inventories at the beginning of the year	274.47	307.51
Add: Purchases	1,454.29	1,212.84
	1,728.76	1,520.35
Less: Inventories at the end of the year	269.11	274.47
Total	1,459.65	1,245.88
(b) Purchase of stock-in-trade		
Purchase of stock-in-trade	4,627.23	5,546.76
Total	4,627.23	5,546.76

(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ In Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Opening inventories		
Finished goods	452.77	297.71
Stock-in-trade	3,333.20	2,192.43
Work-in-progress	72.73	74.62
Inventories taken over pursuant to business combinations		
Finished goods	415.47	27.74
Stock-in-trade	13.24	9.95
Work-in-progress	55.35	15.59
	4,342.76	2,618.04
Less:		
Closing inventories		
Finished goods	947.17	452.77
Stock-in-trade	3,110.39	3,333.20
Work-in-progress	104.85	72.73
	4,162.41	3,858.70
(Increase)/Decrease in inventories	180.35	(1,240.66)

NOTE: 35
EMPLOYEE BENEFITS EXPENSE

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	1,595.76	1,350.08
Contribution to provident and other funds (Refer Note - 43)	99.03	77.14
Share-based payment to employees (Refer Note - 44)	25.35	31.29
Gratuity expense (Refer Note - 43)	26.37	21.93
Staff welfare expenses	79.74	82.92
Total	1,826.25	1,563.36

NOTE: 36
FINANCE COSTS

₹ In Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on borrowings	384.68	142.32
Interest expense on lease liabilities (Refer Note - 45a)	433.38	302.83
Other borrowing costs	4.26	0.86
Interest on unwinding of other financial liabilities	54.29	26.35
Total	876.61	472.36

NOTE: 37
DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note - 3a)	361.87	256.87
Depreciation on right-of-use assets (Refer Note - 45a)	1,165.62	927.85
Amortisation on intangible assets (Refer Note - 5)	127.74	42.24
Total	1,655.23	1,226.96

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NOTE: 38
OTHER EXPENSES

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spares	9.20	7.69
Power and fuel	18.07	15.92
Electricity charges	226.72	167.24
Repairs and maintenance		
Buildings	13.76	0.38
Plant and machinery	13.68	13.19
Others	331.03	260.28
Insurance	18.12	15.46
Rates and taxes	31.97	24.63
Processing charges	220.20	165.19
Commission to selling agents	211.84	205.80
Brokerage and discounts	1.37	2.36
Advertisement and sales promotion	760.03	652.48
Transportation and handling charges	285.11	240.34
Royalty expenses	30.89	25.54
Legal and professional	233.84	178.82
Bad debts written off	2.37	0.13
Allowances for bad and doubtful debts	9.88	2.04
Provision for bad and doubtful deposits and advances	2.29	1.29
Printing and stationery	16.57	15.49
Travelling and conveyance	136.65	136.72
Communication expenses	7.18	6.16
Loss on sale/ discard of property, plant and equipment	4.48	0.13
Bank and credit card charges	64.47	63.69
Payment to auditors (Refer details below)	4.56	3.09
Donation	0.02	0.30
Postage expenses	7.15	5.28
Foreign exchange loss (net)	8.50	7.98
Information technology	220.89	193.56
Outsourcing, housekeeping and security	479.33	403.59
Corporate Social Responsibility (CSR) (Refer Note - 42)	4.06	3.50
Directors' fees	0.81	0.75
Miscellaneous	104.25	92.94
Total	**3,479.29**	**2,911.96**

Payment to auditors*:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
For audit fees (including Limited Review fees)	3.37	2.07
For tax audit fees	0.36	0.26
For other services	0.60	0.53
For reimbursement of expenses	0.23	0.23
Total	**4.56**	**3.09**

* Represents fees to statutory auditors of the holding company and all the subsidiaries

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NOTE: 39
INCOME TAX EXPENSE
The major components of income tax (income)/ expense are:

Consolidated Statement of Profit and Loss:
In Profit or loss section

₹ in Crore

		Year ended March 31, 2024	Year ended March 31, 2023
Current income tax			
Current income tax charge		35.11	15.92
Current tax relating to earlier years		0.09	(2.22)
	(A)	35.20	13.70
Deferred tax charge / (credit)			
Relating to origination and reversal of temporary differences		(128.19)	(36.67)
	(B)	(128.19)	(36.67)
Total	(A+B)	(92.99)	(22.97)

In other comprehensive income (OCI) section
Deferred tax related to items recognised in OCI during the year

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Net (gains)/ losses on re-measurement of defined benefit plans	1.76	0.14
Net (gains)/ losses on fair value of equity instruments	(0.91)	(0.82)
Net (gains)/ losses on hedging instruments	0.04	(0.26)
Total	0.89	(0.94)

Reconciliation of tax (income)/ expense and the accounting profit/ (loss) multiplied by India's domestic tax rate

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Accounting Loss before income tax	(828.90)	(82.44)
Tax expense/ (income) at statutory income tax rate of 25.17% (March 31, 2023: 25.17%)	(208.63)	(20.75)
Expenses not allowed under the Income tax Act:		
- Corporate Social Responsibility	1.01	0.88
- Expenses disallowed for tax purposes	2.00	0.42
- Impact of differential higher income tax rate applicable to a subsidiary	2.12	1.90
- Impact of deferred tax not created on losses	78.44	(3.20)
- Others	31.98	-
Provision for current tax for earlier years	0.09	(2.22)
Income tax expenses/ (income) as per Statement of Profit and Loss Account	(92.99)	(22.97)

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NOTE: 40
EARNINGS PER SHARE (EPS)

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

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

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

₹ in Crore

		Year ended March 31, 2024	Year ended March 31, 2023
Loss for calculation of EPS	(A)	(628.02)	(36.00)
Weighted average number of equity shares for calculation of Basic EPS	(B)	96,43,37,897	94,77,34,352
Profit / (Loss) per share - basic (₹)	(A/B)	(6.52)	(0.38)
Weighted average number of equity shares outstanding		96,43,37,897	94,77,34,352
Weighted average number of potential equity shares*		13,77,819	25,44,903
Weighted average number of equity shares for calculation of Diluted EPS		96,43,37,897	95,02,79,255
Diluted EPS (₹)	(C)	(6.51)	(0.38)
Nominal value of shares (₹)		10.00	10.00

Treasury shares are adjusted in computing the weighted average number of equity shares outstanding during the year in calculation of EPS.

*Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not anti-dilutive. Vested unexcercised stock options have been considered in the calculation of Basic EPS where the excercise price of such options are insignificant. The details relating to stock options are given in Note - 44.

* The stock options are anti-dilutive and hence have been ignored.

NOTE - 41
DEMERGER OF MADURA FASHION & LIFESTYLE BUSINESS ("MFL BUSINESS")

The Board at its meeting held on April 19, 2024, has subject to necessary approvals, considered and approved demerger of MFL business under a Scheme of Arrangement among Aditya Birla Fashion and Retail Limited ('Demerged Company') and Aditya Birla Lifestyle Brands Limited ('Resulting Company'), wholly owned subsidiary of the Company and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). The Scheme, inter alia, provides for demerger, transfer and vesting of the MFL Business from the Demerged Company into the Resulting Company on a going concern basis, and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof. The demerger will be implemented through an NCLT scheme of arrangement and upon its completion, all shareholders of ABFRL will have identical shareholdings in both the companies.The Scheme has been filed with BSE and National Stock Exchange for their No Objection. This has been considered as a non-adjusting event and accordingly, no impact is considered in the consolidated financial statements.

NOTE - 42
DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON

Details of actual CSR expenditure incurred: ₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
i) Amount required to be spent by the group during the year	-	-
ii) Amount of expenditure incurred	4.06	3.50
iii) Shortfall at the end of the financial year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	NA	NA
vi) Nature of CSR activities	CSR activities are mainly focused towards Education, Health and Sanitation, Water, Digitisation, Sustainable livelihood, Institutional Building and Social Causes.	
vii) Details of related party transaction (contribution to a trust controlled by the company)	4.06	3.50
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

Note :-
The Group has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off against the amounts required to spent in the future year. There are no ongoing projects as at March 31, 2024 (March 31, 2023:Nil).

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NOTE - 43
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

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

Unfunded defined benefit plan

Net benefit expense recognised through the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	9.98	8.04
Interest cost on defined benefit obligation	4.07	2.69
Total	**14.05**	**10.73**

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	**47.82**	**36.84**
Addition pursuant to business combinations	15.73	1.19
Current service cost	9.98	8.04
Interest cost on defined benefit obligation	4.07	2.69
Actuarial (gain)/ loss on account of:		
Changes in demographic assumptions	0.03	0.08
Changes in financial assumptions	2.75	(1.49)
Experience adjustments	(0.95)	3.69
Actuarial (gain)/ loss recognised in OCI	1.83	2.28
Benefits paid	(6.55)	(4.40)
Liabilities assumed/ (settled)*	(0.55)	1.18
Closing defined benefit obligation	**72.33**	**47.82**

*On account of inter-company transfer.

Funded defined benefit plan

Net benefit expense recognised through the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	12.49	11.40
Interest cost on defined benefit obligation	6.18	5.29
Interest income on plan assets	(6.35)	(5.49)
	12.32	**11.20**

Changes in the defined benefit obligation and fair value of plan assets are as follows:

(i) Changes in the present value of the Defined Benefit Obligations (DBO):

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	85.73	76.70
Addition pursuant to the scheme of arrangement	-	0.44
Current service cost	12.49	11.40
Interest cost on defined benefit obligation	6.18	5.29
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	1.83	(3.70)
Experience adjustments	2.61	2.11
Actuarial (gain)/ loss recognised in OCI	4.44	(1.59)
Benefits paid	(7.80)	(6.57)
Liabilities assumed/ (settled)*	(2.85)	0.06
Closing defined benefit obligation	**98.19**	**85.73**

*On account of inter-company transfer.

(ii) Change in fair value of plan assets

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Opening fair value of the plan assets	85.05	79.55
Contributions by the employer	0.31	-
Addition pursuant to the scheme of arrangement	-	0.05
Interest income on plan assets	6.35	5.49
Actuarial gain/ (loss) recognised in OCI		
Actual returns on plan assets excluding amounts included in net interest	(0.51)	(0.04)
Closing fair value of the plan assets	91.20	85.05

Amounts recognised in the Consolidated Balance Sheet

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Present value of the defined benefit obligation at the end of the year:		
Funded	98.19	85.73
Fair value of plan assets	91.20	85.05
Net liability/ (asset)	**6.99**	**0.68**
Net liability is classified as follows:		
Current	0.10	0.10
Non-current	6.89	0.58
Net liability - Funded	**6.99**	**0.68**

Gratuity is funded through investments with an insurance service provider, i.e. Life Insurance Corporation of India (LIC). The plan assets under the scheme are administered by LIC. The investments are primarily in low risk assets.

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Present value of the defined benefit obligation at the end of the year:		
Unfunded	72.33	47.82
Liability	**72.33**	**47.82**
Net liability is classified as follows:		
Current	6.83	5.37
Non-current	65.50	42.45
Liability - Unfunded	**72.33**	**47.82**

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The principal assumptions used in determining gratuity (funded and unfunded) defined benefit obligations for the Group are shown below:

	As at March 31, 2024	As at March 31, 2023
Discount rate		
Funded plan	7.15% to 7.20%	7.20% to 7.45%
Unfunded plan	7.15% to 7.25%	7.45% to 7.50%
Salary escalation rate		
Funded plan		
Management	8.00%	8.00%
Staff	7.00%	7.00%
Workers	5.00%	5.00%
Unfunded plan		
Stores	5.00% to 7.00%	5.00% to 9.00%
HO and Zones	7.00% to 9.00%	5.00% to 9.00%

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market yield prevailing as on that date, applicable to the period over which the obligation is expected to be settled.

A quantitative sensitivity analysis for significant assumptions is as follows:

Sensitivity level	As at March 31, 2024		As at March 31, 2023	
Discount rate	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	(3.60)	3.85	(3.14)	3.36
Unfunded plan	(4.86)	2.72	(2.13)	2.34
Salary escalation rate	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	3.84	(3.63)	3.36	(3.17)
Unfunded plan	5.30	(2.38)	2.14	(2.00)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

There has been no change from the previous year in the method and assumptions used in preparing the sensitivity analysis.

The maturity profile of the defined benefit obligation are as follows:

₹ in Crore

	March 31, 2024	March 31, 2023
Within the next 12 months (next annual reporting period)	19.75	14.99
Between 2 and 5 years	63.35	54.68
Between 6 and 10 years	76.95	62.25
Beyond 10 years	214.34	136.41
Total	**374.39**	**268.33**

The Group is expected to contribute ₹ 20.94 Crore to the gratuity fund during the year ended March 31, 2025 (March 31, 2024: ₹ 12.46 Crore).

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 to 16 years (March 31, 2023: 6 to 14 years).

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Risk exposure

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

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans. These are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimise risk to an acceptable level.
Inflation Risk	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life Expectancy	The pension plan provides benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined contribution plans

Amount recognised as an expense and included in Note - 35 as "Contribution to provident and other funds"

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Government Provident Fund	77.35	57.20
Contribution to Superannuation Fund	1.30	1.17
Contribution to Employee Pension Scheme (EPS)	6.92	7.62
Contribution to Employee State Insurance (ESI)	11.01	9.91
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	0.71	0.68
Contribution to Labour Welfare Fund (LWF)	0.17	0.16
Contribution to National Pension Scheme (NPS)	1.57	0.40
Total	**99.03**	**77.14**

Note:-

1 In respect of the Honorable Supreme Court ruling of February 2019 in Provident Fund applicability on allowances, Group has evaluated the impact and basis the clarity emerged , Provident Fund contribution has been aligned in computation of salary as per the Judgement.

2 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.

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NOTE - 44

SHARE-BASED PAYMENT

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Expense arising from equity-settled share-based payment transactions	16.24	20.20
Expense arising from cash-settled share-based payment transactions	9.11	11.09
Total	**25.35**	**31.29**

A. Employee share-based payment plans of Holding Company

a. Employee Stock Option Plans (Options and RSUs)

I. Employee Stock Option Scheme - 2013

During the year ended March 31, 2014, i.e. on July 22, 2013, the ESOP Compensation Committee of the Board of Directors of the Company (merged with Nomination and Remuneration Committee w.e.f. November 04, 2014) ("Committee") and the Board of Directors ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Employee Stock Option Scheme - 2013 ("Scheme 2013") for issue of Stock Options in the form of Options ("Options") and/ or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Sixth Annual General Meeting of the Company, held on August 23, 2013, approved the introduction of the Scheme 2013 and authorised the Board/ Committee to finalise and implement the Scheme 2013.

Accordingly, under the said Scheme 2013, vide its resolution dated October 25, 2013, the Committee commenced granting of options.

i) Details of the grants under the Scheme 2013

	Tranche 1
	Options
No. of Options/ RSUs	8,30,382
Method of accounting	Fair value
Vesting plan	Graded vesting - 25% every year
Exercise period	5 years from the date of vesting
Grant date	October 25, 2013
Grant/ exercise price (₹ per share)	102.10
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 104.10 NSE - 103.55
Method of settlement	Equity

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ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2024		As at March 31, 2023	
	No. of Options	Weighted average exercise price (₹ per share)	No. of Options	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	-	-	7,526	102.10
Granted during the financial year	-	-	-	-
Exercised during the financial year*	-	-	(7,526)	102.10
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-

* The weighted average share price at the date of exercise of these Options was ₹ 300.34.

The weighted average remaining contractual life for the Options outstanding as at March 31, 2024, is Nil (March 31, 2023: Nil) and for RSUs outstanding as at March 31, 2024, is Nil (March 31, 2023: Nil).

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iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options
	Tranche 1
Expected dividend yield (%)	Ni
Expected volatility (%)	45.93
Risk-free interest rate (%)	8.58
Weighted average fair value per Option/ RSU (₹)	52.96
Model used	Black-Scholes model

II. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017

During the year ended March 31, 2018, i.e. on July 25, 2017, the Nomination and Remuneration Committee of the Board of Directors of the Company ("NRC") and the Board of Directors ("Board") approved the introduction of another Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the Shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Tenth Annual General Meeting of the Company, held on August 23, 2017, approved the introduction of the Scheme 2017 and authorised the Board/ NRC to finalise and implement the Scheme 2017.

Accordingly, under the said Scheme 2017, vide its resolution dated September 8, 2017, the Committee commenced granting of options.

i) Details of the grants under Scheme 2017

	Options			RSUs		
	Tranche 1	Tranche 3	Tranche 4	Tranche 1	Tranche 3	Tranche 4
No. of Options/ RSUs	37,38,254	2,88,122	90,039	13,04,558	1,17,144	30,349
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 08, 2017	February 02, 2018	April 18, 2018	September 08, 2017	February 02, 2018	April 18, 2018
Grant/ exercise price (₹ per share)	178.30	163.60	150.80	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 176.40 NSE - 176.50	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10	BSE - 176.40 NSE - 176.50	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity

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ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2024			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	12,48,314	178.30	2,61,001	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(3,44,017)	178.30	(27,275)	10.00
Lapsed during the financial year	(47,426)	178.30	-	-
Outstanding at the end of the financial year	8,56,871	178.30	2,33,726	10.00
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	8,56,871	178.30	2,33,726	10.00
Tranche 3				
Outstanding at the beginning of the financial year	27,011	163.60	12,140	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(9,004)	163.60	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	18,007	163.60	12,140	10.00
Unvested at the end of the financial year	-	-	12,140	10.00
Exercisable at the end of the financial year	18,007	163.60		
Tranche 4				
Outstanding at the beginning of the financial year	45,019	150.80	30,349	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	(30,349)	10.00
Outstanding at the end of the financial year	45,019	150.80	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	45,019	150.80	-	-

^The weighted average share price at the date of exercise of these Options and RSUs was ₹217.35.

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Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2023			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	13,98,050	178.30	3,39,910	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	(1,30,828)	178.30	(71,625)	10.00
Lapsed during the financial year	(18,908)	178.30	(7,284)	10.00
Outstanding at the end of the financial year	12,48,314	178.30	2,61,001	10.00
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	12,48,314	178.30	2,61,001	10.00
Tranche 3				
Outstanding at the beginning of the financial year	72,031	163.60	12,140	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year	(45,020)	163.60	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	27,011	163.60	12,140	10.00
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	27,011	163.60	12,140	10.00
Tranche 4				
Outstanding at the beginning of the financial year	67,529	150.80	30,349	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year	(22,510)	150.80	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	45,019	150.80	30,349	10.00
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	45,019	150.80	30,349	10.00

^^The weighted average share price at the date of exercise of these RSUs was ₹ 279.66.

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2024, is 2 years (March 31, 2023: 2 years) and for RSUs outstanding as at March 31, 2024, is 1 years (March 31, 2023: 3 years).

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iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options			RSUs		
	Tranche 1	Tranche 3	Tranche 4	Tranche 1	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	36.57	35.32	35.28	36.57	35.32	35.28
Risk-free interest rate (%)	6.70	7.43	7.43	6.77	7.54	7.54
Weighted average fair value per Option/ RSU (₹)	77.04	71.56	65.93	171.41	156.99	144.20
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model

III. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019

During the year ended March 31, 2020, on July 26, 2019, the Nomination and Remuneration Committee and the Board of Directors ("Board"), approved introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019") through trust route, for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its subsidiary companies. Based on the loan granted by the Company, the Trust held 48,84,139 equity shares as at March 31, 2023. During the year ended March 31, 2024, the Trust has not purchased any equity shares to back the grants made under the Scheme 2019. As on March 31, 2024, the Trust holds 47,18,017 equity shares. 1,66,122 equity shares were exercised during the year.

Accordingly, under the said Scheme 2019, vide its resolution dated December 2, 2019, the Committee commenced granting of options.

i) Details of the grants under Scheme 2019

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
No. of Options/ RSUs	33,42,876	1,16,360	14,17,684	11,18,385	32,161
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 1st year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	December 02, 2019	December 28, 2020	January 21, 2021	December 02, 2019	December 28, 2020
Grant/ exercise price (₹ per share)	225.25	164.10	179.55	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80	BSE - 179.05 NSE - 179.85	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80
Method of settlement	Equity	Equity	Equity	Equity	Equity

	Options		RSUs	
	Tranche 4	Tranche 5	Tranche 4	Tranche 5
No. of Options/ RSUs	5,99,997	2,05,224	1,78,574	54,563
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	August 05, 2022	September 20,2022	August 05, 2022	September 20,2022
Grant/ exercise price (₹ per share)	275.10	330.75	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55
Method of settlement	Equity	Equity	Equity	Equity

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ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2024			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	20,29,929	225.25	6,65,756	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(1,12,394)	10.00
Lapsed during the financial year	(98,634)	225.25	-	-
Outstanding at the end of the financial year	19,31,295	225.25	5,53,362	10.00
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	19,31,295	225.25	5,53,362	10.00
Tranche 2				
Outstanding at the beginning of the financial year	79,998	164.10	28,141	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(24,121)	10.00
Lapsed during the financial year	(14,544)	164.10	(4,020)	10.00
Outstanding at the end of the financial year	65,454	164.10	-	-
Unvested at the end of the financial year	21,818	164.10	-	-
Exercisable at the end of the financial year	43,636	164.10	-	-
Tranche 3				
Outstanding at the beginning of the financial year	10,31,111	173.55	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(51,248)	173.55	-	-
Lapsed during the financial year	(8,121)	173.55	-	-
Outstanding at the end of the financial year	9,71,742	173.55	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	9,71,742	173.55	-	-
Tranche 4				
Outstanding at the beginning of the financial year	5,99,997	275.10	1,78,574	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	(29,851)	275.10	(16,667)	10.00
Outstanding at the end of the financial year	5,70,146	275.10	1,61,907	10.00
Unvested at the end of the financial year	3,70,147	275.10	1,61,907	10.00
Exercisable at the end of the financial year	1,99,999	275.10	-	-
Tranche 5				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	2,05,224	330.75	54,563	10.00
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	2,05,224	330.75	54,563	10.00
Unvested at the end of the financial year	1,36,816	330.75	54,563	10.00
Exercisable at the end of the financial year	68,408	330.75	-	-

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 212.94.

Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2023			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**21,30,030**	**225.25**	**9,66,830**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(47,374)	225.25	(2,60,371)	10.00
Lapsed during the financial year	(52,727)	225.25	(40,703)	10.00
Outstanding at the end of the financial year	**20,29,929**	**225.25**	**6,65,756**	**10.00**
Unvested at the end of the financial year	**7,18,177**	**225.25**	-	-
Exercisable at the end of the financial year	**13,11,752**	**225.25**	**6,65,756**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**1,12,724**	**164.10**	**32,161**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(21,818)	164.10	-	-
Lapsed during the financial year	(10,908)	164.10	(4,020)	10.00
Outstanding at the end of the financial year	**79,998**	**164.10**	**28,141**	**10.00**
Unvested at the end of the financial year	**50,908**	**164.10**	**28,141**	**10.00**
Exercisable at the end of the financial year	**29,090**	**164.10**	-	-
Tranche 3				
Outstanding at the beginning of the financial year	**11,23,098**	**173.55**	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(89,411)	173.55	-	-
Lapsed during the financial year	(2,576)	173.55	-	-
Outstanding at the end of the financial year	**10,31,111**	**173.55**	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**10,31,111**	**173.55**	-	-
Tranche 4				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Tranche 5				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2024 is 4 years (March 31, 2023: 5 years) and for RSUs outstanding as at March 31, 2024 is 4 years (March 31, 2023: 5 years).

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	32.88	36.16	36.02	32.88	36.16
Risk-free interest rate (%)	6.66	5.62	5.62	6.76	6.19
Weighted average fair value per Option/ RSU (₹)	112.00	84.39	76.78	216.18	158.10
Model used	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model

	Options		RSUs	
	Tranche 4	Tranche 5	Tranche 4	Tranche 5
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	38.63	38.73	39.38	39.62
Risk-free interest rate (%)	7.17	7.26	7.23	7.27
Weighted average fair value per Option/ RSU (₹)	147.78	178.42	269.49	325.16
Model used	Binomial model	Binomial model	Binomial model	Binomial model

b. Stock Appreciation Rights (SARs)

The SAR compensation cost is amortised on a straight-line basis over the total vesting period of the SARs. Accordingly, ₹ 9.11 Crore (March 31, 2023: ₹ 11.09 Crore) has been taken to the Consolidated Statement of Profit and Loss.

I. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019

On February 04, 2019, the Nomination and Remuneration Committee and the Board of Directors of the Company, at their respective meetings had approved the "Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019" ("SARs Scheme 2019"), to grant SARs in the form of "Option SARs" and "RSU SARs", from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

i) The details of the Plan are as below:

	SARs		
	Option SARs		
	Tranche 1	Tranche 2	Tranche 4
No. of SARs	61,226	17,92,686	2,04,546
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	May 16, 2019 and September 08, 2019	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	November 03, 2021
Grant/ exercise price (₹ per share)	178.30	206.35	288.10
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	Cash

	SARs			
	Option SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
No. of SARs	10,81,344	13,434	5,970	14,546
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Graded vesting - 50% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 05,2022	September 20, 2022	November 15, 2022	December 01, 2022
Grant price (₹ per share)	275.10	330.75	314.60	225.25
Market price on the date of granting of SARs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 312.55 NSE - 312.60	BSE - 316.10 NSE - 316.00
Method of settlement	Cash	Cash	Cash	Cash

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	SARs		
	Option SARs		
	Tranche 9	Tranche 10	Tranche 11
No. of SARs	32,273	7,273	29,851
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	December 02, 2023	December 02, 2023	Graded vesting - 50% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 04,2023	December 02, 2023	February 15, 2024
Grant price (₹ per share)	225.25	225.25	275.10
Market price on the date of granting of SARs (₹ per share)	BSE - 221.15 NSE - 220.95	BSE - 231.35 NSE - 231.40	BSE - 243.20 NSE - 243.40
Method of settlement	Cash	Cash	Cash

	SARs			
	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of SARs	6,880	6,38,700	1,005	56,533
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	September 08, 2020	August 18, 2024	December 02, 2022	November 03, 2024
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	August 18, 2021	November 03, 2021
Grant/ exercise price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	BSE - 205.80 NSE - 205.90	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	Cash	Cash

	SARs			
	RSU SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
No. of SARs	6,42,634	6,746	1,587	10,553
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	August 01,2025	September 19, 2025	November 15, 2025	December 02, 2022
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 05,2022	September 20, 2022	November 15, 2022	December 01, 2022
Grant price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 312.55 NSE - 312.60	BSE - 316.10 NSE - 316.00
Method of settlement	Cash	Cash	Cash	Cash

	SARs
	RSU SARs
	Tranche 11
No. of SARs	16,667
Method of accounting	Fair value
Vesting plan	August 05,2025
Exercise period	3 years from the date of vesting
Grant date	February 15,2024
Grant price (₹ per share)	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 243.20 NSE - 243.40
Method of settlement	Cash

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II) Movement of SARs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, SARs during the year:

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
<u>Tranche 1</u>				
<u>Option SARs</u>				
Outstanding at the beginning of the financial year	-	-	43,218	178.30
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(43,218)	178.30
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-
<u>RSU SARs</u>				
Outstanding at the beginning of the financial year	-	-	4,856	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	(4,856)	10.00
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-
<u>Tranche 2</u>				
<u>Option SARs</u>				
Outstanding at the beginning of the financial year	15,73,717	206.35	17,17,239	206.35
Granted during the financial year	-	-	-	-
Exercised during the financial year	(26,361)	206.35	(89,582)	206.35
Lapsed during the financial year	(49,392)	206.35	(53,940)	206.35
Outstanding at the end of the financial year	14,97,964	206.35	15,73,717	206.35
Unvested at the end of the financial year	5,21,805	206.35	11,03,007	206.35
Exercisable at the end of the financial year	9,76,159	206.35	4,70,710	206.35
<u>RSU SARs</u>				
Outstanding at the beginning of the financial year	5,86,131	10.00	6,10,307	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(32,664)	10.00	(24,176)	10.00
Outstanding at the end of the financial year	5,53,467	10.00	5,86,131	10.00
Unvested at the end of the financial year	5,53,467	10.00	5,86,131	10.00
Exercisable at the end of the financial year	-	-	-	-
<u>Tranche 3</u>				
<u>RSU SARs</u>				
Outstanding at the beginning of the financial year	1,005	10.00	1,005	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	1,005	10.00	1,005	10.00
Unvested at the end of the financial year	1,005	10.00	1,005	10.00
Exercisable at the end of the financial year	-	-	-	-
<u>Tranche 4</u>				
<u>Option SARs</u>				
Outstanding at the beginning of the financial year	2,04,546	288.10	2,04,546	288.10
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	2,04,546	288.10	2,04,546	288.10
Unvested at the end of the financial year	68,182	288.10	2,04,546	288.10
Exercisable at the end of the financial year	1,36,364	288.10		
<u>RSU SARs</u>				
Outstanding at the beginning of the financial year	56,533	10.00	56,533	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	56,533	10.00	56,533	10.00
Unvested at the end of the financial year	56,533	10.00	56,533	10.00
Exercisable at the end of the financial year	-	-	-	-
<u>Tranche 5</u>				
<u>Option SARs</u>				
Outstanding at the beginning of the financial year	10,75,374	275.10	-	-
Granted during the financial year	-	-	10,81,344	275.10
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(98,880)	275.10	(5,970)	275.10
Outstanding at the end of the financial year	9,76,494	275.10	10,75,374	275.10
Unvested at the end of the financial year	6,50,995	275.10	10,75,374	275.10
Exercisable at the end of the financial year	3,25,499	275.10	-	-

	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
RSU SARs				
Outstanding at the beginning of the financial year	6,35,095	10.00	-	-
Granted during the financial year	-	-	6,42,634	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(65,969)	10.00	(7,539)	10.00
Outstanding at the end of the financial year	5,69,126	10.00	6,35,095	10.00
Unvested at the end of the financial year	5,69,126	10.00	6,35,095	10.00
Exercisable at the end of the financial year	-	-	-	-
Tranche 6				
Option SARs				
Outstanding at the beginning of the financial year	13,434	330.75	-	-
Granted during the financial year	-	-	13,434	330.75
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	13,434	330.75	13,434	330.75
Unvested at the end of the financial year	8,956	330.75	13,434	330.75
Exercisable at the end of the financial year	4,478	330.75	-	-
RSU SARs				
Outstanding at the beginning of the financial year	6,746	10.00	-	-
Granted during the financial year	-	-	6,746	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	6,746	10.00	6,746	10.00
Unvested at the end of the financial year	6,746	10.00	6,746	10.00
Exercisable at the end of the financial year	-	-	-	-
Tranche 7				
Option SARs				
Outstanding at the beginning of the financial year	5,970	314.60	-	-
Granted during the financial year	-	-	5,970	314.60
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	5,970	314.60	5,970	314.60
Unvested at the end of the financial year	3,980	314.60	5,970	314.60
Exercisable at the end of the financial year	1,990	314.60	-	-
RSU SARs				
Outstanding at the beginning of the financial year	1,587	10.00	-	-
Granted during the financial year	-	-	1,587	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	1,587	10.00	1,587	10.00
Unvested at the end of the financial year	1,587	10.00	1,587	10.00
Exercisable at the end of the financial year	-	-	-	-
Tranche 8				
Option SARs				
Outstanding at the beginning of the financial year	14,546	225.25	-	-
Granted during the financial year	-	-	14,546	225.25
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	14,546	225.25	14,546	225.25
Unvested at the end of the financial year	7,273	225.25	7,273	225.25
Exercisable at the end of the financial year	7,273	225.25	7,273	225.25
RSU SARs				
Outstanding at the beginning of the financial year	10,553	10.00	-	-
Granted during the financial year	-	-	10,553	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	10,553	10.00	10,553	10.00
Unvested at the end of the financial year	10,553	10.00	10,553	10.00
Exercisable at the end of the financial year	-	-	-	-

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	As at March 31, 2024		As at March 31, 2023	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 9				
Option SARs				
Outstanding at the beginning of the financial year	-	-		
Granted during the financial year	32,273	225.25		
Exercised during the financial year	-	-		
Lapsed during the financial year	-	-		
Outstanding at the end of the financial year	**32,273**	**225.25**		
Unvested at the end of the financial year	-	-		
Exercisable at the end of the financial year	**32,273**	**225.25**		
Tranche 10				
Option SARs				
Outstanding at the beginning of the financial year	-	-		
Granted during the financial year	7,273	225.25		
Exercised during the financial year	-	-		
Lapsed during the financial year	-	-		
Outstanding at the end of the financial year	**7,273**	**225.25**		
Unvested at the end of the financial year	-	-		
Exercisable at the end of the financial year	**7,273**	**225.25**		
Tranche 11				
Option SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	29,851	275.10	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**29,851**	**275.10**	-	-
Unvested at the end of the financial year	**29,851**	**275.10**	-	-
Exercisable at the end of the financial year	-	-	-	-
RSU SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	16,667	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**16,667**	**10.00**	-	-
Unvested at the end of the financial year	**16,667**	**10.00**	-	-
Exercisable at the end of the financial year	-	-	-	-

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 226.15.

The weighted average remaining contractual life for SARs options outstanding as at March 31, 2024 is 3 years (March 31, 2023 : 4 years) and for RSUs outstanding as at March 31, 2024, is 4 years (March 31, 2023: 5 years).

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iii) The following table lists the inputs to the model used for SARs as on grant date:

	Option SARs		
	Tranche 1	Tranche 2	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	32.53	35.72	36.01
Risk-free interest rate (%)	5.88	7.47	7.48
Weighted average fair value per SAR (₹)	27.52	70.84	47.65
Model used	Binomial model	Binomial model	Binomial model

	Option SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	37.92	37.96	38.22	36.13
Risk-free interest rate (%)	7.48	7.48	7.48	7.48
Weighted average fair value per SAR (₹)	62.22	49.86	52.90	61.44
Model used	Binomial model	Binomial model	Binomial model	Binomial model

	Option SARs		
	Tranche 9	Tranche 10	Tranche 11
Expected dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	36.48	34.79	35.95
Risk-free interest rate (%)	7.48	7.40	7.40
Weighted average fair value per SAR (₹)	72.58	81.27	81.08
Model used	Binomial model	Binomial model	Binomial model

	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	31.74	36.46	36.46	36.90
Risk-free interest rate (%)	6.24	6.16	6.16	6.08
Weighted average fair value per SAR (₹)	144.94	172.79	172.79	204.55
Model used	Binomial model	Binomial model	Binomial model	Binomial model

	RSU SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	37.14	36.94	37.03	36.78
Risk-free interest rate (%)	7.10	7.25	7.43	7.07
Weighted average fair value per SAR (₹)	195.88	192.12	187.88	207.10
Model used	Binomial model	Binomial model	Binomial model	Binomial model

	RSU SARs
	Tranche 11
Expected dividend yield (%)	Nil
Expected volatility (%)	36.44
Risk-free interest rate (%)	7.40
Weighted average fair value per SAR (₹)	226.63
Model used	Binomial model

The expected life of the Share Options, RSUs and SARs is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Share Options, RSUs and SARs is indicative of future trends, which may not necessarily be the actual outcome.

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Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

B. Employee share-based payment plans of subsidiaries

I. Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022

During the year ended March 31, 2023, i.e. on December 23, 2022, the Board of Directors of Aditya Birla Digital Fashion Ventures Limited (ABDFVL) ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022 ("Scheme 2022") for issue of Stock Options in the form of Options ("Options") to the identified employees of ABDFVL and of its holding company and subsidiary Companies subject to the approval of the shareholders of ABDFVL. Shareholders of ABDFVL vide its resoultion passed at Extra Ordinary General Meeting held on December 23, 2022, approved the introduction of Scheme 2022 and authorised the Board to finalise and implement the Scheme 2022.

Accordingly, under the said Scheme 2022, vide its resolution dated December 30, 2022, ABDFVL commenced granting of options.

i) Details of the grants under the Scheme 2022

	Options			
	Tranche 1	**Tranche 2**	**Tranche 3**	**Tranche 4**
No. of Options/ RSUs	2,11,30,606	3,21,497	37,20,017	29,000
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	**Type 1, Type 2 & Type 4 :** Graded vesting **Type 3:** Bullet vesting	Graded Vesting	**Type 1, Type 2 & Type 4:** Graded vesting **Type 3:** Bullet vesting	Graded Vesting
Exercise period	10 years from the date of grant	10 years from the date of grant	10 years from the date of grant	10 years from the date of grant
Grant date	30-Dec-22	27-Apr-23	31-Oct-23	30-Jan-24
Grant/ exercise price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	9.92	10.06	10.06	9.48
Method of settlement	Equity	Equity	Equity	Equity

ii) Movement of Options granted
The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the period

	As at March 31, 2024		As at March 31, 2023	
	No. of Options	**Weighted average exercise price (₹ per share)**	**No. of Options**	**Weighted average exercise price (₹ per share)**
Tranche 1				
Outstanding at the beginning of the financial year	**2,11,30,606**	-	-	-
Granted during the financial year	-	-	**2,11,30,606**	-
Forfeited during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,11,30,606**	-	**2,11,30,606**	-
Unvested at the end of the financial year	**1,84,70,909**	-	-	-
Exercisable at the end of the financial year	**26,59,697**	-	-	-
Tranche 2				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	3,21,497	-	-	-
Exercised during the financial year*	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**3,21,497**	-	-	-
Unvested at the end of the financial year	**3,21,497**	-	-	-
Exercisable at the end of the financial year	-	-	-	-
Tranche 3				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	37,20,017	-	-	-
Exercised during the financial year*	-	-	-	-
Lapsed during the financial year	(13,106)	-	-	-
Outstanding at the end of the financial year	**37,06,911**	-	-	-
Unvested at the end of the financial year	**37,06,911**	-	-	-
Exercisable at the end of the financial year	-	-	-	-
Tranche 4				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	29,000	-	-	-
Exercised during the financial year*	-	-	-	-
Lapsed during the financial year	(3,500)	-	-	-
Outstanding at the end of the financial year	**25,500**	-	-	-
Unvested at the end of the financial year	**25,500**	-	-	-
Exercisable at the end of the financial year	-	-	-	-

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iii) The following table lists the inputs to the model used for the Options as on grant date:

	Options			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%) *	35.16% to 35.43%	37.31%	36.55%	41.07%
Risk-free interest rate (%)	7.33% to 7.40%	7.10%	7.51%	7.30%
Weighted average fair value per Option/ RSU (₹)	6.13	6.33	6.39	4.95
Model used	Binomial Method	Binomial Method	Binomial Method	Binomial Method

II. Bewakoof Brand Private Limited (BBPL)

Employee option scheme 2023" (ESOP 2023)

Employee option Plan was approved by shareholders of BBPL vide their special resolution passed at the Annual General Meeting held on September 27, 2023, wherein they have agreed to create, offer, issue and allot up to 5,879 (Five Thousand Eight Hundred and Seventy-Nine) employee stock options ("Options") in the form of equity shares linked to the completion of minimum period of continued employment to the eligible employees of BBPL monitored by the Board of Directors. The holders of the vested options are entitled to apply for the one equity share of BBPL, in accordance with the terms of the grant.

I. Movements during the year

The following are the number and weighted average exercise prices of, and movements in, share options during the year:

Particulars	Year ended March 31, 2024	
	No. of options	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the year	-	-
Granted during the year	1,784	10
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-

Share options outstanding at end of the year have the following expiry date and excerise prices:

Grant date	Expiry date	Excerise price	Share option 31-Mar-24
September 27, 2023	October 30, 2024	10.00	424
September 27, 2023	October 30, 2025	10.00	437
September 27, 2023	April 30, 2026	10.00	423
Weighted Average Remaining Contractual Life			1.42 Years

The weighted average fair value of the options granted during the year is ₹ 87,810.86 (March 31, 2023 - Nil). The fair value at the grant date is determined independently using binominal model.

The following table lists the inputs to the model used for options:

Employee stock option scheme 2023 (ESOP 2023)

Particulars	Year ended March 31, 2024
Valuation model used	Binomial model
Weighted average fair values at the measurement date	87,810.31 - 87,811.31
Dividend yield (%)	0%
Expected volatility (%)	38.73% - 44.33%
Risk-free interest rate (%)	7.13% - 7.41%
Expected life of the options (in years)	1.09 - 2.59 years
Exercise Price	10.00
Grant date	September 27, 2023

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III. TCNS Employee Stock Option Plan 2015:

TCNS Clothing Co. Ltd. (" TCNS") had instituted the TCNS Employee Stock Option Plan 2015, which was approved by the Board of Directors on June 27, 2017. The TCNS Employee Stock Option Plan 2015 provides for grant of stock options aggregating not more than 600,000 of number of issued equity shares of TCNS to eligible employees of TCNS. The TCNS Employee Stock Option Plan 2015 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the plan, the employees receive shares of TCNS upon completion of vesting conditions. Vesting period ranges from one to four years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the TCNS Employee Stock Option Plan 2015, the Exercise Price in respect of the Options shall be such price as decided by the Nomination and Remuneration Committee. However, the Exercise price shall not be lower than nominal par value of the Shares as appearing in the books of accounts.

I) Details of the grants under Employee Stock Option Plan 2015

	Options
No. of Options/ RSUs	6,00,000
Model used	Black-Scholes model
Vesting plan	Graded
Exercise period	10 years from the date of vesting
Grant date	27-Jun-17
Grant/ exercise price (₹ per share)	300.00
Fair value on the date of granting of Options/ RSUs (₹ per share)	261.28*
Method of settlement	Equity

*TCNS was not listed on the grant date and hence the market price mentioned above is as per the valuation report.

II) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, options during the year:

	As at March 31, 2024	
	No. of Options	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	1,95,075	300.00
Granted during the financial year	-	-
Forfeited during the financial year	-	-
Exercised during the financial year	-	-
Lapsed during the financial year	-	-
Outstanding at the end of the financial year	1,95,075	300.00
Unvested at the end of the financial year	-	-
Exercisable at the end of the financial year	1,95,075	300.00

The weighted average fair value of options granted is ₹ 117.56.

The weighted average remaining contractual life for Options outstanding as at March 31, 2024 is 5.75 years.

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iii) The following table lists the inputs to the model used for options as on grant date:

	Options
Expected dividend yield (%)	Nil
Expected volatility (%)	45.83%
Risk-free interest rate (%)	6.68%
Weighted average fair value per option	117.56
Model used	Black Scholes model

IV. TCNS Employee Stock Option Plan 2018:

TCNS had instituted the TCNS Employee Stock Option Plan 2018, which was approved by the Board of Directors on May 28, 2018. The TCNS Employee Stock Option Plan 2018 provides for grant of stock options aggregating not more than 62,500 of number of issued equity shares of TCNS to eligible employees of TCNS. The TCNS Employee Stock Option Plan 2018 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the plan, the employees receive shares of TCNS upon completion of vesting conditions. Vesting period ranges from one to two years and options can be exercised within 10 years from vesting date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard. As per the TCNS Employee Stock Option Plan 2018, the Exercise Price in respect of the Options shall be such price as decided by the Nomination and Remuneration Committee. However, the Exercise shall not be lower than nominal par value of the Shares as appearing in the books of accounts.

i) Details of the grants under Employee Stock Option Plan 2018

	Options
No. of Options/ RSUs	62,500
Model used	Black Scholes model
Vesting plan	Graded
Exercise period	10 years from the date of vesting
Grant date	28-May-18
Grant/ exercise price (₹ per share)	372.00
Fair value on the date of granting of Options/ RSUs (₹ per share)	288.68*
Method of settlement	Equity

*TCNS was not listed on the grant date and hence the market price mentioned above is as per the valuation report.

ii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, options during the year:

	As at March 31, 2024	
	No. of Options	**Weighted average exercise price (₹ per share)**
Outstanding at the beginning of the financial year	62,500	372.00
Granted during the financial year	-	-
Forfeited during the financial year	-	-
Exercised during the financial year	(62,500)	372.00
Lapsed during the financial year	-	-
Outstanding at the end of the financial year	-	-
Unvested at the end of the financial year	-	-
Exercisable at the end of the financial year	-	-

iii) The following table lists the inputs to the model used for options as on grant date:

	Options
Expected dividend yield (%)	Nil
Expected volatility (%)	45.17%
Risk-free interest rate (%)	7.76%
Weighted average fair value per Option (₹)	122.89
Model used	Black Scholes model

V. TCNS Employee Stock Option Plan 2018-2023:

TCNS had instituted the TCNS ESOP Scheme 2018 - 2023, which was approved by the Board of Directors on February 02, 2018. The TCNS ESOP Scheme 2018 - 2023 provides for grant of stock options aggregating not more than 6,467,817 number of equity shares of TCNS to eligible employees of TCNS. The TCNS Employee Stock Option Scheme 2018-2023 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. Under the scheme, the employees receive shares of TCNS upon completion of specific vesting conditions based on specific events. Vesting period ranges from one to five years and options can be exercised within 10 years from grant date, or such other period as may be determined by the Nomination and Remuneration Committee in this regard.

i) Details of the grants under Employee Stock Option Plan 2018

Option series	Number of outstanding options as at March 31, 2024	Grant date	Remaining life (in years)	Exercise Price	Fair value at Grant date
Granted on February 2, 2018	9,55,354	February 2, 2018	3.84 years	373.26	76.26
Granted on November 8, 2019	83,800	November 8, 2019	0.61 years	716.00	308.77
Granted on August 18, 2020	-	August 18, 2020	6.38 Years	500.00	76.67-156.82
Granted on November 10, 2020	75,000	November 10, 2020	6.61 Years	500.00	93.96-170.40
Granted on March 2, 2021	30,000	March 2, 2021	6.92 years	500.00	173.45-256.70
Granted on October 1, 2021	43,000	October 1, 2021	7.50 years	605.50	335.17-376.99

ii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, options during the year:

	As at March 31, 2024	
	No. of Options	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	52,49,007	373.26-716.00
Granted during the financial year	-	-
Forfeited during the financial year	-	-
Exercised during the financial year	-	-
Lapsed during the financial year*	(40,61,853)	373.26-605.50
Outstanding at the end of the financial year	11,87,153	373.26-716.00
Unvested at the end of the financial year	10,88,893	373.26-716.00
Exercisable at the end of the financial year	98,260	500.00-716.00

*During the period ended March 31, 2024, TCNS has cancelled 40,01,853 employee stock options due to non-achievement of the market vesting conditions by the long-stop date (i.e. December 31, 2023) as specified in the Scheme and 60,000 employee stock options due to separation of the employee from TCNS.

NOTE - 45

COMMITMENTS AND CONTINGENCIES

a) Leases

Lease commitments as lessee

The Group has entered into agreements for taking on lease certain land/residential/ office/ store premises, warehouses, factories, property, plant and equipment on lease and licence basis. The lease term is for periods ranging from 3 to 21 years, with escalation clauses in the lease agreements. Consistent with industry practice, the Group has contracts which have fixed rentals or variable rentals based on a percentage of sales in the stores, or a combination of both.

Expenses/ Income recognised in the Consolidated Statement of Profit and Loss

		₹ in Crore
	Year ended March 31, 2024	**Year ended March 31, 2023**
Other income		
Gain on retirement of right-of-use assets	50.07	19.75
Rent		
Expense relating to short-term leases	74.75	28.06
Expense relating to leases of low value assets	5.89	0.14
Variable rent*	889.84	868.76
Rent concession	-	(0.22)
Finance cost		
Interest expense on lease liabilities	433.38	302.83
Depreciation and amortisation expenses		
Depreciation on right-of-use assets	1,165.62	927.85
Other expenses		
Processing charges	23.11	26.44
Sublease payments received (not shown separately in the Consolidated Statement of Profit and Loss)	1.79	1.10

* The variable rent varies basis percentage of Net Sales Value (NSV) at the lease premises.

Contractual maturities of lease liabilities

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

		₹ in Crore
	As at March 31, 2024	**As at March 31, 2023**
Within one year	1,512.43	1,238.55
After one year but not more than five years	3,989.58	3,315.08
More than five years	938.37	607.81
Total	6,440.38	5,161.44

The initial non-cancellable period of the lease agreement is upto 3 years, beyond which there is an option for the lessee to continue the lease, which the Group expects to continue for a period of 2 to 3 years after the initial non-cancellable period, accordingly 5 – 6 years has been considered as the lease term. Post such period, the Group has the option to exit the lease by giving a notice period and the Group assesses its intention to continue considering location and other economic factors associated with the lease arrangement.

Total cash outflow for leases for the year ended March 31, 2024 is ₹ 2,393.34 Crore (March 31, 2023 is ₹ 2,025.00 Crore).

The Group entered into a sale and leaseback transaction in respect of certain assets such as furniture and fixtures, office equipment etc., in line with its capital expenditure strategy. The assets were sold at fair values with no gains/ losses. Sale proceeds of ₹ Nil (March 31, 2023: ₹ 0.76 Crore) were realised upon sale of such assets. The lease arrangement is for a period of 4-5 years. The same has been recorded as a right-of-use assets with corresponding lease liabilities.

Lease commitments for leases not considered in measurement of lease liabilities

Particulars		₹ in Crore
	As at March 31, 2024	**As at March 31, 2023**
Lease commitment for short-term leases	6.40	5.78
Lease commitment for leases of low value assets	-	0.02
Total	6.40	5.80

Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual store, upto 100% of lease payment are on the basis of variable payment terms. Variable payment terms are used for a variety of reasons, including minimising the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur.

Particulars				₹ in Crore
	March 31, 2024		**March 31, 2023**	
Increase/ (decrease) in sales	**Increase by 5%**	**Decrease by 5%**	**Increase by 5%**	**Decrease by 5%**
Rent	44.49	(44.49)	43.44	(43.44)

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

b) Capital commitments

₹ In Crore

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	111.25	252.62
Total	**111.25**	**252.62**

c) Other commitments

Refer Note 47 for commitments towards investment in Goodview Fashion Private Limited.

NOTE - 46
CONTINGENT LIABILITIES NOT PROVIDED FOR

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Claims against the Group not acknowledged as debts		
Commercial taxes	9.88	12.22
Excise duty	0.50	0.50
Customs duty	8.39	2.21
Bank Guarantees	37.71	37.67
Textile committee cess	0.75	0.75
Income Tax	4.95	1.41
Others*	33.69	15.76
Total	**95.87**	**70.52**

* Pertains to claims made by third parties, pending settlement which are considered not tenable.

The Group's pending litigations comprise of claims against the Group primarily for excise duty, comprising various cases demanding duty on reversal of CENVAT credit on sale of capital goods and for commercial taxes, comprising various cases in respect of short fall in submission of Forms F, H, I and C, disallowance of input credit, etc and short deduction of tax deducted at source.

The Group has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its financial statements where financial outflow is not probable. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Group has a provision of ₹ 63.60 Crore as at March 31, 2024 (March 31, 2023: ₹ 65.60 Crore) (Refer Note-30).

Aditya Birla Garments Limited (a subsidiary of the Group) has obtained license from the Office of the Joint Director General of Foreign Trade, Vishakapatnam under the Export Promotion of Capital Goods (EPCG) scheme which allows the Company to import capital goods free of customs duty. The scheme requires the Company to achieve an export obligation equal to 6 times the amount of customs duty saved within a period of next 6 years. Company has determined that it would achieve the export obligation commitment within the period specified.

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

NOTE - 47a
BUSINESS COMBINATIONS
Acquisitions during the year ended March 31, 2024

(I). Acquisition of TCNS Clothing Company Limited

On May 5, 2023, the Board of Directors of the Company approved acquisition of TCNS Clothing Co. Ltd. (" TCNS"), subject to requisite regulatory approvals. On August 31, 2023, the Company completed the acquisition of 1,87,12,577 equity shares constituting 29% of the Expanded Share Capital of TCNS (as defined in the letter of offer for the Open Offer) pursuant to the open offer. On September 26, 2023, the Company completed the acquisition of 1,41,95,748 equity shares constituting 22% of the Expanded Share Capital of TCNS pursuant to the Share Purchase Agreement dated May 5, 2023 ("SPA"). Pursuant to the completion of the Open Offer and acquisition of shares as specified in the SPA, the Company acquired 51% of the Expanded Share Capital, thereby acquired control over TCNS. The Company has also become Promoter of TCNS w.e.f. September 26, 2023.

The Company has received No Objection from BSE Limited and National Stock Exchange of India Limited vide letters dated March 14, 2024 and March 15, 2024 respectively for the amalgamation of TCNS Clothing Co. Limited ("TCNS") with the Company. The Company and TCNS have filed Joint Company Application on March 15, 2024. with Hon'ble National Company Law Tribunal ("NCLT") for further directions. Pursuant to the direction of NCLT, meeting of the equity shareholders of the Company and TCNS is scheduled to be held on June 05, 2024.

Details of the fair value of assets and liabilities taken over on acquisition and consideration paid by the Group has been explained in the table below:

	Fair value recognised on acquisition	
	₹ in Crore	₹ in Crore
Assets taken over		
Property, plant and equipment	64.76	
Capital work-in-progress	0.35	
Brand	1,495.00	
Other intangible assets	1.58	
Right to use assets	482.79	
Security deposits (non-current)	55.49	
Other financial assets (non-current)	0.12	
Deferred tax assets	116.47	
Non-current tax assets (net)	5.52	
Other non-current assets	2.65	
Inventories	454.72	
Trade receivables*	161.41	
Cash and cash equivalent	17.67	
Bank balance other than above	0.17	
Other financial assets (current)	0.14	
Other current assets	88.26	2,947.10
Liabilities taken over		
Deposits (non-current)	5.63	
Lease liability (non-current)	457.63	
Provisions (non-current)	17.51	
Deferred Tax Liabilities (net)	376.29	
Other non-current liabilities	0.47	
Borrowings (Current)	92.35	
Trade payables	270.54	
Lease liability (current)	85.19	
Other financial liabilities	39.44	
Provisions (current)	1.05	
Other current liabilities	66.24	1,412.34
Total identifiable net assets at fair value as at acquisition date (A)		1,534.76
Company's share of net assets		799.02
Non-Controlling Interest (B)		735.75
Purchase consideration transferred (C)		1626.19
Goodwill arising on acquisition (B+C-A)		827.17

*The fair value of acquired trade receivables is ₹ 161.41 Crore with respect to TCNS. The gross contractual amount for trade receivables due is ₹ 181.51 Crore with a loss allowance of ₹ 20.10 Crore.

The acquired business contributed revenues of ₹ 452.29 Crores and loss of ₹ 115.22 Crores for the period September 26, 2023 to March 31, 2024 to the group.

(ii) Subsidiaries acquired by Aditya Birla Digital Fashion Ventures Limited

On October 20, 2023, Aditya Birla Digital Fashion Ventures Limited ("ABDFVL"), wholly owned subsidiary of the Company, has entered into Shareholders Agreement ("SHA") and Share Subscription Agreement ("SSA") for acquisition of 51% stake of Styleverse Lifestyle Private Limited(The Indian Garage Co.) on a fully diluted basis. The said transaction was subject to customary closing conditions under the SHA and SSA. ABDFVL subsequently acquired 51% stake in SLPL on October 30, 2023, thereby making it subsidiary of ABDFVL. Management is in the process of completing the purchase price allocation for the purpose of determining the fair values of assets and liabilities acquired pursuant to the amalgamation. As per Ind AS 103, Business Combinations, management is permitted to complete the purchase price allocation within a period of 12 months from the date of transfer of control and retrospectively adjust the provisional amounts recorded for assets, liabilities and goodwill.

Details of the fair value of assets and liabilities taken over on acquisition and consideration paid by the Group has been explained in the table below:

	Fair value recognised on acquisition	
	₹ in Crore	₹ in Crore
Assets taken over		
Property, plant and equipment	6.48	
Other intangible assets	0.02	
Right-of-use assets	12.59	
Brand	118.60	
Inventories	67.10	
Trade receivables	130.30	
Other Currents assets	15.31	349.40
Liabilities taken over		
Deferred tax liabilities	29.85	
Lease liabilities	11.22	
Borrowings (Current)	19.98	
Trade Payable	144.35	
Provisions (current)	0.14	
Other current liabilities	2.64	208.18
Total identifiable net assets at fair value as at acquisition date (A)		141.22
Non-Controlling Interest (B)		110.84
Purchase consideration transferred (C)		55.00
Goodwill arising on acquisition (B+C-A)		24.62

Acquisitions during the year ended March 31, 2023

(i). Acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited

On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of Definitive Agreement and completion of closing conditions precedent to be set out in the Definitive Agreement and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent set out in the Definitive Agreement, HMLPL became a subsidiary of the Company.

Details of the fair value of assets and liabilities taken over on acquisition and consideration paid by the Group has been explained in the table below:

	Fair value recognised on acquisition	
	₹ in Crore	₹ in Crore
Assets taken over		
Property, plant and equipment	1.07	
Right-of-use assets	7.58	
Other assets	2.73	
Brand	37.20	
Deferred tax assets	0.10	
Cash and cash equivalents	55.60	104.28
Liabilities taken over		
Borrowings - current	2.20	
Deferred tax liabilities	9.36	
Lease liabilities	7.38	18.94
Total identifiable net assets at fair value as at acquisition date (A)		85.34
Company's share of net assets		44.76
Non-Controlling Interest (B)		40.58
Purchase consideration transferred (C)		90.00
Goodwill arising on acquisition (B+C-A)		45.24

(ii) Subsidiaries acquired by Aditya Birla Digital Fashion Ventures Limited

During the year ended March 31,2023 , Aditya Birla Digital Fashion Ventures Limited has signed definitive agreement and has acquired majority stake in below subsidiaries. Management has determined the value of all the identifiable assets and liabilities acquired. Management has also estimated an useful life of 10 years for the 'Nobero', 'Urbano' and 'Veirdo' brand. Non-controlling shareholder in these three entities holds the right to put the remaining equity interest to the company after the expiry of 4 years from date of acquisition.

Name of the subsidiary	Holding %	Effective date of becoming subsidiary
Pratyaya E-Commerce Private Limited (Nobero)	66.26%	July 22, 2022
Imperial Online Services Private Limited (Urbano)	55.00%	August 12, 2022
Awesomefab Shopping Private Limited (Veirdo)	55.00%	August 24, 2022
Bewakoof Brands Private Limited (Bewakoof)	85.17%	February 15, 2023

₹ in Crore

	Fair value recognised on acquisition			
	Bewakoof Brands Private Limited	Pratyaya E-Commerce Private Limited (Nobero)	Imperial Online Services Private Limited (Urbano)	Awesomefab Shopping Private Limited
Assets taken over				
Property, plant and equipment	11.22	0.10	0.15	1.54
Investment property	1.74	-	-	-
Right of use assets	1.34	-	0.45	-
Brand	109.80	6.30	20.50	25.70
Intangible assets	0.27	-	-	-
Deferred tax assets	0.49	0.03	0.01	-
Other financial assets - current	-	-	-	0.00
Other non-current assets	48.39	-	-	-
Inventories	35.70	0.99	9.22	8.96
Trade receivables	16.95	0.46	2.07	1.29
Cash and Cash Equivalents	0.66	12.37	0.00	1.33
Bank balances other than cash and cash equivalents	4.74	0.04	-	-
Other current assets	5.74	-	3.64	1.61
	237.04	**20.30**	**36.04**	**40.44**
Liabilities taken over				
Deferred tax liabilities	27.63	1.59	5.16	6.49
Borrowings - Non - current	-	9.61	-	2.00
Borrowings - current	54.18	0.76	4.18	-
Lease liabilities	1.51	-	0.45	-
Trade payables	62.23	3.71	4.63	5.67
Other financial liabilities	-	0.61	-	-
Provisions	1.02	0.79	1.52	2.55
Other current liabilities	21.81	0.13	-	-
	168.38	**17.20**	**15.92**	**16.71**
Total identifiable net assets at fair value as at acquisition date (A)	**68.66**	**3.10**	**20.12**	**23.73**
Company's share of net assets	**56.13**	**2.06**	**11.07**	**13.05**
Non-Controlling interest (B)	**12.53**	**1.05**	**9.05**	**10.68**
Purchase consideration transferred (C)	**109.10**	**5.70**	**17.88**	**20.53**
Goodwill arising on acquisition (B+C-A)	52.97	3.64	6.82	7.48

(iii) Business acquisition of Nauti Nati by by Aditya Birla Digital Fashion Ventures Limited

On December 23, 2022, ABDFVL acquired the Nauti Nati business from Omega Designs Private Limited, vide a Business Transfer Agreement.

Details of the fair value of assets and liabilities taken over on acquisition and consideration for acquisition of Nauti Nauti paid has been explained in the table below:

	Fair value recognised on acquisition ₹ in Crore
Property, plant and equipment	0.11
Brand	12.90
Current tax assets (non current)	0.05
Inventories	5.99
Current investments	0.05
Trade receivables	2.20
Cash and bank balance	0.17
Other assets	0.85
Total Assets	**22.32**
Trade payables	1.28
Borrowings - current	12.02
Provisions	0.22
Other liabilities	3.15
Total Liabilities	**16.67**
Total identifiable net assets at fair value as at acquisition date (A)	5.65
Purchase consideration transferred (B)	10.00
Goodwill arising on acquisition (B- A)	**4.35**

NOTE - 47b
INTEREST IN JOINT VENTURE

Goodview Fashion Private Limited is a joint venture of the Group which have been accounted as per equity method of accounting. Summarised financial information of the joint venture, based on its Ind AS financial statements is set out below:

(A) Goodview Fashion Private Limited (formerly known as Goodview Properties Private Limited) - Proportion of ownership interest

(a) Summarised Balance Sheet ₹ in Crore

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current assets		
Cash and cash equivalent	4.10	5.18
Other assets	51.00	32.63
Total Current assets (A)	**55.10**	**37.81**
Total Non-current assets (B)	**81.34**	**53.54**
Current liabilities		
Financial liabilities (excluding trade payables)	11.10	7.61
Other liabilities	21.74	24.29
Total Current liabilities (C)	**32.84**	**31.91**
Non Current liabilities		
Financial liabilities (excluding trade payables)	44.58	29.11
Other liabilities	1.06	0.76
Total Non-current liabilities (D)	**45.64**	**29.87**
Net assets (A+B-C-D)	**57.96**	**29.57**

(b) Summarised statement of profit and loss ₹ in Crore

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	148.00	104.58
Other income	2.70	0.67
Total Income	**150.70**	**105.24**
Cost of materials consumed	18.25	12.26
Changes in inventories of stock-in-trade	(5.01)	(1.84)
Employee benefits expense	21.82	17.43
Finance costs	4.50	3.29
Depreciation and amortisation expense	12.52	8.87
Other expenses	60.56	44.82
Total expenses	**112.64**	**84.83**
Profit/ (Loss) before tax for the Year/ Period	**38.06**	**20.41**
Income tax expense/(credit)	9.64	5.30
Profit/ (Loss) for the Year/ Period	**28.42**	**15.11**
Other comprehensive income for the period	(0.03)	(0.15)
Total comprehensive income for the Year/ period	**28.39**	**14.96**
Group's share of profit/(loss) after tax for the year/ period	**9.51**	**5.01**

The contingent liabilities of joint venture as at March 31, 2024 is Nil (March 31, 2023 : Nil) and capital commitments as at March 31, 2024 is amounting to ₹ 1.56 Crore (March 31, 2023 : ₹ 0.98 Crore)

On or after the expiry of 3 years from the Closing Date and till the expiry of 5 years from the Closing Date, the Company has right but not an obligation, to acquire all or such number of Promoter securities from the Promoter of Goodview Fashion Private Limited ('Goodview') so as to increase the shareholding to 51%. This is referred to as the Tranche 2 call option. The strike price for the Tranche 2 call option is based on a formula specified in the Share Purchase Agreement ('SPA'). The call option is exercisable at fair value which is based on a specific formula. Upon expiry of the 3 years period, the option became exercisable during the year ended March 31, 2024. The management has determined the price at which the Tranche 2 call option is exercisable is deeply out of the money and is expected to remain so for that two-year period. Accordingly, Goodview continues to be accounted as a joint venture in the consolidated financial statements for the year ended march 31, 2024.

Further, the agreement stipulates a simultaneous call and put option (the Company holds the call options and has written the put options), whereby, after the expiry of 10 years, in certain specified time periods, the Company can acquire, if it exercises the call option it holds, and will also be required to acquire, if Promoter exercises the put options the Company has written, all or such number of equity shares so as to increase its shareholding to 100%. These call and put options are to be exercised by acquiring/selling the said equity shares at fair value. Accordingly, the fair value of the option is Nil.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

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

NOTE - 48
RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:

Name of related parties
Joint Venture
Goodview Fashion Private Limited

Other related parties in which directors are interested
Aditya Birla Fashion and Retail Jan Kalyan Trust
Vyas Giannetti Creative Private Limited
Aditya Birla Management Corporation Private Limited
Indiginus Learning Private Limited

Post-employment benefit plans
Aditya Birla Fashion and Retail Limited - Employees Group Superannuation Scheme Trust
Aditya Birla Fashion and Retail Limited - Employees Group Gratuity Fund Trust

Key Management Personnel ("KMP")
Mr. Kumar Mangalam Birla - Chairman and Non-Executive Director
Mr. Himanshu Kapania - Vice Chairman and Non-Executive Director upto January 27, 2023
Mr. Ashish Dikshit - Managing Director
Mr. Vishak Kumar - Whole-time Director
Ms. Sangeeta Tanwani - Whole-time Director
Mr. Nish Bhutani - Independent Director
Ms. Preeti Vyas- Independent Director
Mr. Sunirmal Talukdar - Independent Director
Ms. Sukanya Kripalu - Independent Director
Mr. Yogesh Chaudhary - Independent Director
Mr. Arun Kumar Adhikari - Independent Director
Mr. Vikram Dondu Rao - Independent Director with effect from May 18, 2022
Mr. Pankaj Sood - Non-Executive Nominee Director with effect from September 20, 2022
Ms. Ananyashree Birla - Non-Executive Director with effect from January 30, 2023
Mr. Aryaman Birla - Non-Executive Director with effect from January 30, 2023
Mr. Jagdish Bajaj - Chief Financial Officer
Ms. Geetika Anand - Company Secretary till November 30, 2022
Mr. Anil Malik - Company Secretary with effect from December 01, 2022

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

₹ in Crore

	Year ended March 31, 2024			Year ended March 31, 2023		
	Joint Venture	KMP and Relative of KMP	Other related parties	Joint Venture	KMP and Relative of KMP	Other related parties
Sale of goods	-	-	0.63	-	-	0.64
Reimbursement of expenses paid to	-	-	52.23	-	-	36.72
Consultancy/designing services	-	-	0.01	-	-	0.07
Share in Profit after tax (including other comprehensive income) of Joint Venture	9.51	-	-	5.09	-	-
Contribution to trusts	-	-	6.02	-	-	5.08
Remuneration paid to KMP*	-	36.78	-	-	39.29	-

* Includes director sitting fees

Balances outstanding

₹ in Crore

	As at March 31, 2024		As at March 31, 2023	
	KMP and Relative of KMP	Other related parties	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	-	8.79	-	5.25
Deposits receivable	-	5.64	-	5.64

The above amounts are classified as security deposit receivable and trade payables (Refer Notes - 8 and 28 respectively).

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FRN 304026E/E300009
Bengaluru

ADITYA BIRLA FASHION AND RETAIL LIMITED

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

Disclosure as per Regulation 34 (3) and 53 (f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Disclosure of transactions with the entity belonging to the promoter/ promoter group holding 10% or more shareholding in the Company

Transactions during the financial year

₹ in Crore

Grasim Industries Limited	Year ended March 31, 2024	Year ended March 31, 2023
Reimbursement of expenses recovered from	2.12	2.11
Purchase of goods	13.01	59.34
Rental income	0.03	0.16
Sale of goods/gift vouchers	0.05	

Balances outstanding

₹ in Crore

Grasim Industries Limited	As at March 31, 2024	As at March 31, 2023
Amounts owed to entity	-	27.91
Amounts owed by entity	-	0.62

No amounts in respect of the related parties have been written off/ back during the year.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the year ended March 31, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key Managerial Personnel (KMP) of the Company

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	28.44	27.89
Post-employment benefits	1.51	2.13
Share-based payment	6.83	9.27
Total	**36.78**	**39.29**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key managerial personnel.

KMPs interests in the Employee Stock Options and RSUs

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2024	As at March 31, 2023
				Number outstanding	Number outstanding
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
Options - Tranche 1	September 08, 2017	September 07, 2026	178.30	3,00,128	4,12,677
Options - Tranche 3	February 2, 2018	February 1, 2027	163.60	-	-
Options - Tranche 4	April 18, 2018	April 17, 2027	150.80	45,019	45,019
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
Options - Tranche 1	December 02, 2019	December 01, 2028	225.25	7,07,728	7,07,728
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	4,03,274	4,03,274
Options - Tranche 4	August 05, 2022	August 03, 2030	275.10	3,05,970	3,05,970
Options - Tranche 5	September 20,2022	September 18,2030	330.75	2,05,224	2,05,224
Total				**19,67,343**	**20,79,892**
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
RSUs - Tranche 1	September 08, 2017	September 07, 2025	10.00	91,048	91,048
RSUs - Tranche 4	April 18, 2018	April 17, 2026	10.00	-	30,349
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
RSUs - Tranche 1	December 02, 2019	December 01, 2027	10.00	1,88,442	2,13,568
RSUs - Tranche 4	August 05, 2022	August 03, 2030	10.00	81,349	81,349
RSUs - Tranche 5	September 20,2022	September 18,2030	10.00	54,563	54,563
Total				**4,15,402**	**4,70,877**
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
Options - Tranche 2	August 18, 2021	August 17, 2027	206.35	2,90,919	2,90,919
Options - Tranche 4	November 03, 2021	November 03, 2027	288.10	2,04,546	2,04,546
Options - Tranche 5	August 05,2022	August 03, 2028	275.10	21,456	21,456
Options - Tranche 8	December 01, 2022	December 01, 2026	225.25	14,546	14,546
Total				**5,31,467**	**5,31,467**
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
RSUs - Tranche 2	August 18, 2021	August 17, 2027	10.00	92,964	92,964
RSUs - Tranche 4	November 03, 2021	November 03, 2027	10.00	56,533	56,533
RSUS - Tranche 5	August 05,2022	August 03, 2028	10.00	5,704	5,704
RSUS - Tranche 8	December 01, 2022	December 01, 2025	10.00	10,553	10,553
Total				**1,65,754**	**1,65,754**

NOTE - 49
GROUP INFORMATION

The consolidated financial statements of the Group include subsidiaries and joint venture listed in the table below:

Name of the entity	Relationship with Company	Country of Incorporation	Principal Activities	Proportion of ownership interest and voting power held by Parent	
				As at March 31, 2024	As at March 31, 2023
Jaypore E-Commerce Private Limited	Subsidiary	India	Retailing	100.00%	100.00%
Jayapore Inc.	Subsidiary	USA	Retailing	100.00%	NA
TG Apparel & Decor Private Limited	Subsidiary	India	Retailing	100.00%	100.00%
Jaypore Inc. (dissolved on September 21, 2020)	Subsidiary	USA	Retailing	NA	NA
Finesse International Design Private Limited	Subsidiary	India	Manufacturing and retailing	63.50%	58.69%
Sabyasachi Calcutta LLP	Subsidiary	India	Manufacturing and retailing	51.00%	51.00%
Sabyasachi Inc.	Subsidiary	USA	Retailing	51.00%	51.00%
Indivinity Clothing Retail Private Limited	Subsidiary	India	Manufacturing and retailing	80.00%	80.00%
House of Masaba Lifestyle Private Limited	Subsidiary	India	Retailing	52.44%	52.44%
Aditya Birla Garments Limited	Subsidiary	India	Manufacturing and distribution	100.00%	100.00%
Aditya Birla Digital Fashion Ventures Limited	Subsidiary	India	Retailing	100.00%	100.00%
Pratyaya E-Commerce Private Limited	Subsidiary	India	Retailing	76.03%	66.26%
Imperial Online Services Private Limited	Subsidiary	India	Retailing	60.96%	55.00%
Awesomefab Shopping Private Limited	Subsidiary	India	Manufacturing and retailing	54.97%	55.00%
Bewakoof Brands Private Limited	Subsidiary	India	Retailing	86.82%	85.17%
Next Tree Products Private Limited	Subsidiary	India	Retailing	86.82%	85.17%
Styleverse Lifestyle Private Limited	Subsidiary	India	Retailing	50.98%	NA
TCNS Clothing Company Limited	Subsidiary	India	Manufacturing and retailing	52.01%	NA
Goodview Fashion Private Limited	Joint Venture	India	Manufacturing and retailing	33.50%	33.50%

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

NOTE - 50
SEGMENT INFORMATION

During the current year, Management has reorganized and restructured its internal monitoring and operations review process, which resulted in a change in the operating and reportable segments. Pursuant to this, the business of the Group is divided into three business segments - Madura Fashion & Lifestyle, Pantaloons and Ethnic & Others. These segments are the basis for management decision and hence the basis for reporting. Management has restated the comparative previous year amounts to reflect the new reportable segments.

Based on the "management approach", as defined under Ind AS 108 - Operating segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates the resources based on the analysis of various performance indicators by business segments. Accordingly, the business of the Group is divided into three business segments, which are as follows:

Segments	Activities
Madura Fashion & Lifestyle	Manufacturing, distribution and retailing of branded fashion apparel and accessories
Pantaloons	Retailing of apparel and accessories
Ethnic & Others	Manufacturing, distribution and retailing of branded fashion apparel and accessories

Jaypore, TG Apparel, Finesse, Forever 21, Sabyasachi, Sabyasachi Inc., Indivinity, HMLPL, Aditya Birla Digital Fashion Ventures Limited and TCNS Clothing Company Limited businesses have been included in Ethnic & Others segment, considering all of these deals into branded apparel and accessories and is viewed as branded business. Aditya Birla Garments Limited considered part of Madura Fashion & Lifestyle.

Prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended March 31, 2024

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Ethnic and Others	Total Segments	Eliminations	Total
Revenue						
External customers	7,554.15	4,928.27	2,113.44	13,995.86	-	13,995.86
Inter-segment	239.57	-	76.60	316.17	(316.17)	-
Total revenue	**7,793.72**	**4,928.27**	**2,190.04**	**14,312.03**	**(316.17)**	**13,995.86**

Year ended March 31, 2024 and As at March 31, 2024

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Ethnic and Others	Total Segments	Corporate and eliminations	Total
Expenses/ (income)						
Depreciation and amortisation expense	696.04	643.84	315.36	1,655.23	-	1,655.23
Segment profit/ (loss)	591.73	(83.33)	(426.09)	82.31	(911.21)	(828.90)
Total assets	8,211.08	5,358.57	7,755.33	21,324.98	1,086.09	22,411.07
Total liabilities	7,130.74	3683.08	4,546.61	15,360.43	2,329.62	17,690.05
Other disclosures						
Capital expenditure	302.26	214.15	2,816.85	3,333.26	-	3,333.26

Year ended March 31, 2023

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Ethnic and Others	Total Segments	Eliminations	Total
Revenue						
External customers	7,311.04	4,110.93	995.93	12,417.90	-	12,417.90
Inter-segment	296.01	-	4.87	300.88	(300.88)	-
Total revenue	**7,607.05**	**4,110.93**	**1,000.80**	**12,718.78**	**(300.88)**	**12,417.90**

Year ended March 31, 2023 and As at March 31, 2023

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Ethnic and Others	Total Segments	Corporate and eliminations	Total
Expenses/ (income)						
Depreciation and amortisation expense	594.09	519.20	113.67	1,226.96	-	1,226.96
Segment profit/ (loss)	453.29	98.65	(167.97)	383.97	(466.41)	(82.44)
Total assets	7,318.04	5,254.94	3,396.65	15,969.63	1,071.65	17,041.28
Total liabilities	6,741.18	3,640.07	2,614.56	12,995.81	699.47	13,695.28
Other disclosures						
Capital expenditure	469.13	279.48	513.37	1,261.98	-	1,261.98

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Eliminations' column. All Eliminations are part of detailed reconciliations presented further below.

Corporate and eliminations

Finance income and costs are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to these segments as they are also managed on a Group basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets including assets from acquisition of subsidiaries.

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

Reconciliation of amounts reflected in the consolidated financial statements:

Reconciliation of profit

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Segment profit/(loss)	82.31	383.97
Other unallocable (expenditure)/ income (net)	(14.31)	24.41
Finance costs (Refer Note - 36)	(876.61)	(472.36)
Inter-segment (loss)/ profit on sales (elimination)	(33.04)	(25.30)
Share in loss of Joint Venture	12.75	6.84
Loss before tax	(828.90)	(82.44)

Reconciliation of assets

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Segment operating assets	21,324.98	15,969.63
Cash and cash equivalents	77.21	589.95
"Deferred tax assets (net)	373.96	316.61
Non-current tax assets (net)	1.06	0.52
Investment in Joint Venture (Refer Note - 6a)	83.09	73.58
Non-current investments (Refer Note - 6b)	21.03	10.57
Current Investments	461.85	150.02
Other corporate assets	124.26	58.50
Inter-segment eliminations	(56.37)	(128.10)
Total	22,411.06	17,041.28

Reconciliation of liabilities

₹ in Crore

	As at March 31, 2024	As at March 31, 2023
Segment operating liabilities	15,360.43	12,995.81
Current borrowings	945.69	250.00
Non-current borrowings	1,018.24	398.96
Current maturities of long-term borrowings	399.14	324.01
Interest accrued but not due on borrowings	50.30	43.79
Other corporate liabilities	229.82	(172.05)
Inter-segment eliminations	(313.57)	(145.23)
Total	17,690.05	13,695.28

Other information required by IND AS 108

₹ in Crore

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from customers outside India	292.78	242.50
Revenue from customers within India	13,703.08	12,175.40
Total	13,995.86	12,417.90

(i) Non current assets excluding Financial Instrument, Deferred tax assets, Investment accounted using equity method amounting to ₹ 12,069.51 Crore (March 31, 2023: ₹ 8,623.07 Crore) are held within India and ₹ 64.74 Crore (March 31, 2023: ₹ 75.19 Crore) are held outside India.

(ii) No single customer or customer group has accounted for more than 10% of the external revenues during the current and previous year.

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2024

NOTE - 51
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

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

As at March 31, 2024

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 13)	880.71	21.03	-	901.74	880.71	-	21.03
Loans (Refer Notes - 7 and 14)	-	-	11.00	11.00	-	-	-
Security deposits (Refer Notes - 8 and 15)	-	-	637.68	637.68	-	-	-
Trade receivables (Refer Note - 16)	-	-	1,278.81	1,278.81	-	-	-
Cash and cash equivalents (Refer Note - 17)	-	-	454.03	454.03	-	-	-
Bank balance other than Cash and cash equivalents (Refer Note - 18)	-	-	8.36	8.36	-	-	-
Other financial assets (Refer Notes - 9 and 19)	-	-	427.67	427.67	-	-	-
Derivative contracts (Refer Note - 9 and 19)	0.46	-	-	0.46	0.46	-	-
Total	**881.17**	**21.03**	**2,817.55**	**3,719.75**	**881.17**	**-**	**21.03**
Financial liabilities							
Non-current borrowings (Refer Note - 23)	-	-	2,511.56	2,511.56	-	-	-
Current borrowings (Refer Note - 27)	-	-	1,693.62	1,693.62	-	-	-
Deposits	-	-	557.14	557.14	-	-	-
Trade payables (Refer Note - 28)	-	-	4,135.66	4,135.66	-	-	-
Other financial liabilities (Refer Notes - 24 and 29)	-	-	913.43	913.43	-	-	-
Derivative contracts (Refer Note - 29)	0.28	-	-	0.28	0.28	-	-
Non-controlling interest put option (Refer Note - 24)	907.44	-	-	907.44	-	-	907.44
Total	**907.72**	**-**	**9,811.41**	**10,719.13**	**0.28**	**-**	**907.44**

As at March 31, 2023

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 13)	182.43	10.57	-	193.00	182.43	-	10.57
Loans (Refer Notes - 7 and 14)	-	-	11.19	11.19	-	-	-
Security deposits (Refer Notes - 8 and 15)	-	-	531.40	531.40	-	-	-
Trade receivables (Refer Note - 16)	-	-	886.44	886.44	-	-	-
Cash and cash equivalents (Refer Note - 17)	-	-	692.69	692.69	-	-	-
Bank balance other than Cash and cash equivalents (Refer Note - 18)	-	-	8.37	8.37	-	-	-
Other financial assets (Refer Notes - 9 and 19)	-	-	314.72	314.72	-	-	-
Derivative contracts (Refer Note - 9 and 19)	1.37	-	-	1.37	1.37	-	-
Total	**183.80**	**10.57**	**2,444.81**	**2,639.18**	**183.80**	**-**	**10.57**
Financial liabilities							
Non-current borrowings (Refer Note - 23)	-	-	1,507.62	1,507.62	-	-	-
Current borrowings (Refer Note - 27)	-	-	797.90	797.90	-	-	-
Deposits	-	-	443.13	443.13	-	-	-
Trade payables (Refer Note - 28)	-	-	3,846.12	3,846.12	-	-	-
Other financial liabilities (Refer Notes - 24 and 29)	-	-	885.36	885.36	-	-	-
Derivative contracts (Refer Note - 29)	4.65	-	-	4.65	4.65	-	-
Non-controlling interest put option (Refer Note - 24)	724.08	-	-	724.08	-	-	724.08
Total	**728.73**	**-**	**7,480.13**	**8,208.86**	**4.65**	**-**	**724.08**

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The carrying value of investment made in joint venture as at March 31, 2024 is ₹ 83.09 Crore (March 31, 2023: ₹ 73.58 Crore) and are measured at cost.

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

Key inputs for level 1 and 3 fair valuation techniques

a) Derivative contracts:
i) Forward contracts: Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Company (level 1)
b) Non-controlling interest put option :
i) Option contracts: Fair value of option contracts is determined basis valuation performed by independent valuer appointed by the Company (level 3)
c) Investment:
i) Unquoted equity instruments: Valuation has been done by considering the net worth of the company to arrive at the fair value (level 3)
ii) Quoted investments: Valuation has been done based on market value of the investment i.e. fair value (level 1)

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

Financial instruments measured at fair value

₹ in Crore

Particulars	Fair Value as at March 31, 2024	Significant unobservable inputs	Fair Value as at March 31,2024		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Non-controlling interest put option	907.44	Risk adjusted discount rate	872.72	942.49	Increase in discount rate by 0.50% would decrease the fair value by ₹ 34.72 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 35.05 Crore.
		EBITDA margin projection	929.21	884.70	Increase in EBITDA margin by 0.50% would increase the fair value by ₹ 21.77 Crore and decrease in EBITDA margin by 0.50% would decrease the fair value by ₹ 22.74 Crore.
		Revenue projection	947.20	867.95	Increase in revenue by 0.50% would increase the fair value by ₹ 39.76 Crore and decrease in revenue by 0.50% would decrease the fair value by ₹ 39.49 Crore.

B. Risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market risk

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

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

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant.

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

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

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i) Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2024, approximately 87% of the Group's borrowings are at a fixed rate of interest (March 31, 2023: 83%).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Group's profit/ (loss) before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2024		As at March 31, 2023	
Basis points (%)	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax ₹ in Crore	(4.56)	4.56	(2.00)	2.00

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

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities denominated in foreign currency.

The Group manages foreign currency risk by hedging its transactions using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months. As at March 31, 2024, the Group has hedged 41% (March 31, 2023: Nil) of its receivables in foreign currency and 109% (March 31, 2023: 95%) of its payables in foreign currency.

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

As at March 31, 2024	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	USD	3.92	327.50
	EURO	0.00	0.41

As at March 31, 2024	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to sell (Hedge of receivables)	USD	0.31	26.13

As at March 31, 2023	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	USD	4.77	397.09

The details of unhedged foreign currency exposure as at the Consolidated Balance Sheet date are as follows:

As at March 31, 2024	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	USD	0.05	4.29
	EURO	0.05	4.48
	GBP	0.10	10.79
	AUD	0.00	0.03
	DINAR	0.00	0.01
	AED	0.01	0.14
Trade receivables	USD	0.29	24.16
	EURO	0.07	6.23
	HKD	0.02	0.18
	GBP	0.07	7.71
Bank balances	USD	-	-
	CNY	0.03	0.30
	BDT	0.22	0.16

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As at March 31, 2023	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	USD	0.02	1.89
	EURO	0.11	9.70
	GBP	0.07	7.48
	HKD	-	-
Trade receivables	USD	0.26	21.39
	EURO	0.16	14.69
	HKD	0.06	0.63
	GBP	0.09	9.58
Bank balances	USD	-	-
	CNY	0.02	0.27
	BDT	0.33	0.25

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Group's loss before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Basis points (%)	As at March 31, 2024		As at March 31, 2023	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax ₹ in Crore	(0.14)	0.14	(0.01)	0.01

b) Credit risk

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

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

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

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

Trade receivables

Customer credit risk is managed by each business unit, subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2024, the Group has 41 customers (March 31, 2023: 21 customers) that owed the Group more than ₹ 5 Crore each and accounts for approximately 76% (March 31, 2023: 86%) of all the receivables outstanding. There are 225 customers (March 31, 2023: 114 customers) with balances greater than ₹ 0.50 Crore each and accounts for approximately 15% (March 31, 2023: 12%) of the total amounts receivable.

An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on losses from historical data.

The Group's maximum exposure to credit risk for the components of the Consolidated Balance Sheet as at March 31, 2024 and March 31, 2023, is the carrying amount as provided in Note - 16.

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c) Liquidity risk

The Group monitors its risk of shortage of funds. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. Approximately, 40% of the Group's debt will mature in less than one year as at March 31, 2024 (March 31, 2023: 37%) based on the carrying value of borrowings reflected in the Consolidated financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to various sources of funding.

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

As at March 31, 2024

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	1,836.83	2,618.98	300.50	4,756.31
Cumulative redeemable preference shares	-	1.11	-	1.11
Lease liabilities	1,512.43	3,989.58	938.37	6,440.38
Other financial liabilities	426.06	1,164.11	960.41	2,550.58
Deposits	276.98	280.16	-	557.14
Trade payables	4,135.66	-	-	4,135.66
Total	8,187.96	8,053.94	2,199.28	18,441.18

As at March 31, 2023

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	900.73	1,801.90	0.03	2,702.66
Cumulative redeemable preference shares	0.50	0.01	-	0.51
Lease liabilities	1,238.55	3,315.08	607.81	5,161.44
Other financial liabilities	497.00	189.05	1,893.71	2,579.76
Deposits	189.91	253.22	-	443.13
Trade payables	3,846.12	-	-	3,846.12
Total	6,672.81	5,559.26	2,501.55	14,733.62

*Includes interest

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations, to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group is leader in apparels in the country and has a diversified portfolio of brands.

d) Price risk

The Group invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Group has invested, such price risk is not significant.

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NOTE - 52
CAPITAL MANAGEMENT

The Group's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Group is to borrow funds through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Group (debts excludes lease liabilities):

		₹ in Crore
	As at March 31, 2024	As at March 31, 2023
Short-term debts (including current maturities of long-term borrowings)	1,693.62	797.90
Long-term debts	2,511.56	1,507.62
Total borrowings	**4,205.18**	**2,305.52**
Total - Equity (Including Non-controlling interest)	4,721.01	3,346.00

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

The Group has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings taking into consideration the waiver of compliance with one financial covenant by the Trustees of the Debentures issued by the Company.

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

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NOTE - 53
ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

Year ended March 31, 2024 and As at March 31, 2024

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Parent								
Aditya Birla Fashion and Retail Limited	106.95%	5,048.97	24.15%	(177.73)	50.00%	(1.05)	24.22%	(178.78)
Subsidiaries								
Jaypore E-Commerce Private Limited*	0.12%	5.73	7.75%	(57.02)	-15.24%	0.32	7.68%	(56.70)
TG Apparel & Decor Private Limited	-0.02%	(0.92)	0.04%	(0.26)	0.00%	-	0.04%	(0.26)
Finesse International Design Private Limited	0.27%	12.63	1.88%	(13.86)	3.33%	(0.07)	1.89%	(13.93)
Sabyasachi Calcutta LLP*	19.83%	936.05	-4.30%	31.61	19.52%	(0.41)	-4.23%	31.20
Indivinity Clothing Retail Private Limited	0.45%	21.26	22.19%	(163.31)	15.71%	(0.33)	22.17%	(163.64)
House of Masaba Lifestyle Private Limited	0.50%	23.56	3.08%	(22.69)	0.95%	(0.02)	3.08%	(22.71)
Aditya Birla Garments Limited	0.57%	27.10	0.53%	(3.91)	1.43%	(0.03)	0.53%	(3.94)
TCNS Clothing Co. Ltd.	6.43%	303.33	15.66%	(115.22)	20.95%	(0.44)	15.67%	(115.66)
Aditya Birla Digital Fashion Ventures Limited*	5.02%	236.86	28.57%	(210.27)	2.38%	(0.05)	28.50%	(210.32)
Adjustments arising out of consolidation	-40.11%	(1,893.56)	0.44%	(3.25)	0.95%	(0.02)	0.44%	(3.27)
Total	**100.00%**	**4,721.01**	**100.00%**	**(735.91)**	**100.00%**	**(2.10)**	**100.00%**	**(738.01)**
Non-controlling interest in subsidiary		**687.23**		**(107.89)**		**(0.51)**		**(108.40)**
Finesse International Design Private Limited		4.61		(5.68)		(0.02)		(5.70)
TCNS Clothing Co. Ltd.		682.62		(55.23)		(0.21)		(55.44)
Sabyasachi Calcutta LLP		-		15.49		(0.21)		15.28
Indivinity Clothing Retail Private Limited		-		(32.66)		(0.07)		(32.73)
House of Masaba Lifestyle Private Limited		-		(10.78)		(0.00)		(10.78)
Aditya Birla Digital Fashion Ventures Limited		-		(19.03)		-		(19.03)
Total		**4,033.78**		**(628.02)**		**(1.59)**		**(629.61)**

Year ended March 31, 2023 and As at March 31, 2023

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Parent								
Aditya Birla Fashion and Retail Limited	113.18%	3,786.89	-222.84%	132.52	65.16%	1.59	-235.16%	134.11
Subsidiaries								
Jaypore E-Commerce Private Limited*	1.12%	37.42	60.52%	(35.99)	10.25%	0.25	62.67%	(35.74)
TG Apparel & Decor Private Limited	-0.02%	(0.67)	0.35%	(0.21)	-	-	0.37%	(0.21)
Finesse International Design Private Limited	0.20%	6.56	19.51%	(11.60)	2.87%	0.07	20.22%	(11.53)
Sabyasachi Calcutta LLP*	27.04%	904.86	-13.38%	7.96	30.74%	0.75	-15.27%	8.71
Indivinity Clothing Retail Private Limited	2.54%	84.90	113.81%	(67.68)	6.56%	0.16	118.39%	(67.52)
House of Masaba Lifestyle Private Limited	1.38%	46.27	18.56%	(11.04)	-6.97%	(0.17)	19.66%	(11.21)
Aditya Birla Garments Limited	0.33%	11.04	6.66%	(3.96)	0.00%	-	6.94%	(3.96)
Aditya Birla Digital Fashion Ventures Limited*	7.15%	239.17	97.43%	(57.94)	-6.15%	(0.15)	101.86%	(58.09)
Adjustments arising out of consolidation	-52.91%	(1,770.44)	19.39%	(11.53)	-2.46%	(0.06)	20.32%	(11.59)
Total	**100.00%**	**3,346.00**	**100.00%**	**(59.47)**	**100.00%**	**2.44**	**100.00%**	**(57.03)**
Non-controlling interest in subsidiary		**2.71**		**(23.47)**		**0.08**		**(23.39)**
Finesse International Design Private Limited		2.71		(4.80)		0.03		(4.77)
Sabyasachi Calcutta LLP		-		3.90		0.10		4.00
Indivinity Clothing Retail Private Limited		-		(13.54)		0.03		(13.51)
House of Masaba Lifestyle Private Limited		-		(5.25)		(0.08)		(5.33)
Aditya Birla Digital Fashion Ventures Limited		-		(3.78)		-		(3.78)
Total		**3,343.29**		**(36.00)**		**2.36**		**(33.64)**

*** Includes details of step down subsidiaries**

NOTE - 54
ACQUISTION OF REEBOK INDIA BUSINESS

On February 28, 2022, Aditya Birla Fashion and Retail Limited entered into a commercial agreement with Authentic Brands Group LLC and has obtained exclusive rights to distribute Reebok footwear and apparel in India, Bangladesh, Bhutan, Maldives, Nepal and Sri-Lanka. The agreement became effective from October 1, 2022 upon signing of the Local Asset Deal Agreement.
As part of the commercial agreement, the Company is required to pay royalty for sale of Reebok footwear and apparel in the aforesaid territories including a minimum contractual royalty payable over the 20-year life of the agreement. The Company has recognised under "Licence Rights", the distribution rights for the Reebok products at the present value of the minimum royalty payable amounting to Rs.497 crores with a corresponding financial liability. Distribution right has been amortised over the term of commercial agreement.

Note 55: Summary of other accounting policies

a) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents assets, liabilities, income and expenses which relate to the Group as a whole and are not allocated to the segments.

Inter-segment transfers

The Group generally accounts for inter-segment sales at arm's length basis in a manner similar to transactions with third parties.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income, expense and other common assets and liabilities which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

b) Fair value measurements and hierarchy

The Group measures financial instruments, such as investments (other than equity investments in joint ventures) and derivatives at fair value at each Consolidated Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability; or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

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- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

c) Foreign currencies

Transactions and balances:

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Consolidated Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Consolidated Statement of Profit and Loss are also reclassified in OCI or the Consolidated Statement of Profit and Loss, respectively).

For the purposes of presenting these consolidated financial statements, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Indian Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences arising on translation for consolidation are recognised in OCI and accumulated in other equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

d) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with:

- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- When the grant relates to an asset, it is recognised as income in Statement of Profit and Loss in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, at a below-market rate of interest, the effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised and measured at fair value, and the government grant is measured as the differencebetween the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.

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e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Consolidated Statement of Profit and Loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interestcosts.

f) Taxes

Current tax

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

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

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

Deferred tax

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

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

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.

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Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

The Group had adopted the new tax regime in the Financial Year 2019-20 under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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

g) Property, plant and equipment

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes borrowing costs for long-term construction projects, if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss, during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any.

Based on managements' assessment, items of property, plant and equipment individually costing less thanfive thousand rupees, are depreciated within one year from the date the asset is ready to use or useful lifeof class of asset to which these assets belong.

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

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

h) Investment properties

Investment property is freehold land and structure, held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Group measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes. Fair value is determined on the basis of assessable market value of the property as per rate specified by Government Authority. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Consolidated Statement of Profit and Loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment properties the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

i) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Consolidated Statement of Profit and Loss, in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and changes if any, made on prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss.

Intangible assets with indefinite useful life are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

j) Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

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Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

At the acquisition date, goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment annually as at reporting date. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

k) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGUs) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rates, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired

and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually as at reporting date. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss.

Reversal of impairment losses except on goodwill is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

l) Financial instruments

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

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

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Financial assets and financial liabilities are initially measured at fair value, except for trade receivables which do not contain significant financing component are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Consolidated Statement of Profit and Loss are recognised immediately in the Consolidated Statement of Profit and Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories:

(a) Non-derivative financial assets

(i) Financial assets at amortised cost

Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

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

Effective Interest Rate (EIR) method:

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in the Consolidated Statement of Profit and Loss and is included in the 'Other income' line item.

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Financial assets included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the Consolidated Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Consolidated Statement of Profit and Loss.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (refer above) are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(iv) Equity investments

All equity investments (other than investments in joint ventures) are measured at fair value as per Ind AS 109. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group has an irrevocable election to present in other comprehensive

income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Impairment of financial assets:

The Group applies simplified approach of expected credit loss model for recognising impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Expected credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportableinformation, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the Consolidated Balance Sheet.

(b) Non derivative financial liabilities

(i) Classification as debt or equity
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(1) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are

recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(2) Compound financial instruments:

The component parts of compound financial instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

(3) Financial liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading, if:

- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss.

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the Consolidated Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in the Consolidated Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in the Consolidated Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in other comprehensive income under other equity and are not subsequently reclassified to the Consolidated Statement of Profit and Loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

(ii) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Consolidated Statement of Profit and Loss as 'Finance costs'.

(iii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Consolidated Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Consolidated Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Consolidated Statement of Profit and Loss.

De-recognition of financial assets and financial liabilities

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss.

On de-recognition of a financial asset other than in its entirety (for example: when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount ofthe financial asset between the part it continues to recognise under continuing involvement and the part it no

longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the ConsolidatedStatement of Profit and Loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group de-recognises financial liabilities only when the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable

to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial

liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

m) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and options contract in accordance with agreement, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the Consolidated Statement of Profit and Loss when the hedge item affects the Consolidated Statement of Profit and Loss or treated as basis adjustment, if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

n) Inventories

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates.

o) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group (Refer Note – 46).

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

p) Interest income

Interest income on all debt instruments is measured at amortised cost. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

q) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(b) Defined contribution plan

The Group makes defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the Consolidated Statement of Profit and Loss, on accrual basis. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Group operates a defined benefit gratuity plan in India. The Group contributes to a gratuity fund maintained by an independent insurance company. The Group's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Consolidated Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the Consolidated Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Consolidated Statement of Profit and Loss.

(d) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for

compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation in the Consolidated Statement of Profit and Loss.

The Group presents the entire leave as a current liability in the Consolidated Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

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r) Share-based payment

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

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

No expense is recognised for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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

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

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve. Share options exercised during the reporting period are settled with treasury shares.

s) Earnings per share

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

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, consideredin ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

t) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance Sheet and for the purpose of the Consolidated Statement of Cash Flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

NOTE - 56

SETTING UP OF SUBSIDIARIES/JOINT VENTURES

a) On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C") business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means. Thus on April 11, 2022 Aditya Birla Digital Fashion Ventures Limited a wholly owned subsidiary of the Company was set up to carry on the "D2C" business.

b) Aditya Birla Garments Limited a manufacturing plant set up under the PLI scheme was incorporated as a wholly owned subsidiary of the Company with effect from June 15, 2022.

NOTE - 57

ACQUISITION OF TCNS CLOTHING COMPANY LIMITED

On May 5, 2023, the Board of Directors of the Company approved acquisition of TCNS Clothing Co. Ltd. (" TCNS"), subject to requisite regulatory approvals. On August 31, 2023, the Company completed the acquisition of 1,87,12,577 equity shares constituting 29% of the Expanded Share Capital of TCNS (as defined in the letter of offer for the Open Offer) pursuant to the open offer. On September 26, 2023, the Company completed the acquisition of 1,41,95,748 equity shares constituting 22% of the Expanded Share Capital of TCNS pursuant to the Share Purchase Agreement dated May 5, 2023 ("SPA").

Pursuant to the completion of the Open Offer and acquisition of shares as specified in the SPA, the Company acquired 51% of the Expanded Share Capital, thereby acquired control over TCNS. The Company has also become Promoter of TCNS w.e.f. September 26, 2023.

The Company has received No Objection from BSE Limited and National Stock Exchange of India Limited vide letters dated March 14, 2024 and March 15, 2024 respectively for the amalgamation of TCNS Clothing Co. Limited ("TCNS") with the Company. The Company and TCNS have filed Joint Company Application on March 15, 2024. with Hon'ble National Company Law Tribunal ("NCLT") for further directions. Pursuant to the direction of NCLT, meeting of the equity shareholders of the Company and TCNS is scheduled to be held on June 05, 2024.

NOTE - 58

ACQUISITION OF MAJORITY STAKE IN 'HOUSE OF MASABA LIFESTYLE PRIVATE LIMITED' ("HMLPL")

On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, HMLPL became a subsidiary of the Company.

NOTE - 59

ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated on or are pending against the Group under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Parent, Subsidiaries and a Joint Venture in India have complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) WILFUL DEFAULTER

The Parent, Subsidiaries and a Joint Venture in India have not been declared as wilful defaulters by any banks or financial institutions or government or any government authority.

(v) UNDISCLOSED INCOME

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

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(vi) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS), INTANGIBLE ASSETS AND INVESTMENT PROPERTY

The Group has not revalued its Property, Plant and Equipment (Including Right-of-use assets),Intangible assets and Investment Property during the current or previous year.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No. : 205657

Place: Mumbai
Date : May 28 2024

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 28 2024

SANGEETA TANWANI
(Whole-time Director)
(DIN: 03521646)
Place: Mumbai
Date : May 28 2024

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 28 2024

ANIL MALIK
(Company Secretary)
(M.No.: A11197)

Place: Mumbai
Date : May 28 2024

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Fashion and Retail Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Aditya Birla Fashion and Retail Limited (hereinafter referred to as the "Holding Company") which includes the financial statements of ABFRL Employee Welfare Trust and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (refer Note 49 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss for the year ended March 31, 2023 (including other comprehensive income), the Consolidated Statement of Changes in Equity for the year ended March 31, 2023 and the Consolidated Statement of Cash Flows for the year ended March 31, 2023, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its joint venture as at March 31, 2023, consolidated total comprehensive loss (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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INDEPENDENT AUDITOR'S REPORT
To the Members of Aditya Birla Fashion and Retail Limited
Report on the Consolidated Financial Statements

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill (Refer Note 5 to the Consolidated Financial Statements) The Group has recognised goodwill of Rs.2,329.70 crores as at March 31, 2023. The goodwill was acquired in business combinations recorded in the current and previous years and was allocated to cash generating units (CGU) identified by the Group. In accordance with Ind AS 36, *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment annually. Management has performed impairment assessment for each of the CGUs to which goodwill has been allocated by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU which is higher of value in use and fair value less costs of disposal. Impairment assessment of goodwill requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill is considered to be a key audit matter.	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Holding Company's controls to assess impairment of goodwill on an annual basis. • Evaluated whether the CGUs were determined and the goodwill allocation was performed in accordance with requirements of Ind AS 36 and our knowledge of the Group's operations. • Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount of the CGU. • Evaluated the objectivity, competency and independence of the management expert engaged by the Holding Company. • Assessed the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis and evaluated the consistency of the cashflow projections with the budgets approved by the Board of Directors of the Holding Company, Board of Directors of the subsidiary companies and Partners of a Limited Liability Partnership (LLP) (accounted as a subsidiary). • Evaluated the sensitivity analysis performed by management on the growth rates and discount rates to determine whether reasonable changes in these key assumptions would result in the carrying amounts of individual CGUs to exceed their recoverable amounts. • Involved auditor's expert to assist in evaluating the impairment assessment including certain assumptions used. • Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements. Based on procedures above, management's impairment assessment of goodwill appears to be reasonable.

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Provision for Inventory obsolescence (Refer Notes 12 and 41(f) to the Consolidated Financial Statements) The Group held inventories of Rs.4,214.38 crores as at March 31, 2023. In accordance with Ind AS 2, *Inventories*, inventories are carried at lower of cost or net realizable value. The Group operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost. Management has a policy to recognize provisions for inventory considering assessment of future trends and the Group's past experience related to its ability to liquidate the aged inventory. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimates.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for inventory obsolescence. • Evaluated the methodology used by the management to determine the provision for inventory obsolescence and determined whether the method is consistent with that applied in the prior year. • Assessed whether the changes in the methodology (if any) are reasonable and consistent with our understanding of the changes in the business. • Evaluated the ageing report including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Group's policy. • Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis. • Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provision for inventory obsolescence.
Provisions for discount and sales returns (Refer Note 41(g) to the Consolidated Financial Statements) The Group has recognised provisions for unsettled discounts and sales returns amounting to Rs.389.15 crores and Rs.534 crores respectively, as at March 31, 2023. Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer. Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for discounts and sales returns. • Evaluated the periodic account reconciliations prepared by the management during the year. • Evaluated the management estimates and judgements in determining the provision for discounts and sales returns and assessed whether the same is consistent with the prior year.

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The estimate of sales returns and discounts depends on contract terms, forecasts of sales volumes and past history of quantum of returns. The expected returns and discounts that have not yet been settled with the customers are estimated and accrued. Determination of provisions for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.	• Evaluated the contract terms for a sample of customer contracts to assess the reasonableness of the provision for discounts and returns and determine whether the same is in line with terms of the contract. • Verified credits notes issued to customers on a sample basis and assessed the validity of claims with the underlying documents and appropriate approvals. • Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provisions for discount and sales returns.

5. The following Key Audit Matter was included in the memorandum of work performed dated May 11, 2023, on the Consolidated Financial Statements of Sabyasachi Calcutta LLP, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants reproduced by us as under:

Key Audit Matter	How the work of the Component auditor addressed the key audit matter
Impairment assessment of indefinite life intangible asset Sabyasachi Calcutta LLP has an Intangible Asset being 'Brand' amounting to Rs.623.26 crores as at March 31, 2023 which was recognized in previous year on reconstitution of the Limited Liability Partnership. Sabyasachi Calcutta LLP's management has engaged independent valuation expert to perform impairment assessment of brand with indefinite useful life by determining their recoverable amount using the value in use method. Impairment assessment of brand with indefinite useful life is considered as a key audit matter since it requires estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates which are subjective and sensitive to changes in economic conditions.	The audit procedures included the following: • Understood the Sabyasachi Calcutta LLP's management process of forecasting the future cash flows, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data, wherever necessary. • Assessed that the methodology used by Sabyasachi Calcutta LLP's management to estimate the value in use of the brand is consistent with accounting standards and is in line with the valuation standards applicable in India. • Involved auditor's expert to assess the methodologies used by Sabyasachi Calcutta LLP's management to determine the recoverable amount of the Intangible Asset. • Evaluated the Sabyasachi Calcutta LLP management's determination that no re-estimation of the useful life of the brand is considered necessary at the year end.

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	• Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements of Sabyasachi Calcutta LLP. Based on procedures above, management's impairment assessment of the brand appears to be reasonable.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

   In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated changes in equity of the Group and its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies, trustees of a trust and Partners of a LLP included in the Group and Board of Directors of a joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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8. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies, trustees of a trust and Partners of a LLP included in the Group and Board of Directors of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies, trustees of a trust and Partners of a LLP included in the Group and Board of Directors of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    a) Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

    b) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

    c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

    e) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of 8 subsidiaries (including step down subsidiaries) whose financial statements reflect total assets of Rs.1,574.43 crores and net assets of Rs.1,025.58 crores as at March 31, 2023, total revenue of Rs.493.79 crores, total net loss after tax of Rs.6.40 crores, total comprehensive loss (comprising of loss and other comprehensive income) of Rs.5.85 crores and net cash outflows amounting to Rs. 33.15 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint venture– Refer Note 25 and Note 46 to the Consolidated Financial Statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2023.

iii. During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, and its joint venture incorporated in India.

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iv. (a) The respective Managements of the Holding Company and its subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and a joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and a joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries and a joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company, its subsidiary companies, and joint venture, has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group and its joint venture, is applicable to the Group and its joint venture only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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18. The Group and its joint venture have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

    The following matter as included in the auditor's report dated May 16, 2023 issued on the financial statements of Aditya Birla Digital Fashion Ventures Limited, a subsidiary of the Holding Company is reproduced as under:

    "Managerial remuneration of Rs.1.87 crores paid by the Company to its whole-time director is in excess of the limits specified in Section 197 read with Schedule V to the Act. The Company proposes to obtain requisite approvals from the shareholders at the ensuing Annual General Meeting with respect to excess managerial remuneration paid/ payable."

    The following matter as included in the auditor's report dated May 11, 2023 issued on the financial statements of Bewakoof Brands Private Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants is reproduced as under:

    "In our opinion, according to information, explanations given to us, the Company is a deemed public company in accordance with Section 2(71) of the Act with effect from February 15, 2023. The remuneration paid by the Company to its Director has exceeded the pro-rated limits specified in Section 197 of the Act read with Schedule V of the Act and rules thereunder by Rs.0.30 crores which is accounted for as recoverable from the Director in accordance with the provisions of Section 197 of the Act. However, the management of the Company intends to seek requisite approvals from the shareholders with respect to the excess managerial remuneration paid at the ensuing annual general meeting."

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 23203637BGXOZB4286

Place: Mumbai
Date: May 22, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Aditya Birla Fashion and Retail Limited on the Consolidated Financial Statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of Aditya Birla Fashion and Retail Limited (hereinafter referred to as "the Holding Company") as of that date. Reporting under Clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to the subsidiaries incorporated in India namely Jaypore E-commerce Private Limited, TG Apparel & Decor Private Limited, Indivinity Clothing Retail Private Limited, Finesse International Design Private Limited, Next Tree Products Private Limited and House of Masaba Lifestyle Private Limited pursuant to MCA notification GSR 583(E) dated 13 June 2017. Reporting on adequacy of internal financial controls with reference to financial statements is also not applicable to Sabyasachi Calcutta LLP, a subsidiary of the Holding Company, since it is not required to comply with the requirements of the provisions of the Companies Act, 2013.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, and its joint venture, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to Consolidated Financial Statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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Annexure A to Independent Auditor's Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Aditya Birla Fashion and Retail Limited on the Consolidated Financial Statements for the year ended March 31, 2023

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

6. A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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Bengaluru

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Aditya Birla Fashion and Retail Limited on the Consolidated Financial Statements for the year ended March 31, 2023

Other Matter

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to 4 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 23203637BGXOZB4286

Place: Mumbai
Date: May 22, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of Aditya Birla Fashion and Retail Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2023

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies to whom requirements of CARO 2020 is applicable and included in the Consolidated Financial Statements of the Holding Company:

Sl. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number in the respective CARO reports
1.	Aditya Birla Fashion and Retail Limited	L18101MH2007PLC233901	Holding Company of the group	May 22, 2023	(i)(c)
2.	Finesse International Design Private Limited	U74900DL2007PTC164203	Subsidiary	May 12, 2023	(ii)(b)
3.	Bewakoof Brands Private Limited	U74999MH2011PTC220994	Subsidiary	May 11, 2023	(i)(a) and (vii)(a)

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 23203637BGXOZB4286

Place: Mumbai
Date: May 22, 2023

Aditya Birla Fashion and Retail Limited
Consolidated Balance Sheet as at March 31, 2023

₹ In Crore

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3a	1,009.13	631.20
(b) Capital work-in-progress	3b	145.68	102.57
(c) Right-of-use assets	4a	3,623.44	2,522.93
(d) Investment property	4c	3.66	1.92
(e) Goodwill	5	2,329.70	2,209.20
(f) Other intangible assets	5	1,393.46	693.99
(g) Intangible assets under development		58.02	0.64
(h) Financial assets			
(i) Investment in joint venture	6a	73.58	68.57
(ii) Other investments	6b	10.57	7.32
(iii) Loans	7	1.15	1.56
(iv) Security deposits	8	434.31	323.58
(v) Other financial assets	9	244.86	3.32
(i) Deferred tax assets	10	408.50	380.46
(j) Non-current tax assets (net)		6.42	22.81
(k) Other non-current assets	11	128.75	101.97
Total - Non-current assets		9,871.23	7,072.04
II Current assets			
(a) Inventories	12	4,214.38	2,929.59
(b) Financial assets			
(i) Current investments	13	182.43	608.14
(ii) Loans	14	10.04	7.14
(iii) Security deposits	15	97.09	118.96
(iv) Trade receivables	16	886.44	756.43
(v) Cash and cash equivalents	17	692.69	118.22
(vi) Bank balance other than Cash and cash equivalents	18	8.37	2.31
(vii) Other financial assets	19	71.23	43.56
(c) Other current assets	20	1,007.38	750.17
Total - Current assets		7,170.05	5,334.52
TOTAL - ASSETS		17,041.28	12,406.56

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LLPIN AAC-4362
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ADITYA BIRLA FASHION AND RETAIL LIMITED ★

Aditya Birla Fashion and Retail Limited
Consolidated Balance Sheet as at March 31, 2023

₹ in Crore

	Notes	As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	21	948.79	938.29
(b) Other equity	22	2,394.50	1,835.03
Equity attributable to owners of the Company		**3,343.29**	**2,773.32**
(c) Non-controlling interest	22	2.71	15.20
Total - Equity		3,346.00	2,788.52
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	1,507.62	777.97
(ii) Lease liabilities	4b	3,346.23	2,076.46
(iii) Deposits		253.22	228.36
(iv) Other financial liabilities	24	1,117.09	421.92
(b) Deferred tax liabilities	10	251.68	211.94
(c) Provisions	25	111.73	101.68
(d) Other non-current liabilities	26	20.20	11.73
Total - Non-current liabilities		6,607.77	3,830.06
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	797.90	454.36
(ii) Lease liabilities	4b	921.11	791.63
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	28	120.63	87.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	28	3,725.49	3,323.12
(iv) Deposits		189.91	152.62
(v) Other financial liabilities	29	497.00	336.90
(b) Liabilities for current tax (net)		0.41	2.29
(c) Provisions	30	133.30	101.32
(d) Other current liabilities	31	701.76	538.30
Total - Current liabilities		7,087.51	5,787.98
TOTAL - EQUITY AND LIABILITIES		17,041.28	12,406.56
Summary of significant accounting policies	2.3		

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 22, 2023

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 22, 2023

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 22, 2023

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 22, 2023

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 22, 2023

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2023

₹ In Crore

		Notes	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	32	12,417.90	8,136.22
II	Other Income	33	116.46	100.55
III	**Total Income (I + II)**		12,534.36	8,236.77
IV	**Expenses**			
	(a) Cost of materials consumed	34a	1,245.88	867.18
	(b) Purchase of stock-in-trade	34b	5,546.76	3,793.42
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	34c	(1,240.66)	(940.43)
	(d) Employee benefits expense	35	1,563.36	1,158.53
	(e) Finance costs	36	472.35	350.71
	(f) Depreciation and amortisation expense	37	1,226.96	997.03
	(g) Rent expense	45a & 4a	897.02	393.22
	(h) Other expenses	38	2,911.96	1,764.38
	Total expenses		12,623.63	8,384.04
V	**Profit/(Loss) before Share in Profit/ (Loss) of Joint Venture and Tax (III - IV)**		(89.27)	(147.27)
VI	Add: Share in Profit / (Loss) of Joint Venture		6.84	2.34
VII	**Profit/(Loss) before tax (V+ VI)**		(82.43)	(144.93)
VIII	**Income tax expense**			
	(a) Current tax	39	15.92	20.89
	(b) Current tax relating to earlier years	38	(2.22)	-
	(c) Deferred tax	39	(36.67)	(47.46)
			(22.97)	(26.57)
IX	**Profit/(Loss) for the year (VII - VIII)**		(59.46)	(118.36)
X	**Other comprehensive income/ (loss)**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans		(0.68)	1.82
	Income tax effect on above		0.14	(0.35)
	(b) Fair value gains/ (losses) on equity instruments		3.26	0.64
	Income tax effect on above		(0.82)	(0.16)
	Items that will be reclassified to profit or loss			
	(a) Exchange differences on translation of foreign operations		0.05	0.10
	Income tax effect on above		-	-
	(b) Effective Portion of Cashflow Hedge		0.75	-
	Income tax effect on above		(0.26)	-
	Total other comprehensive income/ (loss) for the year		2.44	2.05
XI	**Total comprehensive income/ (loss) for the year (IX + X)**		(57.02)	(116.31)

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ADITYA BIRLA FASHION AND RETAIL LIMITED ★

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2023

₹ In Crore

		Notes	Year ended March 31, 2023	Year ended March 31, 2022
XII	Profit/(Loss) attributable to			
	- Owners of the Company		(35.99)	(108.72)
	- Non-controlling interest		(23.47)	(9.64)
			(59.46)	(118.36)
XIII	Other comprehensive income/ (loss) attributable to			
	- Owners of the Company		2.36	1.99
	- Non-controlling interest		0.08	0.06
			2.44	2.05
XIV	Total comprehensive income/ (loss) attributable to			
	- Owners of the Company		(33.63)	(106.73)
	- Non-controlling interest		(23.39)	(9.58)
			(57.02)	(116.31)
XV	Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2022 : ₹ 10)]	40		
	Basic (₹)		(0.38)	(1.18)
	Diluted (₹)		(0.38)	(1.18)
	Summary of significant accounting policies	2.3		

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 22, 2023

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 22, 2023

JAGDISH BAJAJ
(Chief Financial Officer)

ANIL MALIK
(Company Secretary)
(M.No.: A11197)

Place: Mumbai
Date : May 22, 2023

Place: Mumbai
Date : May 22, 2023

Place: Mumbai
Date : May 22, 2023

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

a. Equity share capital

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Equity shares of ₹ 10 each issued				
As at the beginning of the year	93,85,09,538	938.50	93,77,36,163	937.73
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) & (iv)]	1,02,16,588	10.22	2,80,504	0.28
Exercise of Options (Refer Note - 44)	2,70,225	0.27	4,92,871	0.49
As at the end of the year	94,89,96,351	948.99	93,85,09,538	938.50

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Equity shares of ₹ 10 each subscribed and fully paid				
As at the beginning of the year	93,83,04,034	938.29	93,75,30,659	915.05
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) & (iv)]	1,02,16,588	10.23	2,80,504	22.75
Exercise of Options (Refer Note - 44)	2,70,225	0.27	4,92,871	0.49
As at the end of the year	94,87,90,847	948.79	93,83,04,034	938.29

b. Other equity

₹ in Crore

	Share application money pending allotment (Refer Note - 22)	Share suspense account (Refer Note - 22)	Reserves and surplus: Securities premium (Refer Note - 22)	Reserves and surplus: Retained earnings (Refer Note - 22)	Reserves and surplus: Share options outstanding account (Refer Note - 22)	Reserves and surplus: Treasury shares (Refer Note - 22)	Reserves and surplus: Capital reserve (Refer Note - 22)	Share warrants (Refer Note 22)	Other comprehensive income: Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Other comprehensive income: Effective portion of cashflow hedge	Other comprehensive income: Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Foreign currency translation reserve (Refer Note-22)	Equity attributable to owners of the Company	Non-controlling interest (Refer Note-22)	Total other equity
As at April 01, 2021	-	0.02	2,879.58	(1,117.43)	47.63	(104.46)	21.88	-	(0.28)	-	1.84	(0.04)	1,728.74	32.48	1,761.22
Loss during the year	-	-	-	(108.72)	-	-	-	-	-	-	-	-	(108.72)	(9.64)	(118.36)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	1.39	-	0.50	0.10	1.99	0.06	2.05
Recognition of Share based payment expenses	-	-	-	-	29.13	-	-	-	-	-	-	-	29.13	-	29.13
Share forfeiture/ (issued) during the year	-	-	-	-	-	-	(0.14)	-	-	-	-	-	(0.14)	-	(0.14)
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) and (iv)]	-	-	226.05	-	-	-	-	-	-	-	-	-	226.05	-	226.05
Non-controlling interest relating to Sabyasachi Calcutta LLP recognised on April 01, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	374.21	374.21
Difference between Put option liability and NCI relating to Sabyasachi Calcutta LLP [Refer Note - 2.3(XIII)]	-	-	-	(46.94)	-	-	-	-	-	-	-	-	(46.94)	46.94	-
Non-controlling interest relating to Sabyasachi Calcutta LLP derecognised on March 31, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	(421.15)	(421.15)
Money received against share warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of NCI share	-	-	-	2.65	-	-	-	-	-	-	-	-	2.65	(2.65)	-
Transfer to Securities Premium on exercise of Options	-	-	12.55	-	(12.55)	-	-	-	-	-	-	-	-	-	-
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	-	1.37	-	-	-	-	-	-	1.37	-	1.37
Others	-	-	-	5.05	(4.15)	-	-	-	-	-	-	-	0.90	(5.05)	(4.15)
As at March 31, 2022	-	0.02	3,118.18	(1,265.39)	60.06	(103.09)	21.74	-	1.11	-	2.34	0.06	1,835.03	15.20	1,850.23

Aditya Birla Fashion and Retail Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

₹ in Crore

	Share application money pending allotment (Refer Note - 22)	Share suspense account (Refer Note - 22)	Reserves and surplus: Securities premium (Refer Note - 22)	Reserves and surplus: Retained earnings (Refer Note - 22)	Reserves and surplus: Share options outstanding account (Refer Note - 22)	Reserves and surplus: Treasury shares (Refer Note - 22)	Reserves and surplus: Capital reserve (Refer Note - 22)	Share warrants (Refer Note 22)	Other comprehensive income: Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Other comprehensive income: Effective portion of cashflow hedge	Other comprehensive income: Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Other comprehensive income: Foreign currency translation reserve (Refer Note - 22)	Equity attributable to owners of the Company	Non-controlling interest (NCI) (Refer Note-22)	Total other equity
As at April 01, 2022	-	0.02	3,118.18	(1,265.39)	60.06	(103.09)	21.74	-	1.11	-	2.34	0.06	1,835.03	15.20	1,850.23
Profit during the year	-	-	-	(35.99)	-	-	-	-	-	-	-	-	(35.99)	(23.47)	(59.46)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(0.36)	0.25	2.44	0.03	2.36	0.08	2.44
Recognition of Share based payment expenses	-	-	-	-	20.01	-	-	-	-	-	-	-	20.01	-	20.01
Share forfeiture/ (issued) during the year	-	-	-	-	-	-	0.00	-	-	-	-	-	0.00	-	0.00
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) and (iv)]	-	-	284.02	-	-	-	-	-	-	-	-	-	284.02	-	284.02
Non-controlling interest recognised on April 01, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	421.15	421.15
Non-controlling interest recognised pursuant to business combinations during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	73.89	73.89
Additional contribution by Non-controlling shareholders/partners	-	-	-	-	-	-	-	-	-	-	-	-	-	71.80	71.80
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest [Refer Note - 2.3(XIII)]	-	-	-	(175.87)	-	-	-	-	-	-	-	-	(175.87)	175.87	-
Non-controlling interest derecognised on April 01, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	(724.08)	(724.08)
Money received against share warrants	-	-	-	-	-	-	-	475.00	-	-	-	-	475.00	-	475.00
Acquisition of NCI share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Securities Premium/Retained earning on exercise of Options	0.01	-	5.86	-	(5.86)	-	-	-	-	-	-	-	0.01	-	0.01
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	-	(11.91)	-	-	-	-	-	-	(11.91)	-	(11.91)
Adjustment to ESOP reserve on account of issue of shares from Trust	-	-	-	-	(6.85)	-	0.96	-	-	-	-	-	(5.89)	-	(5.89)
Others	-	-	-	7.73	-	-	-	-	-	-	-	-	7.73	(7.73)	-
As at March 31, 2023	**0.01**	**0.02**	**3,408.06**	**(1,469.51)**	**67.36**	**(115.00)**	**22.70**	**475.00**	**0.75**	**0.25**	**4.78**	**0.09**	**2,394.50**	**2.71**	**2,397.20**

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 22, 2023

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 22, 2023

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 22, 2023

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 22, 2023

ANIL MALIK
(Company Secretary)
(M.No.: A11197)
Place: Mumbai
Date : May 22, 2023

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2023

₹ In Crore

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities			
Profit/(Loss) before tax		**(82.43)**	**(144.93)**
Adjustments for:			
Depreciation and amortisation expense	37	1,226.96	997.03
Finance costs	36	472.36	350.71
Gain on retirement of right-of-use assets	33	(19.75)	(14.85)
Rent concession on lease rentals	4b, 41k & 45a	(0.22)	(219.18)
(Profit)/ Loss on sale/ discard of property, plant and equipment		0.13	(2.66)
Share-based payment to employees	35	31.29	29.13
Interest income	33	(10.21)	(9.38)
Liabilities no longer required written back		(2.48)	(2.10)
Net gain on sale of current investments	33	(23.26)	(20.23)
Net Unrealised exchange (gain)/ loss		(0.99)	3.69
Expense/ (Income) on financial assets/ liabilities that is designated as fair value through profit or loss		(42.39)	(28.16)
Provision for doubtful debts, deposits and advances	38	3.33	7.17
Share of (profit)/ loss of Joint Venture		(6.84)	(2.34)
Operating profit before working capital changes		**1,545.50**	**943.90**
Changes in working capital:			
(Increase)/ decrease in trade receivables		(107.64)	(154.29)
(Increase)/ decrease in inventories		(1,223.92)	(1,082.63)
(Increase)/ decrease in other assets		(247.19)	(196.59)
Increase/ (decrease) in trade payables		361.83	1,259.83
Increase/ (decrease) in provisions		15.28	15.59
Increase/ (decrease) in other liabilities		289.82	181.14
Cash generated from operations		**633.67**	**966.95**
Income taxes refund/ (paid) (net)		2.54	(16.44)
Net cash flows from operating activities		636.21	950.51
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets and capital advance		(681.32)	(347.95)
Consideration paid for acquisition of subsidiaries (net of cash acquired)		(175.71)	-
Purchase of current investments		(12,791.69)	(10,008.14)
Proceeds from sale of property, plant and equipment and intangible assets		10.54	29.49
Proceeds from sale/ maturity of current investments		13,240.71	9,764.54
Interest received		10.24	9.24
Net cash flows used in investing activities		(387.23)	(552.82)
Cash flows from financing activities			
Proceeds from issue of equity shares		3.55	0.49
Proceeds from Rights issue (net off share issue expenses)	21(iii)	0.22	247.12
Proceeds from Preferential issue (net off share issue expenses)	21(iv)	769.05	-
Proceeds/ (Investment) in treasury shares held by ESOP Trust		(11.91)	1.37
Proceeds from non-current borrowings (net off charges)		1,085.68	414.34
Proceeds/ (repayments) from current borrowings (net)		365.07	432.35
Repayment of non-current borrowings		(462.50)	(750.74)
Repayment of lease liabilities		(891.01)	(560.87)
Interest paid		(532.65)	(309.66)
Net cash flows used in financing activities		325.50	(525.60)

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

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2023

₹ in Crore

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Net Decrease in cash and cash equivalents		**574.48**	**(127.91)**
Cash and cash equivalents at the beginning of the year		118.22	246.13
Cash and cash equivalents at the end of the year	17	**692.70**	**118.22**
Components of Cash and cash equivalents			
Balances with banks - on current accounts		153.61	36.75
Balances with banks - on deposit accounts (original maturity less than 3 months)		501.49	50.44
Balances with credit card companies		16.95	11.19
Balances with e-wallet companies		4.38	1.91
Cash on hand		13.04	13.67
Cheques/ drafts on hand		3.22	4.26
Total Cash and cash equivalents		**692.69**	**118.22**

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 22, 2023

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
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(DIN: 03321646)
Place: Mumbai
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JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 22, 2023

ANIL MALIK
(Company Secretary)
(M.No.: A11197)

Place: Mumbai
Date : May 22, 2023

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2023

1. Corporate information

Aditya Birla Fashion and Retail Limited ("the Company" or "the Holding Company"), a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400070.

The Company, its subsidiaries (together referred to as the "Group") and its joint venture are engaged in the business of manufacturing and retailing of branded apparels/accessories and runs a chain of apparels and accessories retail stores in India.

The consolidated financial statements, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors in their meeting held on May 22, 2023.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

The Ministry of Corporate Affairs (MCA) through a notification, notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended the following accounting standards and the amendments are applicable for financial periods commencing from April 1, 2022. The Group has evaluated the effect of the amendments on its financial statements and complied with the same.

2.2 Functional and Presentation Currency:

The functional currency of the Group, its subsidiaries and its joint venture is determined on the basis of the primary economic environment in which it operates. The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. (₹ 1 Crore is equal to ₹ 10 Million)

2.3 Summary of significant accounting policies

(I) Principles of consolidation

The consolidated financial statements (CFS) comprise the financial statements of the Company and its Subsidiaries and Joint Venture. Subsidiaries are entities controlled by the Group. The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110) and "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 133 of the Companies Act, 2013. The Group controls an investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

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The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary and joint venture, the subsidiary and joint venture prepares, for consolidation purposes, additional financial information as of the same date as the financial statementsof the parent to enable the parent to consolidate the financial information of the subsidiary and joint venture, unless it is impracticable to do so.

Consolidation procedures for subsidiaries:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non- controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Equity Accounted Investees:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains resulting from the transaction between the Group and joint venture are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

When the Group's share of losses of joint venture equals or exceeds its interest in that joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the Consolidated Statement of Profit and Loss separately.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of Profit and Loss.

(II) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

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A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

(III) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents assets, liabilities, income and expenses which relate to the Group as a whole and are not allocated to the segments.

Inter-segment transfers

The Group generally accounts for inter-segment sales at arm's length basis in a manner similar to transactions with third parties.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income, expense and other common assets and liabilities which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(IV) Fair value measurements and hierarchy

The Group measures financial instruments, such as investments (other than equity investments in joint ventures) and derivatives at fair value at each Consolidated Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability; or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(V) Foreign currencies

Transactions and balances:

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Consolidated Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Consolidated Statement of Profit and Loss are also reclassified in OCI or the Consolidated Statement of Profit and Loss, respectively).

For the purposes of presenting these consolidated financial statements, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Indian Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences arising on translation for consolidation are recognised in OCI and accumulated in other equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

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(VI) Revenue from contracts with customers

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Group expect to be entitled for those goods/ services.

To recognize revenues, the Group applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue from sale of products

Revenue from sales of products is measured at the amount of transaction price (net of returns, customer incentives, discounts, variable consideration and other similar charges offered by the Company) allocated to that performance obligation.

Goods and Service Tax (GST) is not received by the Group in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Assets and liabilities arising from right to return

The Group has contracts with customers which entitles them the unconditional right to return.

Right to return assets

A right of return gives the Group a contractual right to recover the goods from a customer (right to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the Inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Group has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Group has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Income from gift voucher

Gift voucher sales are recognised when the vouchers are redeemed, and the goods are sold to the customer.

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Loyalty points programme

The Group operates a loyalty programme which allows customers to accumulate points on purchases madein retail stores. The points give rise to a separate performance obligation as it entitles them for redemptionas settlement of future purchase transaction price. Consideration received is allocated between the sale of products and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of points is determined by applying statistical techniques based on the historical trends.

Consideration allocated to reward points is deferred and recognised when points are redeemed or when the points expire. The amount of revenue is based on the value of points redeemed/ expired.

Income from services

Income from services is recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

Interest income

Interest income on all debt instruments is measured at amortised cost. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

Export incentives income

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Commission income

In case of sales of goods, where the Group is an agent in the transaction, the difference between the revenue and the cost of the goods sold is disclosed as commission income in other operating income.

(VII) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with:

- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- When the grant relates to an asset, it is recognised as income in Statement of Profit and Loss in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, at a below-market rate of interest, the effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised and measured at fair value, and the government grant is measured as the difference between the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.

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(VIII) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Consolidated Statement of Profit and Loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

(IX) Taxes

Current tax

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

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

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

Deferred tax

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

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

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.

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Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

The Group had adopted the new tax regime in the Financial Year 2019-20 under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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

(X) Property, plant and equipment

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes borrowing costs for long-term construction projects, if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss, during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any.

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 reflect fair approximation of the period over which the assets are likely to be used. The Group has used the following rates to provide depreciation on its tangible fixed assets:

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

Assets	**Class of Assets**	**Useful life as prescribed by Schedule II of the Companies Act, 2013**
Factory buildings	Freehold buildings	30 years
Fences, wells, tube wells	Freehold buildings	5 years
Borewells (pipes, tubes and other fittings)	Freehold buildings	5 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 years

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(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	5 – 6 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 – 6 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office equipment	5 years	4 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	5 years

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

Leasehold assets

Assets	Estimated useful life
Leasehold improvements at stores	5 to 6 years or period of lease, whichever is shorter
Leasehold improvements other than stores	Period of lease

Based on managements' assessment, items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date the asset is ready to use or useful life of class of asset to which these assets belong.

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

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

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(XI) Investment properties

Investment property is freehold land and structure, held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Group measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes. Fair value is determined on the basis of assessable market value of the property as per rate specified by Government Authority. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Consolidated Statement of Profit and Loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment properties the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

(XII) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Consolidated Statement of Profit and Loss, in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and changes if any, made on prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss.

Intangible assets with indefinite useful life are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

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Amortisation methods and periods

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

Intangible assets	Useful life	Amortisation method used
Computer software	3 years	Amortised on straight-line basis
Brands/ trademarks	10 years	Amortised on straight-line basis, except where the Brand/Trademark is considered to have indefinite life
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement
Non-Compete	7 years	Amortised on straight-line basis

(XIII) Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

At the acquisition date, goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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Where the group does not have present ownership interest in the shares held by the non-controlling shareholders, measured at either fair value or at the proportionate share of the acquiree's identifiable net assets, and the related put option held by the group over such non-controlling shares remains unexercised, the group accounts for the non-controlling interest and the written put option at the end of each reporting period as below:

a) Group determines the amount that would have been recognised for the non-controlling interest, including an allocation to reflect the share of profit or loss, share of changes in other comprehensive income and dividends (if any) declared during the reporting period;
b) The group de-recognises the non-controlling interest as if it was acquired at the end of the reporting period;
c) The group recognises a financial liability in respect of the written put option at the present value of the amount payable on exercise of the non-controlling interest; and
d) Difference between b) and c) is accounted for as an equity transaction.

Upon exercise of the put option over the non-controlling interest the amount recognised as financial liability is extinguished by payment of the exercise price.

If the put option over the non-controlling interest remains unexercised, non-controlling interest is recognised at the amount it would have been, as if the put option had never been granted (i.e. measured initially at the date of the business combination, and remeasured for subsequent allocations of profit or loss, other comprehensive income and changes in equity attributable to the non-controlling interest). The financial liability is derecognised, with a corresponding credit to the same component of equity.

A cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment annually as at reporting date. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(XIV) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGUs) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rates, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually as at reporting date. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss.

Reversal of impairment losses except on goodwill is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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(XV) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assess whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

<u>Where the Group is the lessee</u>

Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for short-term leases which are less than 12 months and leases of low value assets. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortised cost using the effective interest method.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification arising due to change in the lease term, change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding

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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 Group presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Consolidated Balance Sheet.

Short-term leases and leases of low value assets

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

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss.

Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.

(iii) There is no substantive change to other terms and conditions of the lease.

Pursuant to the above amendment, the Group has applied the practical expedient with effect from April 01, 2020. The Group has accounted the unconditional rent concessions in "Rent expenses" in the Consolidated Statement of Profit and Loss.

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Adoption of the COVID-19 related concessions – amendments to Ind AS 116, Leases with effect from April 1, 2021 has resulted in recognition of ₹ 0.22 crores (March 31, 2022: ₹ 219.18 Crore) as income from lease concession during the year. This amendment is not expected to have any material impact on the Statement of Profit and Loss for the future years.

(XVI) Financial instruments

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

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables which do not contain significant financing component are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Consolidated Statement of Profit and Loss are recognised immediately in the Consolidated Statement of Profit and Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories:

(a) Non-derivative financial assets

(i) Financial assets at amortised cost

Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

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

Effective Interest Rate (EIR) method:

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

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Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in the Consolidated Statement of Profit and Loss and is included in the 'Other income' line item.

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Financial assets included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the Consolidated Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Consolidated Statement of Profit and Loss.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (refer above) are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(iv) Equity investments

All equity investments (other than investments in joint ventures) are measured at fair value as per Ind AS 109. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group has an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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Impairment of financial assets:

The Group applies simplified approach of expected credit loss model for recognising impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Expected credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportableinformation, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the Consolidated Balance Sheet.

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(b) Non derivative financial liabilities

(i) Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(1) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(2) Compound financial instruments:

The component parts of compound financial instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

(3) Financial liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

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A financial liability is classified as held for trading, if:

- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss.

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the Consolidated Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in the Consolidated Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in the Consolidated Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in other comprehensive income under other equity and are not subsequently reclassified to the Consolidated Statement of Profit and Loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

(ii) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Consolidated Statement of Profit and Loss as 'Finance costs'.

(iii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Consolidated Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Consolidated Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Consolidated Statement of Profit and Loss.

<u>De-recognition of financial assets and financial liabilities</u>

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss.

On de-recognition of a financial asset other than in its entirety (for example: when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount ofthe financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the ConsolidatedStatement of Profit and Loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group de-recognises financial liabilities only when the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(XVII) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and options contract in accordance with agreement, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the Consolidated Statement of Profit and Loss when the hedge item affects the Consolidated Statement of Profit and Loss or treated as basis adjustment, if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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(XVIII) Inventories

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates (Refer Note – 41f).

(XIX) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group (Refer Note – 46).

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

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(XX) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(b) Defined contribution plan

The Group makes defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the Consolidated Statement of Profit and Loss, on accrual basis. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Group operates a defined benefit gratuity plan in India. The Group contributes to a gratuity fund maintained by an independent insurance company. The Group's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Consolidated Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the Consolidated Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Consolidated Statement of Profit and Loss.

(d) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation in the Consolidated Statement of Profit and Loss.

The Group presents the entire leave as a current liability in the Consolidated Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

(XXI) Share-based payment

Employees of the Group receive remuneration in the form of equity-settled instruments and stock appreciation rights for rendering services over a defined vesting period. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.
The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity- settled share options outstanding account.

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No expense is recognised for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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

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

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve. Share options exercised during the reporting period are settled with treasury shares.

(XXII) Earnings per share

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

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, consideredin ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(XXIII) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance Sheet and for the purpose of the Consolidated Statement of Cash Flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.4 New and amended standards adopted by the Group:

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022.

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

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Notes to the consolidated financial statements for the year ended March 31, 2023

2.5 Standards issues but not yet effective:

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amended the following accounting standards. These amendments are effective from April 01, 2023 and early adoption is permitted in some cases.

a) Ind AS 1, Presentation of financial statements
b) Ind AS 12, Income taxes
c) Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

The amendments to the above standards are not likely to have any material impact on the financial statements of the Group for the current or future reporting period.

Aditya Birla Fashion and Retail Limited
Consolidated Balance Sheet as at March 31, 2023

₹ in Crore

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3a	1,009.13	631.20
(b) Capital work-in-progress	3b	145.68	102.57
(c) Right-of-use assets	4a	3,623.44	2,522.93
(d) Investment property	4c	3.66	1.92
(e) Goodwill	5	2,329.70	2,209.20
(f) Other intangible assets	5	1,393.46	693.99
(g) Intangible assets under development	5a	58.02	0.64
(h) Financial assets			
(i) Investment in joint venture	6a	73.58	68.57
(ii) Other investments	6b	10.57	7.32
(iii) Loans	7	1.15	1.56
(iv) Security deposits	8	434.31	323.58
(v) Other financial assets	9	244.86	3.32
(i) Deferred tax assets	10	408.50	380.46
(j) Non-current tax assets (net)		6.42	22.81
(k) Other non-current assets	11	128.75	101.97
Total - Non-current assets		9,871.23	7,072.04
II Current assets			
(a) Inventories	12	4,214.38	2,929.59
(b) Financial assets			
(i) Current investments	13	182.43	608.14
(ii) Loans	14	10.04	7.14
(iii) Security deposits	15	97.09	118.96
(iv) Trade receivables	16	886.44	756.43
(v) Cash and cash equivalents	17	692.69	118.22
(vi) Bank balance other than Cash and cash equivalents	18	8.37	2.31
(vii) Other financial assets	19	71.23	43.56
(c) Other current assets	20	1,007.38	750.17
Total - Current assets		7,170.05	5,334.52
TOTAL - ASSETS		17,041.28	12,406.56

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ADITYA BIRLA FASHION AND RETAIL LIMITED

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Notes to the consolidated financial statements for the year ended March 31, 2023

NOTE: 3a
PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

	Freehold land*	Freehold buildings*	Plant and equipment	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
As at April 01, 2021	5.92	43.36	226.12	326.54	118.62	514.05	137.43	13.74	1,385.78
Additions	-	-	80.18	83.63	16.99	96.07	14.19	2.17	293.23
Disposals	-	-	46.85	26.43	2.20	74.55	2.53	5.85	158.41
As at March 31, 2022	**5.92**	**43.36**	**259.45**	**383.74**	**133.41**	**535.57**	**149.09**	**10.06**	**1,520.60**
Additions	-	0.53	64.89	200.22	54.84	252.88	46.26	12.71	632.33
Addition pursuant to business combination (Refer Note - 47)	1.04	-	9.08	0.82	0.37	1.58	1.21	0.09	14.19
Disposals	1.04	-	31.66	27.83	8.55	48.38	4.57	3.53	125.56
As at March 31, 2023	**5.92**	**43.89**	**301.76**	**556.95**	**180.07**	**741.65**	**191.99**	**19.33**	**2,041.56**
Depreciation									
As at April 01, 2021	-	5.67	102.36	181.67	89.10	354.86	70.84	6.57	811.07
Depreciation for the year (Refer Note - 37)	-	1.57	57.15	52.20	9.00	81.22	9.14	3.04	213.32
Disposals	-	-	39.84	20.77	1.50	66.34	1.93	4.61	134.99
As at March 31, 2022	-	**7.24**	**119.67**	**213.10**	**96.60**	**369.74**	**78.05**	**5.00**	**889.40**
Depreciation for the year (Refer Note - 37)	-	1.58	49.86	69.58	18.65	102.19	11.82	3.19	256.87
Disposals	-	-	29.25	25.43	7.29	45.06	3.76	3.05	113.84
As at March 31, 2023	-	**8.82**	**140.28**	**257.25**	**107.96**	**426.87**	**86.11**	**5.14**	**1,032.43**
Net carrying value as at:									
March 31, 2023	**5.92**	**35.07**	**161.48**	**299.70**	**72.11**	**314.78**	**105.88**	**14.19**	**1,009.13**
March 31, 2022	**5.92**	**36.12**	**139.78**	**170.64**	**36.81**	**165.83**	**71.04**	**5.06**	**631.20**

Net carrying value

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment	1,009.13	631.20
Total	**1,009.13**	**631.20**

* The title deeds of immovable properties, included in Property, Plant and Equipment above are held in the name of the Group except for Freehold land and Freehold building wherein the Gross Block amounting to ₹ 5.92 Crore (March 31, 2022: ₹ 5.92 Crore) and ₹ 0.13 Crore (March 31, 2022: ₹ 0.13 Crore), respectively, which are held in the name of the demerged companies and are in the process of being transferred to the Group.

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2023

NOTE: 3b
CAPITAL WORK-IN-PROGRESS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	145.68	102.57
Total	145.68	102.57

Ageing of Capital work-in-progress as on March 31, 2023

₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Projects in progress	120.38	13.71	11.59	-	145.68
(ii)Projects temporarily suspended	-	-	-	-	-

Ageing of Capital work-in-progress as on March 31, 2022

₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Projects in progress	83.27	13.46	5.79	-	102.52
(ii)Projects temporarily suspended	-	-	-	0.05	0.05

There are no projects as on the reporting periods where costs have been exceeded cost as compared to its original plan or where completion is overdue.

Aditya Birla Fashion and Retail Limited

Notes to the consolidated financial statements for the year ended March 31, 2023

NOTE: 4

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

₹ in Crore

	Land	Buildings*	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost							
As at April 01, 2021	**10.69**	**3,276.84**	**16.52**	**3.90**	**90.19**	**3.94**	**3,402.08**
Additions	-	1,225.58	4.81	-	6.40	2.28	**1,239.07**
Termination	-	162.67	-	-	-	-	**162.67**
As at March 31, 2022	**10.69**	**4,339.75**	**21.33**	**3.90**	**96.59**	**6.22**	**4,478.48**
Additions	0.91	2,144.61	-	-	9.50	0.36	**2,155.38**
Addition pursuant to business combination (Refer Note - 47)	-	9.37	-	-	-	-	**9.37**
Termination	-	450.91	-	-	-	-	450.91
As at March 31, 2023	**11.60**	**6,042.82**	**21.33**	**3.90**	**106.09**	**6.58**	**6,192.32**
Depreciation							
As at April 01, 2021	**0.52**	**1,250.78**	**1.78**	**0.02**	**7.51**	**0.05**	**1,260.66**
Depreciation for the year (Refer Note - 37)	0.13	738.33	4.05	0.79	18.21	1.04	**762.55**
Termination	-	67.66	-	-	-	-	**67.66**
As at March 31, 2022	**0.65**	**1,921.45**	**5.83**	**0.81**	**25.72**	**1.09**	**1,955.55**
Depreciation for the year (Refer Note - 37)	0.14	898.09	4.28	0.79	23.27	1.28	**927.85**
Termination	-	314.52	-	-	-	-	**314.52**
As at March 31, 2023	**0.79**	**2,505.02**	**10.11**	**1.60**	**48.99**	**2.37**	**2,568.88**
Net carrying value as at:							
As at March 31, 2023	**10.81**	**3,537.80**	**11.22**	**2.30**	**57.10**	**4.21**	**3,623.44**
As at March 31, 2022	**10.04**	**2,418.30**	**15.50**	**3.09**	**70.87**	**5.13**	**2,522.93**

* The title deeds of Right of Use assets above are held in the name of the Group except for Buildings wherein the Gross Block amounts to ₹ 313.63 Crore (March 31, 2022: ₹ 259. 93 Crore) which are held in the name of the demerged companies and are in the process of being transferred to the Group.

Net carrying value

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Right-of-use assets	3,623.44	2,522.93
Total	**3,623.44**	**2,522.93**

(b) Lease liabilities

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Opening balance	**2,868.09**	**2,463.40**
Additions*	2,318.78	1,198.00
Addition pursuant to business combination	9.34	-
Retirements	(125.73)	(105.66)
Interest expense on lease liabilities	302.83	214.27
Rent concession (Refer Note - 41j)	(0.22)	(219.18)
Payments	(1,105.75)	(682.74)
Closing balance	**4,267.34**	**2,868.09**

*Includes liabilties towards net investment in sub-lease amounting to Rs. 281.92 Crores (March 31, 2022: Nil)

Current	**921.11**	**791.63**
Non-current	**3,346.23**	**2,076.46**

For maturity analysis of lease liabilities, refer Note - 45a.

NOTE: 4
(c) INVESTMENT PROPERTY

₹ In Crore

	As at March 31, 2023	As at March 31, 2022
Freehold Land and Structure	3.66	1.92
Total	**3.66**	**1.92**
Fair value of investment property	**11.00**	**8.23**

The above fair value has been arrived on the basis of assessable market value of the above property as per rate specified by Directorate of Registration and Stamp Revenue, Government of West Bengal and ready reckoner site refered for Thane muncipal corporation.

Estimation of fair value: The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

NOTE: 5
(a) GOODWILL AND OTHER INTANGIBLE ASSETS

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer software	Technical know-how	Franchisee rights	Non-Compete right	Total
Cost							
As at April 01, 2021	**2,209.20**	**686.44**	**87.93**	**1.84**	**33.81**	**3.00**	**3,022.22**
Additions	-	0.65	15.85	-	-	-	16.50
Disposals	-	-	1.47	-	-	-	1.47
As at March 31, 2022	2,209.20	687.09	102.31	1.84	33.81	3.00	3,037.25
Additions	-	1.19	12.63	-	515.34	-	529.16
Addition pursuant to business combination (Refer Note - 47)	120.50	212.40	0.27	-	-	-	333.17
Disposals	-	-	0.58	-	-	-	0.58
As at March 31, 2023	2,329.70	900.68	114.63	1.84	549.15	3.00	3,899.00
Amortisation							
As at April 01, 2021	-	**24.92**	**74.95**	**1.48**	**11.73**	**0.29**	**113.37**
Amortisation for the year (Refer Note - 37)	-	8.69	11.29	-	1.18	-	21.16
Disposals	-	-	0.47	-	-	-	0.47
As at March 31, 2022	-	33.61	85.77	1.48	12.91	0.29	134.06
Amortisation for the year (Refer Note - 37)	-	16.48	10.56	-	15.20	-	42.24
Disposals	-	-	0.46	-	-	-	0.46
As at March 31, 2023	-	50.09	95.87	1.48	28.11	0.29	175.84
Net carrying value as at:							
March 31, 2023	2,329.70	850.59	18.76	0.36	521.04	2.71	3,723.16
March 31, 2022	2,209.20	653.48	16.54	0.36	20.90	2.71	2,903.19

Net carrying value

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Goodwill	2,329.70	2,209.20
Other intangible assets	1,393.46	693.99
Total	3,723.16	2,903.19

NOTE: 5
(a) INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	58.02	0.64
Total	58.02	0.64

INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing of Intangible assets under development as on March 31, 2023

₹ in Crore

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Projects in progress	57.67	0.35	-	-	58.02
(ii)Projects temporarily suspended	-	-	-	-	-

Ageing of Intangible assets under development as on March 31, 2022

₹ in Crore

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Projects in progress	0.64	-	-	-	0.64
(ii)Projects temporarily suspended	-	-	-	-	-

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Notes to the consolidated financial statements for the year ended March 31, 2023

NOTE: 5
(b) IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through various business combinations have been allocated to the eight Cash-Generating Units (CGUs) as below:

1. Pantaloons CGU
2. Madura Fashion & Lifestyle CGU
3. Forever 21 CGU
4. Jaypore CGU
5. Finesse CGU
6. Sabyasachi CGU
7. HMLPL CGU
8. TMRW CGU

Pantaloons CGU

During the year ended March 31, 2013, the Company acquired Pantaloons format business ('Pantaloons business') from Future Retail Limited ("FRL"), which consisted of fashion retail business operating under the brand name "Pantaloons". Pantaloons is a leading large format fashion retailer engaged in retailing of apparel and accessories. The business thus acquired is Pantaloons CGU.

Madura Fashion & Lifestyle CGU

Pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors ("Composite Scheme"), Madura Undertaking of ABNL and MGL Retail Undertaking of MGLRCL ("demerged undertakings") were transferred to the Company on a going concern basis, w.e.f. April 01, 2015.

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England, and MGL Retail Undertaking is primarily engaged in promoting lifestyle brands and having licences to retail various international brands like Armani Collezioni, Hugo Boss, Versace Collection and many more under one roof, 'The Collective'. Both these divisions jointly comprise the Madura Fashion & Lifestyle CGU.

Forever 21 CGU

Effective July 01, 2016, the Company acquired exclusive franchise rights for the Indian market of Forever 21 business comprising of operating retail stores in India for the sale of clothing, artificial jewellery, accessories and related merchandise under the brand name "Forever 21" ("F21"), and is considered as a separate CGU.

Jaypore CGU

Effective July 02, 2019, the Company entered in a Share Purchase Agreement(s) with Jaypore E-Commerce Private Limited ("Jaypore") and TG Apparel & Decor Private Limited ("TG Apparel") which sells ethnic fashion merchandise under its own brand "Jaypore" and of other third-party brands through stores and on-line channels. Consequent to the above, Jaypore, Jaypore Inc., USA (an overseas wholly-owned subsidiary of Jaypore) and TG Apparel become wholly-owned subsidiaries of the Company. These Companies together are considered as a separate CGU "Jaypore CGU".

Jaypore Inc., USA, an overseas wholly-owned subsidiary of Jaypore was dissolved on September 21, 2020.

Finesse CGU

Effective July 26, 2019, the Company entered into a strategic partnership with India's leading designers "Shantanu & Nikhil" by way of acquisition of 51% stake in 'Finesse International Design Private Limited' ("Finesse"), which is primarily engaged in the business of occasional and ceremonial contemporary apparel for men and women under the brand name 'Shantanu & Nikhil'. Finesse became the subsidiary of the Company and is considered as a separate CGU "Finesse CGU".

Sabyasachi CGU

Effective February 24, 2021, the Company entered into Agreement with Sabyasachi Calcutta LLP (formerly M/s. Sabyasachi Couture, a partnership firm ("Sabyasachi") with a profit share of 51% to the Company, which is engaged in the business of manufacturing, distribution and sale of designer apparel, accessories and jewellery under its own brand 'Sabyasachi' (the "Brand" or "Brand – 'Sabyasachi'"). Sabyasachi is India's largest and most influential luxury designer brands with strong Indian roots and global appeal. The Brand straddles categories such as apparel, accessories and jewellery and has a strong franchisee network in India, US, UK, and the Middle East. Considering the terms of the Agreement, Sabyasachi Calcutta LLP became the subsidiary of the Company and is considered as a separate CGU "Sabyasachi CGU".

HMLPL CGU

On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, HMLPL became a subsidiary of the Company and is considered as a separate CGU "HMLPL CGU".

TMRW CGU

On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C") business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means. Thus, w.e.f. April 11, 2022 Aditya Birla Digital Fashion Ventures Limited ("ABDFVL") a wholly owned subsidiary of the Company was set up to carry on the "D2C" business and is considered as a separate CGU "ABDFVL CGU".

Awesome Fab Shopping Pvt Ltd, Imperial Online Services Private Limited, Pratyaya E-Commerce Pvt Ltd, NautiNati and Bewakoof Brands Private Limited form part of ABDFVL CGU.

For the purpose of Segment reporting, Madura Fashion & Lifestyle, Forever 21, Jaypore, Finesse, Sabyasachi, HMLPL and ABDFVL CGUs have been aggregated to form Madura Fashion & Lifestyle segment in accordance with Ind AS 108.

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Carrying amounts of Goodwill allocated to each of the CGUs are as below:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Pantaloons CGU	1,167.55	1,167.55
Madura Fashion & Lifestyle CGU	627.67	627.67
Forever 21 CGU	64.38	64.38
Jaypore CGU	88.44	88.44
Finesse CGU	35.02	35.02
Sabyasachi CGU	226.14	226.14
HMLPL CGU	45.24	-
TMRW CGU		
Awesome Fab Shopping Private Limited	7.48	-
Imperial Online Services Private Limited	6.82	-
Pratyaya E-Commerce Private Limited	3.64	-
NautINati	4.35	-
Bewakoof Brands Private Limited	52.97	-
Total	2,329.70	2,209.20

Disclosures with respect to Goodwill allocated to the CGUs

Value in use calculation of CGUs

The recoverable amount of the CGUs as at March 31, 2023, has been determined based on value in use using cash flow projections from financial budgets approved by senior management covering a three years period ended March 31, 2026 and cash flow projections for financial years 2027 and 2028 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. The Group has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2028. The pre-tax discount rate is applied to cash flow projections for impairment testing during the financial years. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.

Key assumptions used for value in use calculations

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings of the respective CGU. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates:

Rates are based on published industry research. Growth rate is based on the Group's projection of business and growth of the industry in which the Group is operating. The growth rate is in line with the long-term growth rate of the industry except for Forever 21 CGU, . The growth rate of these CGUs considers the Group's plan to launch new stores/ expected same store growth, digital e-commerce and change in merchandise.

No reasonable possible change in key assumptions is likely to result in the recoverable amount of the CGUs being less than their carrying amount.

	Terminal growth rate		Discount rate	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Pantaloons CGU	5.00%	5.00%	15.20%	14.50%
Madura Fashion & Lifestyle CGU	5.00%	5.00%	16.00%	15.00%
Forever 21 CGU	5.00%	5.00%	17.80%	14.90%
Jaypore CGU	5.00%	5.00%	19.80%	19.10%
Finesse CGU	5.00%	5.00%	17.20%	15.20%
Sabyasachi CGU	5.00%	5.00%	17.70%	18.70%
HMLPL CGU	5.00%	-	17.50%	-
Awesome Fab Shopping Private Limited CGU	5.00%	-	19.50%	-
Imperial Online Services Private Limited CGU	5.00%	-	18.50%	-
Pratyaya E-Commerce Private Limited CGU	5.00%	-	22.50%	-
NautiNati CGU	5.00%	-	24.80%	-
Bewakoof Brands Private Limited CGU	5.00%	-	17.70%	-

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NOTE: 6

(a) INVESTMENT IN JOINT VENTURE

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Joint Venture (Refer Note - 47b)		
Share in Net Assets	38.13	38.13
Goodwill	29.05	29.05
Equity Investment in Joint Venture - at cost	67.18	67.18
Share in profit / (loss) after tax (including other comprehensive income) of Joint Venture	6.40	1.39
Total	**73.58**	**68.57**

(b) OTHER INVESTMENTS: (Carried at fair value through other comprehensive income)

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Unquoted equity instruments		
7,000 (March 31, 2022: 7,000) fully paid equity shares of ₹ 10/- each of Birla Management Centre Services Limited*	10.56	7.31
10,000 (March 31, 2022: 10,000) fully paid up equity shares of ₹ 10/- each of Retailers Association of India	0.01	0.01
Total	**10.57**	**7.32**

* Increase is on account of fair valuation.

Aggregate book value of unquoted investments	84.15	75.89
Aggregate amount of impairment in value of investments	-	-

NOTE: 7

NON-CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	1.15	1.56
Total	**1.15**	**1.56**

NOTE: 8

NON-CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Security deposits		
Deposits to related party - unsecured, considered good (Refer Note - 48)	5.64	5.64
Unsecured, considered good	428.67	317.94
Unsecured, considered doubtful	1.60	0.31
Provision for doubtful deposits	(1.60)	(0.31)
Total	**434.31**	**323.58**

NOTE: 9

NON-CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Net investment in sublease	243.84	-
Other bank balance		
Bank deposits with more than 12 months maturity from the Balance Sheet date	0.30	3.32
Derivative Instruments	0.72	-
Total	**244.86**	**3.32**

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ADITYA BIRLA FASHION AND RETAIL LIMITED

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Notes to the consolidated financial statements for the year ended March 31, 2023

NOTE: 10
DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

Reflected in the Consolidated Balance Sheet as follows:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	408.50	380.46
Deferred tax liabilities	251.68	211.94

Deferred tax assets/ (liabilities) relates to the following:

₹ in Crore

	Consolidated Balance Sheet		Consolidated Statement of Profit and Loss	
	As at March 31, 2023	As at March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Difference between carrying amount of Property Plant and Equipment and Intangible Assets and their tax base	(248.45)	(256.69)	(8.24)	(3.58)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	49.51	24.76	(24.75)	(3.68)
Share-based payment	11.08	7.27	(3.81)	(6.54)
Loss as per income tax computations available for off-set against future taxable income	458.73	492.25	33.52	(15.20)
Intangibles recognised in business combinations	(15.06)	(7.36)	-	-
Impact of Ind AS 116				
ROU assets and lease liabilities	138.07	115.81	(22.26)	(10.62)
Others	14.62	4.42	(10.20)	(7.33)
Net deferred tax assets/ (liabilities)	**408.50**	**380.46**	**(35.73)**	**(46.96)**
Deferred tax liabilities				
Deferred tax pursuant to business combination	251.68	211.94		
Deferred tax liabilities (Net)	**251.68**	**211.94**		

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

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

₹ in Crore

	Deferred tax assets (net)		Deferred tax liabilities (net)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	380.46	333.92	(211.94)	(212.25)
Deferred tax pursuant to business combinations (Refer Note - 47)	(7.69)	-	(39.74)	-
Deferred tax income/ (expense) recognised in profit and loss	36.67	47.05	-	0.31
Deferred tax income/ (expense) recognised in OCI during the year (Refer Note - 39)	(0.94)	(0.51)	-	-
As at the end of the year	408.50	380.46	(251.68)	(211.94)

NOTE: 11
OTHER NON-CURRENT ASSETS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Capital advances	37.46	17.76
Prepayments	50.86	43.46
Balances with government authorities (other than income tax)	39.29	40.08
Other receivables	1.14	0.67
Total	**128.75**	**101.97**

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Notes to the consolidated financial statements for the year ended March 31, 2023

NOTE: 12
INVENTORIES

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
At lower of cost and net realisable value		
Raw materials	274.47	307.51
Includes Goods-in-transit ₹ 97.71 Crore (March 31, 2022: ₹ 125.03 Crore)		
Work-in-progress	72.73	65.51
Finished goods	452.17	306.24
Includes Goods-in-transit ₹ 1.17 Crore (March 31, 2022: ₹ 1.90 Crore)		
Stock-in-trade	3,332.63	2,192.44
Includes Goods-in-transit ₹ 29.52 Crore (March 31, 2022: ₹ 28.46 Crore)		
Stores and spares	48.31	34.43
Packing materials	34.07	23.46
Total	4,214.38	2,929.59

During the year ended March 31, 2023, ₹ 56.52 Crore (March 31, 2022: ₹ 37.09 Crore) is recognised as an expense for inventories carried at net realisable value.

NOTE: 13
CURRENT INVESTMENTS (Carried at fair value through profit and loss (FVTPL))

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Quoted investments		
Aditya Birla Sun Life Liquid Fund - Growth- Regular Plan (March 31, 2023: 348,379.580 units, March 31, 2022: Nil units)	12.53	-
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus) (March 31, 2023: Nil, March 31, 2022: 25,70,542.054 units)	-	87.51
Aditya Birla Sun Life Overnight Fund - Growth- Direct Plan (March 31, 2023: 322.298 Units, March 31, 2022: Nil)	0.04	-
Aditya Birla Sun Life Overnight Fund - Growth- Direct Plan (formerly known as Aditya Birla Sun Life Cash Plus) (March 31, 2023: 4,14,626.568 units, March 31, 2022: Nil)	50.01	-
Aditya Birla Sun Life Overnight Fund - Growth- Regular Plan (March 31, 2023: 70,986.05 units)	8.57	-
Aditya Birla Sunlife Money Market Fund (March 31, 2023: Nil March 31, 2022: 1,37,771.60 units)	-	4.08
Aditya Birla Sunlife Liquid Fund (March 31, 2023: Nil, March 31, 2022: 379,345.35 units)	-	13.02
Aditya Birla Sun Life Savings Fund- Growth (March 31, 2023: Nil, March 31, 2022: 20,322.745 units)	-	0.89
Aditya Birla Sun Life Liquid Fund (March 31, 2023: Nil, March 31, 2022: 241,593.084 units)	-	8.22
Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan (March 31, 2023: Nil, March 31, 2022: 32,20,919.551)	-	95.43
Axis Money Market - Regular Growth(MM-GP) (March 31, 2023: Nil, March 31, 2022: 3,35,483.883 units)	-	38.49
Axis Liquid Fund - Regular Growth(CF-GP) (March 31, 2023: 25,579.438 units, March 31, 2022: 1,52,008.935 units)	6.35	35.72
ABSL Money Manager Fund Units (March 31, 2023: Nil, March 31, 2022: 2,53,319.96 units)	-	7.51
Axis Overnight Fund - Regular Growth(O) (March 31, 2023: 4,22,822.210 units, March 31, 2022: Nil units)	50.01	-
ABSL Savings Fund Units (March 31, 2023: Nil, March 31, 2022: 1,85,839.79 units)	-	8.18
Axis Money Market Fund Units (March 31, 2023: Nil, March 31, 2022: 70,008.14 units)	-	8.03
ICICI Mutual fund - Pru Liquid Direct Growth (March 31, 2023: 1.88 units)	0.00	-
ICICI Mutual Funds - Money Market Direct Growth (March 31, 2023: 4.25 units)	0.00	-
DSP Saving Fund - Regular Plan Growth (March 31, 2023: Nil, March 31, 2022: 35,11,989.369 units)	-	15.03
DSP Liquidity Fund – Regular Plan Growth (March 31, 2023: Nil, March 31, 2022: 39,768.674 units)	-	12.00
HDFC Liquid Fund - Regular Growth Plan (March 31, 2023: Nil, March 31, 2022: 90,592.704 units)	-	37.61
HDFC Mutual fund – Liquid Direct Growth (March 31, 2023: 27.93 units)	0.01	-
HDFC Money Market Fund - Regular Growth Plan (March 31, 2023: Nil, March 31, 2022: 89,682.608 units)	-	41.17
ICICI Prudential Money Market - Fund Growth (March 31, 2023: Nil, March 31, 2022: 5,04,139.019 units)	-	15.34
IDFC Cash Fund Units (March 31, 2023: Nil, March 31, 2022: 5,940.95 units)	-	1.52
Invesco Liquid Fund Units (March 31, 2023: Nil, March 31, 2022: 17,266.16 units)	-	5.02
Kotak Liquid Fund Regular Plan Growth (March 31, 2023: Nil, March 31, 2022: 82,127.437 units)	-	35.14
Kotak Equity Arbitrage Fund Growth Regular Plan (March 31, 2023: Nil, March 31, 2022: 10,16,322.965 units)	-	3.07
Kotak Money Market Fund (March 31, 2023: 98.03 units)	0.04	-
Kotak Overnight Fund Growth - Regular Plan (March 31, 2023: 4,19,792.177 units, March 31, 2022: Nil units)	50.00	-
L & T Liquid Fund - Regular Growth (March 31, 2023: Nil, March 31,2022: 69,130.529 units)	-	20.05
Mirae Asset Cash Management Fund - Regular Plan (March 31, 2023: Nil, March 31, 2022: 1,40,625.465 units)	-	31.17
SBI Mutual fund - Corporate Bond Fund Regular Plan Growth^ (March 31, 2023: 3,467,634.26 units)	4.62	-
SBI Mutual fund - Liquid Direct Growth (March 31, 2023: 0.82 unit)	0.00	-
SBI Liquid Fund Regular Growth (March 31, 2023: 701.692 units, March 31, 2022: 1,66,171.185 units)	0.25	55.02
UTI Overnight Fund - Regular Plan (March 31, 2023: Nil, March 31, 2022: 7,030.267 units)	-	2.03

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UTI Liquid Cash Plan - Regular Plan (March 31, 2023: Nil, March 31, 2022: 45,350.426 units)	-	15.71
UTI Arbitrage Fund (March 31,2023: Nil, March 31, 2022: 9,298.017 units)	-	3.22
UTI Money Market Fund Units (March 31, 2023: Nil, March 31, 2022: 32,223.80 units)	-	7.95
Total	182.43	608.14
Aggregate book value of quoted investments	182.43	608.14
Aggregate market value of quoted investments	182.43	608.14

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NOTE: 14
CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	10.04	7.14
Total	10.04	7.14

NOTE: 15
CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Security deposits		
Unsecured, considered good	97.09	118.96
Unsecured, considered doubtful	8.61	9.20
Provision for doubtful deposits	(8.61)	(9.20)
Total	97.09	118.96

NOTE: 16
TRADE RECEIVABLES

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Trade receivables from others	914.55	781.32
Less: Loss Allowances	(28.11)	(24.89)
Total	886.44	756.43

Break-up for security details:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Secured, considered good	46.55	104.00
Unsecured, considered good	868.00	677.32
	914.55	781.32

Ageing of Trade Receivables:

₹ in Crore

Particulars	Outstanding as on March 31,2023 (for following periods from due date of payments)						
	Not Due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	630.42	229.56	26.95	2.20	0.45	0.00	889.58
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:*	-	-	-	-	-	-	-
Disputed	0.26	7.02	0.21	0.25	0.58	7.39	15.71
Undisputed	-	0.44	0.21	0.19	0.60	7.82	9.26
(ix) Provision on Trade Receivables assessed on individual basis							(24.97)
(x) Expected credit loss							(3.14)
Total	630.68	237.02	27.37	2.64	1.63	15.21	886.44

Particulars	Outstanding as on March 31,2022 (for following periods from due date of payments)						
	Not Due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	550.86	198.43	6.24	2.04	0.90	0.83	759.30
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:*							-
Disputed	-	0.11	-	0.11	0.89	6.62	7.73
Undisputed	-	0.32	5.59	0.07	2.14	6.17	14.29
(ix) Provision on Trade Receivables assessed on individual basis							(22.02)
(x) Expected credit loss							(2.87)
Total	550.86	198.86	11.83	2.22	3.93	13.62	756.43

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

For terms and conditions relating to related party receivables, refer Note - 48.

Trade receivables are generally non-interest bearing and on terms of 30 to 180 days.

Based on the risk profiling for each category of customer, the Group has not evaluated credit risk where the risk is mitigated by collateral. The Group has therefore evaluated credit risk for departmental, depletion, e-commerce b2b, e-commerce b2c, export and trade customers. The Group follows the simplified approach method for computing the expected credit loss. The risk are categorised into high, low and moderate category basis internal and external parameters. Any customer related specific information has been factored over and above the probability of default (PD). Provision matrix takes into account historical credit loss experience adjusted for forward-looking estimates and macro-economic factors. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

	Expected credit loss (%)					
	As at March 31, 2023			As at March 31, 2022		
	Departmental stores #	Depletion key accounts #	Trade Channel	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	0.00%	0.00%	1.03%	0.00%	0.00%	0.64%
0-90 days	0.00%	0.00%	3.12%	0.00%	0.00%	3.12%
91-180 days	0.00%	0.00%	3.44%	0.00%	0.00%	3.44%
181-365 days	0.00%	0.00%	4.10%	0.00%	0.00%	4.10%
1-2 years	0.00%	0.00%	4.32%	0.00%	0.00%	4.32%
2-3 years	0.00%	0.00%	4.41%	0.00%	0.00%	4.41%

Ageing of receivables on which impairment allowance of doubtful debts is applied*

	As at March 31, 2023			As at March 31, 2022		
	Departmental stores #	Depletion key accounts #	Trade Channel	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	-	-	223.67	-	-	242.25
0-90 days	-	-	18.39	-	-	18.91
91-180 days	-	-	6.81	-	-	2.52
181-365 days	-	-	0.41	-	-	2.34
1-2 years	-	-	0.19	-	-	3.57
2-3 years	-	-	0.09	-	-	3.84
Total	-	-	249.56	-	-	273.43

* The amount is net of provision for discount and refund liabilities.

Impact is considered to be immaterial.

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Movement in the expected credit loss allowance

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	24.89	26.33
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	0.44	1.12
Specific provision (reversed)/ made	2.78	(2.56)
As at the end of the year	28.11	24.89

NOTE: 17
CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
Current accounts	153.61	36.75
Deposit accounts (original maturity less than 3 months)	501.49	50.44
Balances with credit card companies	16.95	11.19
Balances with e-wallet companies	4.38	1.91
Cash on hand	13.04	13.67
Cheques/ drafts on hand	3.22	4.26
Total	692.69	118.22

The Group has undrawn committed borrowing facility available to the extent of ₹ 3,377.92 Crore as at March 31, 2023 (March 31, 2022: ₹ 3,546.00 Crore).

Details of non-cash transactions from investing activities and Changes in liabilities arising from financing activities:

As at March 31, 2023

₹ in Crore

	As at March 31, 2022	Pursuant to business combinations	Cash flows (net)	Non-cash changes: Fair value adjustments	Non-cash changes: Others	As at March 31, 2023
Investing activities						
Non-current investments	75.89	-	-	3.25	5.01	84.15
Current investments	608.14	0.05	(449.02)	(1.41)	24.67	182.43
Total	684.03	0.05	(449.02)	1.84	29.68	266.58
Financing activities						
Non-current borrowings	777.97	11.61	718.04	-	0.00	1,507.62
Current borrowings (including current maturities of non-current borrowings)	454.36	73.33	270.21	-	0.00	797.90
Lease liabilities	2,868.09	9.34	(891.01)	-	2,280.92	4,267.34
Total	4,100.42	94.28	97.24	-	2,280.92	6,572.86

As at March 31, 2022

₹ in Crore

	As at March 31, 2021	Pursuant to business combinations	Cash flows (net)	Non-cash changes: Fair value adjustments	Non-cash changes: Others	As at March 31, 2022
Investing activities						
Non-current investments	73.59	-	-	0.65	1.65	75.89
Current investments	344.31	-	243.60	2.80	17.43	608.14
Total	417.90	-	243.60	3.45	19.08	684.03
Financing activities						
Non-current borrowings	814.37	-	(36.40)	-	-	777.97
Current borrowings (including current maturities of non-current borrowings)	322.01	-	132.35	-	-	454.36
Lease liabilities	2,463.40	-	(560.87)	-	965.56	2,868.09
Total	3,599.78	-	(464.91)	-	965.56	4,100.42

NOTE: 18
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Earmarked deposits		
Current accounts	0.11	0.11
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)*#	8.26	2.20
Total	8.37	2.31

* Bank balance other than cash and cash equivalents are held as margin money under lien to banks for assuring guarantees.
# Bank deposits amounting to ₹ 2.78 Crore (March 31, 2022 ₹ Nil) of Sabyasachi Calcutta LLP (a subsidiary of the Company) are held as margin money under lien to banks for assuring guarantees and against term loan/working capital facilities and bank deposits amounting to ₹ 4.81 Crore (March 31, 2022 ₹ Nil) of Aditya Birla Digital Fashion Ventures Limited (a subsidiary of the Company) are held as lien by banks against term loan from bank, bank guarantees and credit card.

NOTE: 19
CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Net investment in sublease	38.08	-
Derivative contracts	0.65	-
Interest accrued on deposits	0.14	0.17
Other receivables	32.36	43.39
Total	71.23	43.56

NOTE: 20
OTHER CURRENT ASSETS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Capital advances	0.05	0.12
Prepayments	45.28	57.93
Advance to suppliers	177.37	142.33
Export incentives	0.58	1.14
Balances with government authorities (other than income tax)	491.95	332.70
Government grant receivables	1.24	1.24
Insurance claim receivables	0.91	0.84
Right to return assets	288.21	206.26
Other receivables	1.79	7.61
Total	1,007.38	750.17

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Notes to the consolidated financial statements for the year ended March 31, 2023

NOTE: 21
EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
Increase during the year	1,00,00,00,000	1,000.00	-	-
As at the end of the year	2,00,00,00,000	2,000.00	1,00,00,00,000	1,000.00

Issued equity share capital

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	93,85,09,538	938.50	93,77,36,163	937.73
Increase during the year towards:				
Equity shares under Rights Issue [Refer Note - 21(iii)]	138	0.01	2,80,504	0.28
Equity shares under Preferential Issue [Refer Note - 21(iv)]	1,02,16,450	10.22	-	-
Exercise of Options (Refer Note - 44)	2,70,225	0.27	4,92,871	0.49
As at the end of the year	94,89,96,351	949.00	93,85,09,538	938.50

Subscribed and paid-up equity share capital

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	93,83,04,034	938.29	93,75,30,659	915.05
Increase during the year towards:				
Equity shares under Rights Issue [Refer Note - 21(iii)]	138	0.01	2,80,504	22.75
Equity shares under Preferential Issue [Refer Note - 21(iv)]	1,02,16,450	10.22	-	-
Exercise of Options (Refer Note - 44)	2,70,225	0.27	4,92,871	0.49
As at the end of the year	94,87,90,847	948.79	93,83,04,034	938.29

(i) Shares held by Promoters :

Shares held by Promoters as at March 31, 2023			% Change during the year
Promoter name	No. of Shares	% of total shares	
Birla Group Holdings Private Limited	17,15,52,967	18.08	-0.20%
IGH Holdings Private Limited	13,64,72,680	14.38	-0.16%
Grasim Industries Limited	9,75,93,931	10.29	-0.11%
Umang Commercial Company Private Limited	6,50,66,998	6.86	-0.07%
Hindalco Industries Limited	5,02,39,794	5.30	-0.05%
Pilani Investment and Industries Corporation Limited	39,88,866	0.42	0.00%
Mrs. Rajashree Birla	8,63,696	0.09	0.00%
Birla Industrial Finance (India) Limited	1,66,508	0.02	0.00%
Birla Consultants Limited	1,66,422	0.02	0.00%
ABNL Investment Limited	77,430	0.01	0.00%
Birla Industrial Investments (India) Limited	34,666	0.00	0.00%
Mr. Kumar Mangalam Birla	33,966	0.00	0.00%
Mrs. Neerja Birla	20,270	0.00	0.00%
Mrs. Vasavadatta Bajaj	19,542	0.00	0.00%
Aditya Vikram Kumar Mangalam Birla HUF	1,780	0.00	0.00%
Total	52,62,99,516	55.47	

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Shares held by Promoters as at March 31, 2022			% Change during the year
Promoter name	No. of Shares	% of total shares	
Birla Group Holdings Private Limited	17,15,52,967	18.28	-0.01%
IGH Holdings Private Limited	13,64,72,680	14.54	0.01%
Grasim Industries Limited	9,75,93,931	10.40	0.00%
Umang Commercial Company Private Limited	6,50,66,998	6.93	0.00%
Hindalco Industries Limited	5,02,39,794	5.35	0.00%
Pilani Investment and Industries Corporation Limited	39,88,866	0.43	0.00%
Mrs. Rajashree Birla	8,63,696	0.09	0.00%
Birla Industrial Finance (India) Limited	1,66,508	0.02	0.00%
Birla Consultants Limited	1,66,422	0.02	0.00%
ABNL Investment Limited	77,430	0.01	0.00%
Birla Industrial Investments (India) Limited	34,666	0.00	0.00%
Mr. Kumar Mangalam Birla	33,966	0.00	0.00%
Mrs. Neerja Birla	20,270	0.00	0.00%
Mrs. Vasavadatta Bajaj	19,542	0.00	0.00%
Aditya Vikram Kumar Mangalam Birla HUF	1,780	0.00	0.00%
Total	52,62,99,516	56.09	

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ADITYA BIRLA FASHION AND RETAIL LIMITED

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10/- per share. Each holder of an equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution to all preference shareholders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(iii) Issue of Right Shares

Rights Issue - 2020:
a) Approval: On May 27, 2020, the Board approved fund raising by way of a Rights Issue. On June 25, 2020, it further approved the terms of the Issue i.e. 9,04,65,693 equity shares of face value of ₹ 10 each ("RES") at a price of ₹ 110 per Rights Equity Share (including premium of ₹ 100 per RES), aggregating to ₹ 995.12 Crore, in the ratio of 9 RES for every 77 existing fully-paid shares held by the eligible equity shareholders as on the Record Date i.e. July 1, 2020.
b) Application: On July 28, 2020, 9,02,77,042 RES of face-value ₹ 10 each were allotted as Partly paid shares ("PPS") to the eligible applicants who paid the application amount of ₹ 55 per RES (including premium of ₹ 50). Allotment of 1,88,651 RES has been kept in abeyance, pending regulatory/ other clearances.
c) First Call: On January 11, 2021, the 'First call' money of ₹ 27.50 per PPS (including premium of ₹ 25) was called for. On 8,99,09,500 PPS, the amount due, was successfully received. 3,67,542 PPS were forfeited due to non-payment, in accordance with the Articles of Association and Letter of Offer [dated June 28, 2020] ("LoF").
d) Final Call: On July 5, 2021, the final call money of ₹ 27.50 per PPS (including premium of ₹ 25) was called for and the payment period ended on July 19, 2021. The Company issued a 'Final Demand Cum Forfeiture Notice for Payment of Final Call Money on Partly Paid-Up Equity Shares' on September 28, 2022 to those shareholders who were yet to pay the amount due, thereby allowing further time until October 31, 2022.
e) Annulment of Forfeiture: On September 1, 2021, the Board of Directors approved annulment of 3,67,542 partly paid-up shares ("PPS") which were earlier forfeited. The Company issued a 'Final Demand Cum Forfeiture Notice - Partly Paid-Up Equity Shares' on September 28, 2022 to those shareholders who were yet to pay the amount due, thereby allowing further time until October 31, 2022. The Company has received payment towards 3,08,645 PPS.
f) Forfeiture: On November 4, 2022, the Board of Directors approved the forfeiture of 86,900 Equity shares on which first and/or final the call amount remains unpaid.
g) There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the LoF.

(iv) Preferential Issue to foreign portfolio investors

a)On May 24, 2022, the Board of Directors of the Company approved a Preferential Issue ("said issue") of 1,02,16,450 fully paid up Equity Shares of face value of ₹ 10 each, for cash, at a price of ₹ 288.75 per Equity Share (including a premium of ₹ 278.75 per Equity Share) and 6,58,00,866 warrants at a price of ₹ 288.75 per warrant ("Warrant Issue Price"), each warrant being convertible into or exchangeable for 1 Equity Share of the Company of face value of ₹ 10 each aggregating to ₹ 2,195 Crore to Caladium Investment Pte. Ltd, a Foreign Portfolio Investor ("Investor") by way of preferential allotment on private placement basis in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 by way of entering into a Share Subscription Agreement. ("SSA").
b) The Company received the approval of the Shareholders by way of Postal Ballot on June 23, 2022 and of Competition Commission of India on August 30, 2022 and Securities Exchange Board of India on September 7, 2022.
c) On September 20, 2022, post completion of the customary closing conditions of SSA, the Board of Directors approved the allotment to the Investor on receipt of consideration aggregating to ~ ₹ 770 Crore towards:
i) 1,02,16,450 fully paid up Equity Shares, of which ₹ 10 is towards face value and ₹ 278.75 towards premium and
ii) 6,58,00,866 warrants, upon receipt of 25% of the Warrant Issue Price (i.e. ₹ 72.1875 per warrant) as warrant subscription money. Balance 75% of the Warrant Issue Price (i.e. ₹ 216.5625 per warrant) shall be payable within 18 months from the allotment date.

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital
Birla Group Holdings Private Limited	17,15,52,967	18.08%	17,15,52,967	18.28%
IGH Holdings Private Limited	13,64,72,680	14.38%	13,64,72,680	14.54%
Grasim Industries Limited	9,75,93,931	10.29%	9,75,93,931	10.40%
Flipkart Investments Private Limited	7,31,70,731	7.71%	7,31,70,731	7.80%
Umang Commercial Company Private Limited	6,50,66,998	6.86%	6,50,66,998	6.93%
Hindalco Industries Limited	5,02,39,794	5.30%	5,02,39,794	5.35%

(vi) There were no shares issued for consideration other than cash during the period of five years immediately preceding the reporting year.

(vii) Shares reserved for issue under Employee Stock Option Plan

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Group, refer Note - 44.

NOTE: 22
OTHER EQUITY

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Share application money pending allotment		
As at the beginning of the year	-	-
Share application money received/ (allotted) towards exercise of Options	0.01	-
As at the end of the year	0.01	-
Share suspense account (Refer Note - 21(vi))		
As at the beginning of the year	0.02	0.02
As at the end of the year	0.02	0.02
Reserves and surplus		
Securities premium		
As at the beginning of the year	3,118.18	2,879.58
Equity shares under Rights Issue [Refer Note- 21(iii)]	0.20	226.05
Equity shares under Preferential Issue (net off share issue expenses of ₹ 0.95 Crore (March 31, 2022: ₹ Nil)) [Refer Note- 21(iv)]	283.82	-
Premium on exercise of Options	5.86	12.55
As at the end of the year	3,408.06	3,118.18
Retained earnings		
As at the beginning of the year	(1,265.39)	(1,117.43)
Loss for the year	(35.99)	(108.72)
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling Interest [Refer Note - 2.3(XIII)]	(175.87)	(46.94)
Acquisition of NCI share	-	2.65
Others	7.73	5.05
As at the end of the year	(1,469.51)	(1,265.39)
Share options outstanding account		
As at the beginning of the year	60.06	47.63
Recognition of Share based payment expenses	20.01	29.13
Transfer to Securities Premium on exercise of Options	(5.86)	(12.55)
Set off of ESOP reserve with loan given to trust on exercise of Options	(5.89)	-
Transfer to Capital reserve on exercise of Options	(0.96)	
Others	-	(4.15)
As at the end of the year	67.36	60.06
Treasury shares (Refer Note - 44)		
As at the beginning of the year	(103.09)	(104.46)
Treasury shares issued/ (purchases) by ESOP Trust during the year	(11.91)	1.37
As at the end of the year	(115.00)	(103.09)
Share Warrants [Refer Note 21 (iv)]		
As at the beginning of the year	-	-
Warrants issued during the year	475.00	-
As at the end of the year	475.00	-
Capital reserve		
As at the beginning of the year	21.74	21.88
Changes during the year [due to forfeiture of Rights equity shares (Refer Note - 21(iii))]	0.00	(0.14)
Transfer to Capital reserve on exercise of Options	0.96	-
As at the end of the year	22.70	21.74

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Notes to the consolidated financial statements for the year ended March 31, 2023

₹ in Crore

		As at March 31, 2023	As at March 31, 2022
Other comprehensive income			
Remeasurement gains/ (losses) on defined benefit plans			
As at the beginning of the year		1.11	(0.28)
Gains/ (losses) during the year		(0.36)	1.39
As at the end of the year		**0.75**	**1.11**
Fair value gains/ (losses) on equity instruments			
As at the beginning of the year		2.34	1.84
Gains/ (losses) during the year		2.44	0.50
As at the end of the year		**4.78**	**2.34**
Foreign currency translation reserve			
As at the beginning of the year		0.06	(0.04)
Gains/ (losses) during the year		0.03	0.10
As at the end of the year		**0.09**	**0.06**
Effective portion of cashflow hedge			
As at the beginning of the year		-	-
Gains/ (losses) during the year		0.25	-
As at the end of the year		**0.25**	**-**
Other equity attributable to owners of the Company	(A)	**2,394.50**	**1,835.03**
Non-controlling interest			
As at the beginning of the year		15.20	32.48
Non-controlling interest recognised as at the beginning of the year		421.15	374.21
Difference between redemption amount of Put option liabilities and carrying amount of Non-controlling interest [Refer Note - 2.3(XIII)]		175.87	46.94
Non-controlling interest derecognised at the end of the year		(724.08)	(421.15)
Non-controlling interest recognised pursuant to business combinations during the year (Refer Note- 47)		73.89	-
Additional contribution by Non-controlling shareholders/partners		71.80	-
Acquisition of NCI share		-	(2.65)
Profit/ (Loss) during the year		(23.39)	(9.58)
Others		(7.73)	(5.05)
As at the end of the year	(B)	**2.71**	**15.20**
Total other equity	(A+B)	2,397.20	1,850.23

Other equity

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Share application money pending allotment	0.01	-
Share suspense account (Refer Note - 21(vi))	0.02	0.02
Reserves and surplus		
Securities premium	3,408.06	3,118.18
Retained earnings	(1,469.51)	(1,265.39)
Share options outstanding account	67.36	60.06
Treasury shares (Refer Note - 44)	(115.00)	(103.09)
Share warrants	475.00	-
Capital reserve	22.70	21.74
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans	0.75	1.11
Fair value gains/ (losses) on equity instruments	4.78	2.34
Foreign currency translation reserve	0.09	0.06
Effective portion of cashflow hedge	0.25	-
Other equity attributable to owners of the Company	2,394.50	**1,835.03**
Non-controlling interest	2.71	**15.20**

The description of the nature and purpose of each reserve within other equity is as follows:

1. Share suspense account (Refer Note - 21(vi))
As per the Scheme of Arrangement, the Non-Resident shareholders of ABNL, holding shares on repatriation basis, are allotted shares upon receiving necessary regulatory approval(s). The amount lying in share suspense account pertains to shares not allotted on account of pending requisite approvals.

2. Securities premium
Securities premium is used to record the premium on issue of shares, and is utilised in accordance with the provisions of the Companies Act, 2013.

3. Retained earnings
Retained earnings comprise of the Group's accumulated undistributed profits/ (losses) after taxes.

4. Share options outstanding account
The fair value of the equity-settled share based payment transactions with employees is recognised in Consolidated Statement of Profit and Loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

5. Treasury shares (Refer Note - 44)
The equity shares of the Company have been acquired from open markets for Employee Stock Option Scheme 2019 and is held by ABFRL Employee Welfare Trust (ESOP Trust) at cost. Trust allot shares to employees at the time of exercise of ESOP by employees.

6. Capital reserve
Capital reserve pertains to the reserve created out of the difference between the share capital issued and the net assets taken over at the time of Scheme of Arrangement and forfeiture of Rights shares.

7. Remeasurement gains/ (losses) on defined benefit plans
The cumulative balances of gains/ (losses) arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in remeasurement gains/ (losses) reserve will not be reclassified subsequently to Consolidated Statement of Profit and Loss.

8. Fair value gains/ (losses) on equity instruments
It represents the cumulative gains/(losses) arising on the fair valuation of equity shares (other than investments in subsidiaries, which are carried at cost) measured at fair value through other comprehensive income. This fair value gains/ (losses) will not be reclassified subsequently to Consolidated Statement of Profit and Loss.

9. Foreign currency translation reserve
The translation reserve comprise foreign currency exchange differences arising from the translation of the financial statements of foreign operations. This gains/ (losses) will be reclassified subsequently to Consolidated Statement of Profit and Loss.

10. Share Warrants (Refer Note 21 (iv))
On May 24, 2022, the Board of Directors of the Company approved a Preferential Issue ("said issue") of 1,02,16,450 fully paid up Equity Shares of face value of ₹ 10 each, for cash, at a price of ₹ 288.75 per Equity Share (including a premium of ₹ 278.75 per Equity Share) and 6,58,00,866 warrants at a price of ₹ 288.75 per warrant ("Warrant Issue Price"), each warrant being convertible into or exchangeable for 1 Equity Share of the Company of face value of ₹ 10 each aggregating to ₹ 2,195 Crore to Caladium Investment Pte. Ltd, a Foreign Portfolio Investor ("Investor") by way of preferential allotment on private placement basis in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 by way of entering into a Share Subscription Agreement, ("SSA").
The Company received the approval of the Shareholders by way of Postal Ballot on June 23, 2022 and of Competition Commission of India on August 30, 2022 and Securities Exchange Board of India on September 7, 2022.
On September 20, 2022, post completion of the customary closing conditions of SSA, the Board of Directors approved the allotment to the Investor on receipt of consideration aggregating to ~ ₹ 770 Crore towards:
i) 1,02,16,450 fully paid up Equity Shares, of which ₹ 10 is towards face value and ₹ 278.75 towards premium and
ii) 6,58,00,866 warrants, upon receipt of 25% of the Warrant Issue Price (i.e. ₹ 72.1875 per warrant) as warrant subscription money. Balance 75% of the Warrant Issue Price (i.e. ₹ 216.5625 per warrant) shall be payable within 18 months from the allotment date.

NOTE: 23

NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	Effective interest rate	Maturity	As at March 31, 2023	As at March 31, 2022
	% p.a.		₹ in Crore	₹ in Crore
Redeemable non-convertible debentures				
Redeemable non-convertible debentures - Series 7 Zero coupon (Unsecured)*	8.75%	May 22, 2023	-	324.61
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	399.83	399.46
Redeemable non-convertible debentures - Series 9 Zero coupon (Unsecured)*	7.97%	January 29, 2026	498.42	-
Term loans from banks				
Term loan from HDFC Bank (TUF) (Secured)[1]	1 year MCLR + 0.25%	March 15, 2025	3.33	6.67
Term loan from Federal Bank (Secured)[2]	7.95%	March 28, 2028	499.00	-
Term loan from Standard Chartered Bank (Secured)[3]	Repo rate + 4.00% **	March 31, 2034	-	0.79
Term loan from Axis Bank (Secured)[4]	1 Year MCLR + 1.25%	September 30, 2024	0.98	5.57
Term loan-FCTL (Secured)[5]	Reference Rate+1.90%	November 23, 2026	24.01	14.21
Term loan from ICICI Bank (Secured)[7]	8.21%	December 15, 2028	28.17	-
Term loan from ICICI Bank (Secured)[8]	1 Year MCLR	December 31, 2026	35.00	-
Term loan from ICICI Bank (Secured)[9]	8.75%	March 31 ,2026	4.00	-
Term loan from Bank (Secured)	9.40%	December 31, 2024	0.03	-
Term loan from others				
Other borrowings (Unsecured)[6]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	14.82	26.15
Other borrowings (secured)	18.75%	April 31, 2024	0.01	-
Other borrowings (Unsecured)	18.75%	April 31, 2024	0.01	-
Preference shares				
Cumulative redeemable preference shares[10]	8.00%	March 29, 2024	-	0.50
Cumulative redeemable preference shares[11]	6.00%	October 12, 2024	0.01	0.01
Total			**1,507.62**	**777.97**

*Net off unamortised charges

Current maturities of long-term borrowings

	Effective interest rate	Maturity	As at March 31, 2023	As at March 31, 2022
	% p.a.		₹ in Crore	₹ in Crore
Current maturities of long-term borrowings				
Redeemable non-convertible debentures - Series 6 Zero coupon (Unsecured)*	8.71%	November 11, 2022	-	434.69
Redeemable non-convertible debentures - Series 7 Zero coupon (Unsecured)*	8.75%	May 22, 2023	323.51	-
Term loan from HDFC Bank (TUF) (Secured)[1]	1 year MCLR + 0.25%	March 15, 2025	3.33	3.33
Term loan from Standard Chartered Bank (Secured)[3]	Repo rate + 4.00% **	March 31, 2034	-	0.64
Term loan from Axis Bank (Secured)[4]	1 Year MCLR + 1.25%	September 30, 2024	4.60	2.80
Term loan-FCTL (Secured)[5]	Reference Rate + 1.90%	November 23, 2026	8.74	0.95
Other borrowings (Unsecured)[6]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	11.57	10.07
Term loan from ICICI Bank (Secured)[7]	8.21%	December 15, 2028	1.69	-
Term loan from bank (Secured)	9.40%	December 31, 2024	3.67	-
Cumulative redeemable preference shares[10]	8.00%	March 29, 2024	0.50	-
Total (included in Current Borrowings)			**357.61**	**452.48**

*Net off unamortised charges

Aggregate secured borrowings	616.56	34.96
Aggregate unsecured borrowings	1,248.67	1,195.49

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The Group has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings.

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

The Group has registered all the charges with Registrar of Companies within the statutory period.

Details of security and terms of repayment

1. Term loan from HDFC Bank (TUF) secured by way of exclusive charge over movable assets of the Company's plant situated at Bhubaneswar, Odisha. The loan is repayable in 24 equal quarterly instalments commencing from June 15, 2019.
2. Term loan of Rs 500 Crores from Federal Bank is secured by way of First pari passu charge on the present and future fixed assets. The loan is repayable at the time of maturity i.e 29th March, 2028.
3. Term loan is secured against the residential/ commercial property of director of Finesse International Design Private Limited (a subsidiary of the Company). The loan is repayable in 180 equal monthly instalments commencing from April 2019.
4. Term loan is secured by way of first charge created by hypothecation of movable property, plant and equipment and current assets of Finesse International Design Private Limited (a subsidiary of the Company) excluding vehicles both present and future. The loan is repayable in 12 structured quarterly instalments commencing from December 2021, i.e., after the moratorium period of 12 months.
5. Foreign Currency Term Loan (FCTL in US Dollars) from a Bank taken by the Subsidiary of the Company (M/s Sabyasachi Inc.) is secured by an Irrevocable Standby Letter of Credit backed by its Parent entity (Sabyasachi Calcutta LLP) and charge over all moveable and immovable Property, plant and equipment of the Subsidiary. The loan is repayable in 16 equal quarterly instalments starting from March 31, 2023.
6. Loans amounting to ₹ 21.08 Crore is repayable in 20 equal quarterly instalments commencing from March 2020 and loans amounting to ₹ 5.28 Crore is repayable in 48-60 equal monthly instalment commencing on various dates through March 14, 2025 to October 14, 2027.
7. Term Loan from ICICI Bank is secured by the first parri-passu charge on both movable and immovable fixed aseets both present and future amounting to ₹ 50.00 Crore of Sabyasachi Calcutta LLP (a subsidiary of the Company). The tenure of term loan is 6 years with 18 months moratorium. The repayment starts from June 2024 and ends on Decemeber 2028.The repayment of principal amount to ₹ 2.77 Crore will take place quarterly starting from June 2024.The interest amount will be deducted monthly calculated on the outstanding principal amount.
8. Term loan has been taken from ICICI Bank which is secured by way of charge over movable Property, plant and equipment of Indivinity Clothing Retail Private Limited(a subsidiary of the Company). The loan is repayable in 10 equal quarterly instalments starting from quarter ended September 2024.
9. The loan is secured by way of first charge created by hypothecation of movable property, plant and equipment and current assets of Finesse International Design Private Limited (a subsidiary of the Company) both present and future. The loan is repayable in 8 structured quarterly instalments commencing from June 2024.

Details of Cumulative redeemable preference shares

10 5,00,000 8% Cumulative redeemable preference shares of ₹ 10/- each are entitled to a cumulative dividend @ 8% p.a. The dividend proposed by the Board of Directors, if any, shall be subject to the approval of the shareholders in the ensuing Annual General Meeting. Pursuant to the terms of issuance, the due date for redemption of 8% Redeemable Cumulative Preference Shares was March 30, 2019. While the Company had net profits for the financial year 2018-19, it did not have distributable profits in terms of Section 123 of the Act as it had past accumulated losses. Accordingly, pursuant to the unanimous consent of all the preference shareholders and in terms of the applicable provisions of the Act, the Board of Directors of the Company, vide a circular resolution dated April 11, 2019 approved the variation in terms of the preference shares to the extent of extending the redemption dates by a period of 5 years i.e. upto March 29, 2024. In the event of liquidation of the Company, before redemption of preference shares, the holders of preference shares will have priority over the holders of equity shares in the payment of dividend and repayment of capital.

11 500 6% Cumulative redeemable preference shares of ₹ 100/- each are entitled to a cumulative dividend @ 6% p.a. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. Pursuant to the terms of issuance, the due date for redemption of 6% Redeemable Cumulative Preference Shares was October 13, 2019. While the Company had net profits for the financial year 2018-19, it did not have distributable profits in terms of Section 123 of the Act as it had past accumulated losses. Accordingly, pursuant to the unanimous consent of all the preference shareholders and in terms of the applicable provisions of the Act, the Board of Directors of the Company, vide a circular resolution dated April 11, 2019 approved the variation in terms of the preference shares to the extent of extending the redemption dates by a period of 5 years i.e. upto October 12, 2024. In the event of liquidation of the Company, before redemption of preference shares, the holders of preference shares will have priority over the holders of equity shares in the payment of dividend and repayment of capital.

TUF - Technology Upgradation Fund.

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NOTE: 24
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	0.76	-
Non-controlling interest put option*	724.08	421.15
Liability towards license rights	391.06	-
Others	1.19	0.77
Total	**1,117.09**	**421.92**

*During the year ended March 31, 2021, the Company acquired 51% stake in Sabyasachi Calcutta LLP by entering into an agreement on February 24, 2021. Under the terms of the Agreement, the Company has provided a Put Option to Mr. Sabyasachi Mukherjee to sell his entire holding of 49% to the Company over a period of fourteen years starting from the end of five years from the aforesaid date and thereafter in three tranches, should an initial public offer of the organisation (after conversion to a company) does not take place. In respect of the balance 49% held by promoter of Sabyasachi Calcutta LLP, the Company has accounted the same as non-current financial liability considering the put option. This qualifies as a liability under Ind AS since the Company does not have an unconditional right to not purchase the interest as per the terms of the Agreement. The Non-Controlling Interest has been recorded at the present value of the expected future cash outflows based on an independent valuation performed by the Company's appointed independent valuer.

NOTE: 25
NON-CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Employee benefit obligation		
Provision for compensated absence	2.09	1.77
Provision for gratuity (Refer Note - 43)	43.03	32.98
Stock Appreciation Rights (SAR)	1.01	0.18
Provision for pending litigations (Refer Note - 46)	65.60	66.75
Total	**111.73**	**101.68**

Movement of provision for pending litigations during the year:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Opening balance	**66.75**	**68.72**
Add: provision made during the year	0.11	0.65
Less: provision utilised during the year	(0.59)	(0.70)
Less: provision reversed during the year	(0.67)	(1.92)
Closing balance	**65.60**	**66.75**

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NOTE: 26
OTHER NON-CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Deferred income	20.20	11.73
Total	**20.20**	**11.73**

NOTE: 27
CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand from banks		
Cash credit/ Working capital demand loan (Secured)[1]	231.19	1.88
Cash credit/ Working capital demand loan (Unsecured)	175.59	-
Loans repayable on demand from others (Secured)	24.81	-
Loans repayable on demand from others (Unsecured)	1.12	
Gold Metal Loan[2]	2.60	-
Redeemable non-convertible debentures	4.98	-
Current maturities of long-term borrowings (Refer Note - 23)	357.61	452.48
Total current borrowings	**797.90**	**454.36**
Aggregate secured borrowings	285.61	9.60
Aggregate unsecured borrowings	512.29	444.76

Details of security

1. Current borrowings are secured by way of first pari passu charge on the current assets and second pari passu charge on the movable and immovable assets of the respective entities of the Group.

2. The Sabyasachi Calcutta LLP (a subsidiary of the Company) has availed Gold Metal Loan from ICICI Bank as a part of its fund based limit of sanction limit of ₹ 25 Crore for Jewellery manufacturing (domestic and export).The interest shall be charged monthly at notional value of gold linked to international gold lease rate (presently 4.25% p.a.). The loan will be available for a maximum of 180 days.

NOTE: 28
TRADE PAYABLES

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	120.63	87.44
Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,725.49	3,323.12
Total	**3,846.12**	**3,410.56**

* Includes payable to related parties, for terms and conditions with related parties (Refer Note - 48).

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to Micro and Small Enterprises*	148.00	97.22
Interest due on the above	0.63	0.39
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	3.22	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	1.47	1.43
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	6.16	6.90
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	3.41	-

* Includes amount due to Creditors for capital supplies/ services amounting to ₹ 27.37 Crore as at March 31, 2023 (March 31, 2022 : ₹ 9.78 Crore).

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors.

Ageing of Trade Payables:

₹ in Crore

Particulars	Outstanding as on March 31,2023 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	92.07	28.17	0.18	0.11	0.07	120.59
(ii) Others	2,569.07	1,055.51	25.67	12.81	60.87	3,723.92
(iii) Disputed dues – MSME	0.00	0.01	(0.00)	0.03	(0.00)	0.04
(iv) Disputed dues – Others	0.05	0.35	0.05	0.02	1.10	1.57

Particulars	Outstanding as on March 31,2022 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	77.07	9.28	0.16	0.08	0.24	86.83
(ii) Others	2,942.01	292.43	12.47	7.55	66.15	3,320.61
(iii) Disputed dues – MSME	-	0.44	0.17	-	-	0.61
(iv) Disputed dues – Others	0.56	0.01	0.74	0.18	1.02	2.51

NOTE: 29
CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	46.02	133.42
Creditors for capital supplies/ services	139.62	59.10
Derivative contracts	4.65	3.20
Employee Payable	188.03	139.50
Liability towards license rights	94.85	-
Others	23.83	1.68
Total	497.00	336.90

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NOTE: 30
CURRENT PROVISIONS

₹ In Crore

	As at March 31, 2023	As at March 31, 2022
Employee benefit obligation		
Provision for compensated absences	104.31	90.89
Provision for gratuity (Refer Note - 43)	5.47	1.01
Stock Appreciation Rights (SAR)	22.49	7.03
Provision for contingency*	1.03	2.39
Total	133.30	101.32

*Provision for contingency of Sabyasachi Calcutta LLP (a subsidiary of the Company) is created towards differential rate for embroidery charges claimed by Job workers towards job work of earlier years. The claims are under process of settlement.

NOTE: 31
OTHER CURRENT LIABILITIES

₹ In Crore

	As at March 31, 2023	As at March 31, 2022
Advances received from customers	66.87	84.66
Deferred revenue*	18.61	16.43
Other advances received	0.41	1.67
Statutory dues (other than income tax)	81.86	64.66
Refund liabilities	534.01	370.88
Total	**701.76**	**538.30**

*** Deferred revenue**

₹ In Crore

	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	**16.43**	**10.22**
Deferred during the year	70.32	25.40
Released to the Consolidated Statement of Profit and Loss	(68.14)	(19.19)
As at the end of the year	**18.61**	**16.43**

The deferred revenue relates to the accrual and release of customer loyalty points, according to the loyalty programme of respective businesses. As at March 31, 2023, the estimated liability towards unredeemed points amounts to ₹ 18.61 Crore (March 31, 2022: ₹ 16.43 Crore).

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NOTE: 32
REVENUE FROM OPERATIONS

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from sale of products		
Sale of products	12,284.69	8,064.53
Revenue from redemption of loyalty points (Refer Note - 31)	68.14	19.19
Total revenue from sale of products	**12,352.83**	**8,083.72**
Revenue from rendering of services	10.04	9.34
Other operating income		
Scrap sales	14.46	9.87
Export Incentives	9.55	9.16
Licence fees and royalties	8.33	4.65
Space on hire	0.54	1.43
Commission income	22.14	17.78
Others	0.01	0.27
Total	**12,417.90**	**8,136.22**

(a) Right to return assets and refund liabilities:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Right to return assets	288.21	206.26
Refund liabilities	534.01	370.88

(b) Contract balances:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Contract assets		
Trade receivables	886.44	756.43
Contract liabilities		
Advances received from customers	66.87	84.66
Deferred revenue	18.61	16.43

(c) Reconciliation of revenue as recognised in the Consolidated Statement of Profit and Loss with the contracted price:

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	14,260.55	9,420.78
Less:		
Sales return	1,096.61	671.56
Discount	727.43	596.57
Loyalty points	18.61	16.43
Revenue as per the Consolidated Statement of Profit and Loss	**12,417.90**	**8,136.22**

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(d) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss:

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Madura Fashion & Lifestyle		
Revenue from retail operations	5,007.35	3,301.25
Revenue from non-retail operations	3,299.62	2,208.90
	8,306.97	**5,510.15**
Pantaloons		
Revenue from retail operations	3,972.46	2,486.63
Revenue from non-retail operations	138.47	139.44
	4,110.93	**2,626.07**
Revenue as per the Consolidated Statement of Profit and Loss	**12,417.90**	**8,136.22**

(e) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss based on geographical segment:

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from customers outside India	242.50	197.61
Revenue from customers within India	12,175.40	7,938.61
Revenue as per the Consolidated Statement of Profit and Loss	**12,417.90**	**8,136.22**

NOTE: 33
OTHER INCOME

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income	10.21	9.38
Net gain on sale of current investments	23.26	20.23
Fair value gain on financial instruments at FVTPL	47.25	33.44
Gain on retirement of right-of-use assets (Refer Note - 4a & 45a)	19.75	14.85
Miscellaneous income	15.99	22.65
Total	**116.46**	**100.55**

NOTE: 34
COST OF MATERIALS CONSUMED

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Materials consumed		
Inventories at the beginning of the year	307.51	196.02
Add: Purchases	1,212.84	978.67
	1,520.35	1,174.69
Less: Inventories at the end of the year	274.47	307.51
Total	**1,245.88**	**867.18**
(b) Purchase of stock-in-trade		
Purchase of stock-in-trade	5,546.76	3,793.42
Total	**5,546.76**	**3,793.42**

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(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Opening inventories		
Finished goods	297.71	158.09
Stock-in-trade	2,192.43	1,432.50
Work-in-progress	74.62	33.74
Inventories taken over pursuant to business combinations		
Finished goods	27.74	-
Stock-in-trade	9.95	-
Work-in-progress	15.59	-
	2,618.04	1,624.33
Less:		
Closing inventories		
Finished goods	452.77	297.71
Stock-in-trade	3,333.20	2,192.43
Work-in-progress	72.73	74.62
	3,858.70	2,564.76
(Increase)/Decrease in inventories	(1,240.66)	(940.43)

NOTE: 35
EMPLOYEE BENEFITS EXPENSE

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	1,350.08	1,011.77
Contribution to provident and other funds (Refer Note - 43)	77.14	58.56
Share-based payment to employees (Refer Note - 44)	31.29	29.13
Gratuity expense (Refer Note - 43)	21.93	17.81
Staff welfare expenses	82.92	41.26
Total	**1,563.36**	**1,158.53**

NOTE: 36
FINANCE COSTS

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings	142.32	133.59
Interest expense on lease liabilities (Refer Note - 4b & 45a)	302.83	214.27
Other borrowing costs	0.85	0.54
Fair value impact on financial instruments at FVTPL	26.35	2.31
Total	**472.35**	**350.71**

NOTE: 37
DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (Refer Note - 3a)	256.87	213.32
Depreciation on right-of-use assets (Refer Note - 4a & 45a)	927.85	762.55
Amortisation on intangible assets (Refer Note - 5)	42.24	21.16
Total	**1,226.96**	**997.03**

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NOTE: 38
OTHER EXPENSES

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	7.69	5.04
Power and fuel	15.92	11.55
Electricity charges	167.24	99.49
Repairs and maintenance		
Buildings	0.38	0.31
Plant and machinery	13.19	11.17
Others	260.28	179.06
Insurance	15.46	11.27
Rates and taxes	24.63	15.37
Processing charges	165.19	98.44
Commission to selling agents	205.80	140.30
Brokerage and discounts	2.36	1.32
Advertisement and sales promotion	652.48	292.98
Transportation and handling charges	240.34	148.37
Royalty expenses	25.54	18.58
Legal and professional expenses	178.82	114.95
Bad debts written off	0.13	1.22
Allowances for bad and doubtful debts	2.04	2.01
Provision for bad and doubtful deposits and advances	1.29	5.16
Printing and stationery	15.49	14.82
Travelling and conveyance	136.72	58.37
Communication expenses	6.16	4.68
Loss on sale/ discard of property, plant and equipment	0.13	-
Bank and credit card charges	63.69	38.52
Payment to auditors (Refer details below)	3.09	2.40
Donation	0.30	0.01
Postage expenses	5.28	4.88
Foreign exchange loss (net)	7.98	9.16
Information technology expenses	193.56	138.71
Outsourcing, housekeeping and security expenses	403.59	294.03
Corporate Social Responsibility (CSR) expenses (Refer Note - 42)	3.50	2.94
Directors' fees	0.75	0.63
Miscellaneous expenses	92.94	38.64
Total	**2,911.96**	**1,764.38**

Payment to auditors*:

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
For audit fees (including Limited Review fees)	2.07	1.72
For tax audit fees	0.26	0.24
For other services	0.53	0.34
For reimbursement of expenses	0.23	0.10
Total	**3.09**	**2.40**

* Includes fees of subsidiaries to other auditors.

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NOTE: 39
INCOME TAX EXPENSE
The major components of income tax (income)/ expense are:

Consolidated Statement of Profit and Loss:
Profit or loss section

₹ in Crore

		Year ended March 31, 2023	Year ended March 31, 2022
Current income tax			
Current income tax charge		15.92	20.89
Current tax relating to earlier years		(2.22)	-
	(A)	13.70	20.89
Deferred tax			
Relating to origination and reversal of temporary differences		(36.67)	(47.46)
	(B)	(36.67)	(47.46)
Total	(A+B)	(22.97)	(26.57)

OCI section
Deferred tax related to items recognised in OCI during the year

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Net (gains)/ losses on re-measurement of defined benefit plans	0.14	(0.35)
Net (gains)/ losses on fair value of equity instruments	(0.82)	(0.16)
Net (gains)/ losses on hedging instruments	(0.26)	-
Total	(0.94)	(0.51)

Reconciliation of tax (income)/ expense and the accounting profit/ (loss) multiplied by India's domestic tax rate

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Accounting Loss before income tax	(82.43)	(144.93)
Tax expense/ (income) at India's statutory income tax rate of 25.17% (March 31, 2022: 25.17%)	(20.75)	(36.48)
Expenses not allowed under the Income tax Act:		
- Corporate Social Responsibility	0.88	0.74
- Expenses disallowed for tax purposes	0.42	1.06
- Impact of differential higher income tax rate applicable to a subsidiary	1.90	5.87
- Others	(3.20)	2.24
Provision for current tax for earlier years	(2.22)	-
Income tax expenses/ (income) as per Statement of Profit and Loss Account	(22.97)	(26.57)

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NOTE: 40
EARNINGS PER SHARE (EPS)

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

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

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

₹ in Crore

		Year ended March 31, 2023	Year ended March 31, 2022
Loss for calculation of EPS	(A)	**(35.99)**	**(108.72)**
Weighted average number of equity shares for calculation of Basic EPS	(B)	94,77,34,352	92,49,31,614
Basic EPS (₹)	(A/B)	**(0.38)**	**(1.18)**
Weighted average number of equity shares outstanding		94,77,34,352	92,49,31,614
Weighted average number of potential equity shares*		25,44,903	80,24,183
Weighted average number of equity shares for calculation of Diluted EPS		95,02,79,255	92,49,31,614
Diluted EPS (₹)	(C)	**(0.38)**	**(1.18)**
Nominal value of shares (₹)		10.00	10.00

Treasury shares are adjusted in computing the weighted average number of equity shares outstanding during the year in calculation of EPS.

*Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not anti-dilutive. The stock options are not included in the determination of basic earnings per share. The details relating to stock options are given in Note - 44.

NOTE - 41
SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Group's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next three years and next 2 years have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note - 58.

(b) Share-based payment

The Group uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Consolidated Statement of Profit and Loss. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 44.

(c) Taxes

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

As at March 31, 2023, the Group has ₹ 1,798.28 Crore (March 31, 2022: ₹ 1,955.10 Crore) of tax losses carried forward as per income tax records of the Group. These losses pertain to unabsorbed business loss as at March 31, 2023 of ₹ 491.92 Crore (March 31, 2022 of ₹ 647.25 Crore) which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2023 of ₹ 1,306.35 Crore (March 31, 2022 of ₹ 1,307.85 Crore) which do not have any expiry period. Further details on taxes are disclosed in Notes - 10 and 39.

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(d) Employee benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, 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 for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note - 43.

(e) Revenue recognition – Loyalty points

The Group operates a loyalty programme where customers accumulate points for purchases made, which entitle them to discount on future purchases. The Group estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rate basis the Group's historic trends of redemption and expiry period of the points and such estimates are subject to uncertainty. As at March 31, 2023, the estimated liability towards unredeemed points amounts to ₹ 18.61 Crore (March 31, 2022: ₹ 16.43 Crore).

Further details are given in Note - 31.

(f) Provision on inventories

The Group has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non-core (fashion) and sub-categorised into finished goods and raw materials. The Group provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

(g) Provision for discount and sales return

The Group provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Group reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

(h) Impairment allowance for doubtful debts

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off if the same are not collectible. The carrying amount of allowance for doubtful debts is ₹ 28.11 Crore (March 31, 2022: ₹ 24.89 Crore). Further details about impairment allowance are given in Note - 16.

(i) Leases

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

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

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(j) Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:
(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.
(iii) There is no substantive change to other terms and conditions of the lease.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19- Related Rent Concessions" effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient upto June 30, 2022.

The Group has accounted the unconditional rent concessions of ₹ 0.22 Crore (March 31, 2022: ₹ 219.18 Crore) during the year ended March 31, 2023. The same has been accounted as a reduction of rent expenses in the Consolidated Statement of Profit and Loss.

(k) Valuation of Non - controlling interest Put Option

The fair value of financial liability (put option) arising from acquisition agreements, has been determined at present value of consideration payable, using appropriate valuation model. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of the put option. Such valuation includes assumptions such as discount rate, future cashflow and EBITDA estimates. Such assumptions are reviewed at each reporting date.

(l) Going concern

The management has performed an assessment of the Group's ability to continue as a going concern. Based on the assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the consolidated financial statements have been prepared on a going concern basis.

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NOTE - 42

DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
a) Gross amount required to be spent by the Group during the year	-	-
b) Amount approved by the Board to be spent during the year	3.50	3.00

₹ in Crore

	In Cash	Yet to be paid in Cash	Total
March 31, 2023:			
i) Construction/ acquisition of any asset	-	-	-
ii) On purposes other than (i) above	3.50	-	**3.50**
March 31, 2022:			
i) Construction/ acquisition of any asset	-	-	-
ii) On purposes other than (i) above	2.94	-	**2.94**

In case of Section 135(5) unspent amount				
Opening Balance as on April 01, 2022	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2023*
-	-	-	-	-

* Since the amount spent exceeds amount required to be spent, the unspent amount is Nil.

In case of Section 135(5) Excess amount spent			
Opening Balance as on April 01, 2022	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2023*
-	-	3.50	-

* The Group has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off against the amounts required to spent in the future year.

Details of ongoing projects along with

In case of Section 135(6) (Ongoing Project)						
Opening Balance as on April 01, 2022		Amount required to be spent during the year	Amount spent during the year		Closing Balance as on March 31, 2023	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

In case of Section 135(5) unspent amount				
Opening Balance as on April 01, 2021	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2022*
-	-	-	2.94	-

* Since the amount spent exceeds amount required to be spent, the unspent amount is Nil.

In case of Section 135(5) Excess amount spent			
Opening Balance as on April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2022*
-	-	2.94	-

* The Group has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off against the amounts required to spent

Details of ongoing projects along with

In case of Section 135(6) (Ongoing Project)						
Opening Balance as on April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Closing Balance as on March 31, 2022	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

NOTE - 43
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

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

Unfunded defined benefit plan

Net benefit expense recognised through the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	8.04	5.86
Interest cost on defined benefit obligation	2.69	1.98
Total	**10.73**	**7.84**

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Opening defined benefit obligation	**36.84**	**31.05**
Addition pursuant to business combinations	1.19	-
Current service cost	8.04	5.86
Interest cost on defined benefit obligation	2.69	1.98
Actuarial (gain)/ loss on account of:		
Changes in demographic assumptions	0.08	(0.19)
Changes in financial assumptions	(1.49)	(1.30)
Experience adjustments	3.69	2.02
Actuarial (gain)/ loss recognised in OCI	**2.28**	0.53
Benefits paid	(4.40)	(3.05)
Liabilities assumed/ (settled)*	1.18	0.47
Closing defined benefit obligation	**47.82**	**36.84**

*On account of inter-company transfer.

Funded defined benefit plan

Net benefit expense recognised through the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	11.40	10.16
Interest cost on defined benefit obligation	5.29	4.57
Interest on plan assets	(5.49)	(4.76)
	11.20	**9.97**

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Changes in the defined benefit obligation and fair value of plan assets are as follows:

(i) Changes in the present value of the Defined Benefit Obligations (DBO):

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	**76.70**	**71.38**
Addition pursuant to the scheme of arrangement	0.44	-
Current service cost	11.40	10.16
Interest cost on defined benefit obligation	5.29	4.57
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	(3.70)	(3.22)
Experience adjustments	2.11	1.16
Actuarial (gain)/ loss recognised in OCI	**(1.59)**	**(2.06)**
Benefits paid	(6.57)	(7.14)
Liabilities assumed/ (settled)*	0.06	(0.21)
Closing defined benefit obligation	**85.73**	**76.70**

*On account of inter-company transfer.

(ii) Change in fair value of plan assets

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Opening fair value of the plan assets	**79.55**	**74.39**
Contributions by the employer	-	-
Addition pursuant to the scheme of arrangement	0.05	-
Interest income on plan assets	5.49	4.76
Actuarial gain/ (loss) recognised in OCI		
Actual returns on plan assets less interest cost on plan assets	(0.04)	0.40
Closing fair value of the plan assets	**85.05**	79.55

Amounts recognised in the Consolidated Balance Sheet

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Present value of the defined benefit obligation at the end of the year:		
Funded	85.73	76.70
Unfunded	47.82	36.84
	133.55	113.54
Fair value of plan assets	85.05	79.55
Net liability/ (asset)	**48.50**	**33.99**
Net liability is classified as follows:		
Current	5.47	1.01
Non-current	43.03	32.98
Net liability	**48.50**	**33.99**

Gratuity is funded through investments with an insurance service provider, i.e. Life Insurance Corporation of India (LIC). The plan assets under the scheme are administered by LIC. The investments are primarily in low risk assets.

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The principal assumptions used in determining gratuity (funded and unfunded) defined benefit obligations for the Group are shown below:

	As at March 31, 2023	As at March 31, 2022
Discount rate		
Funded plan	7.20% to 7.45%	6.90%
Unfunded plan	7.45% to 7.50%	6.30% to 7.50%
Salary escalation rate		
Funded plan		
Management	8.00%	8.00%
Staff	7.00%	7.00%
Workers	5.00%	5.00%
Unfunded plan		
Stores	5.00% to 9.00%	5.00% to 9.00%
HO and Zones	5.00% to 9.00%	5.00% to 9.00%

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market yield prevailing as on that date, applicable to the period over which the obligation is expected to be settled.

A quantitative sensitivity analysis for significant assumptions is as follows:

	As at March 31, 2023		As at March 31, 2022	
Sensitivity level				
Discount rate	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	(3.14)	3.36	(3.01)	3.22
Unfunded plan	(2.13)	2.34	(2.00)	2.24
Salary escalation rate	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	3.36	(3.17)	3.21	(3.02)
Unfunded plan	2.14	(2.00)	2.06	(1.87)

The above sensitivity analysis have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

There has been no change from the previous year in the method and assumptions used in preparing the sensitivity analysis.

The maturity profile of the defined benefit obligation are as follows:

₹ in Crore

	March 31, 2023	March 31, 2022
Within the next 12 months (next annual reporting period)	14.99	11.39
Between 2 and 5 years	54.68	44.82
Between 6 and 10 years	62.25	50.57
Beyond 10 years	136.41	125.77
Total	**268.33**	**232.55**

The Group is expected to contribute ₹ 12.46 Crore to the gratuity fund during the year ended March 31, 2024 (March 31, 2023: ₹ 8.19 Crore).

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 to 14 years (March 31, 2022: 7 to 15 years).

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Defined contribution plans

Amount recognised as an expense and included in Note - 35 as "Contribution to provident and other funds"

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Government Provident Fund	57.20	43.51
Contribution to Superannuation Fund	1.17	1.10
Contribution to Employee Pension Scheme (EPS)	7.62	5.46
Contribution to Employee State Insurance (ESI)	9.91	7.85
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	0.68	0.15
Contribution to Labour Welfare Fund (LWF)	0.16	0.12
Contribution to National Pension Scheme (NPS)	0.40	0.37
Total	**77.14**	**58.56**

In respect of the Honorable Supreme Court ruling of February 2019 on Provident Fund applicability on allowances, Group evaluated the impact and basis the clarity emerged , Provident Fund contribution has been impeccably aligned in computation of salary as per the Judgement.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.

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NOTE - 44

SHARE-BASED PAYMENT

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Expense arising from equity-settled share-based payment transactions	20.20	27.72
Expense arising from cash-settled share-based payment transactions	11.09	1.41
Total	**31.29**	**29.13**

A. Employee share-based payment plans of Holding Company

a. Employee Stock Option Plans (Options and RSUs)

I. Employee Stock Option Scheme - 2013

During the year ended March 31, 2014, i.e. on July 22, 2013, the ESOP Compensation Committee of the Board of Directors of the Company (merged with Nomination and Remuneration Committee w.e.f. November 04, 2014) ("Committee") and the Board of Directors ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Employee Stock Option Scheme - 2013 ("Scheme 2013") for issue of Stock Options in the form of Options ("Options") and/ or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Sixth Annual General Meeting of the Company, held on August 23, 2013, approved the introduction of the Scheme 2013 and authorised the Board/ Committee to finalise and implement the Scheme 2013.

Accordingly, under the said Scheme 2013, vide its resolution dated October 25, 2013, the Committee commenced granting of options.

i) Details of the grants under the Scheme 2013

	Tranche 1
	Options
No. of Options/ RSUs	8,30,382
Method of accounting	Fair value
Vesting plan	Graded vesting - 25% every year
Exercise period	5 years from the date of vesting
Grant date	October 25, 2013
Grant/ exercise price (₹ per share)	102.10
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 104.10 NSE - 103.55
Method of settlement	Equity

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ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2023		As at March 31, 2022	
	No. of Options	**Weighted average exercise price (₹ per share)**	**No. of Options**	**Weighted average exercise price (₹ per share)**
Tranche 1				
Outstanding at the beginning of the financial year	**7,526**	**102.10**	**12,129**	**102.10**
Granted during the financial year	-	-	-	-
Exercised during the financial year*	(7,526)	102.10	(4,603)	102.10
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	**7,526**	**102.10**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	**7,526**	**102.10**

* The weighted average share price at the date of exercise of these Options was ₹ 300.34.

The weighted average remaining contractual life for the Options outstanding as at March 31, 2023, is Nil (March 31, 2022: 1 years) and for RSUs outstanding as at March 31, 2023, is Nil (March 31, 2022: Nil).

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iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options	RSUs	
	Tranche 1	Tranche 1	Tranche 3
Expected dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	45.93	45.93	37.41
Risk-free interest rate (%)	8.58	8.58	7.37
Weighted average fair value per Option/ RSU (₹)	52.96	95.90	142.63
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model

II. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017

During the year ended March 31, 2018, i.e. on July 25, 2017, the Nomination and Remuneration Committee of the Board of Directors of the Company ("NRC") and the Board of Directors ("Board") approved the introduction of another Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the Shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Tenth Annual General Meeting of the Company, held on August 23, 2017, approved the introduction of the Scheme 2017 and authorised the Board/ NRC to finalise and implement the Scheme 2017.

Accordingly, under the said Scheme 2017, vide its resolution dated September 8, 2017, the Committee commenced granting of options.

i) Details of the grants under Scheme 2017

	Options				RSUs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of Options/ RSUs	37,38,254	14,406	2,88,122	90,039	13,04,558	14,568	1,17,144	30,349
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 08, 2017	October 27, 2017	February 02, 2018	April 18, 2018	September 08, 2017	October 27, 2017	February 02, 2018	April 18, 2018
Grant/ exercise price (₹ per share)	178.30	148.10	163.60	150.80	10.00	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 176.40 NSE - 176.50	BSE - 147.95 NSE - 148.70	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10	BSE - 176.40 NSE - 176.50	BSE - 147.95 NSE - 148.70	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity

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ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2023			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(1,30,828)	178.30	(71,625)	10.00
Lapsed during the financial year	(18,908)	178.30	(7,284)	10.00
Outstanding at the end of the financial year	**12,48,314**	**178.30**	**2,61,001**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**12,48,314**	**178.30**	**2,61,001**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-
Tranche 3				
Outstanding at the beginning of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(45,020)	163.60	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**27,011**	**163.60**	**12,140**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**27,011**	**163.60**	**12,140**	**10.00**
Tranche 4				
Outstanding at the beginning of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	**(22,510)**	**150.80**	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**45,019**	**150.80**	**30,349**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**45,019**	**150.80**	**30,349**	**10.00**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹279.66.

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Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**16,41,845**	**178.30**	**5,12,881**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	(1,64,561)	178.30	(1,72,971)	10.00
Lapsed during the financial year	(79,234)	178.30	-	-
Outstanding at the end of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**5,402**	**148.10**	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	-	-	-	-
Lapsed during the financial year	(5,402)	148.10	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-
Tranche 3				
Outstanding at the beginning of the financial year	**1,62,069**	**163.60**	**72,838**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	(90,038)	163.60	(60,698)	10.00
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Tranche 4				
Outstanding at the beginning of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Unvested at the end of the financial year	**22,509**	**150.80**	-	-
Exercisable at the end of the financial year	**45,020**	**150.80**	**30,349**	**10.00**

^^The weighted average share price at the date of exercise of these RSUs was ₹ 255.86.

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2023, is 2 years (March 31, 2022: 3 years) and for RSUs outstanding as at March 31, 2023, is 3 years (March 31, 2022: 4 years).

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iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options				RSUs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	36.57	36.28	35.32	35.28	36.57	36.28	35.32	35.28
Risk-free interest rate (%)	6.70	6.75	7.43	7.43	6.77	6.98	7.54	7.54
Weighted average fair value per Option/ RSU (₹)	77.04	63.85	71.56	65.93	171.41	141.29	156.99	144.20
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model

III. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019

During the year ended March 31, 2020, on July 26, 2019, the Nomination and Remuneration Committee and the Board of Directors ("Board"), approved introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019") through trust route, for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies. Based on the loan granted by the Company, the Trust held 46,54,072 equity shares as at March 31, 2022. During the year ended March 31, 2023, the Trust purchased additional 6,42,006 equity shares to back the grants made under the Scheme 2019. As on March 31, 2023, the Trust holds 48,84,139 equity shares. 4,11,939 equity shares were exercised during the year.

Accordingly, under the said Scheme 2019, vide its resolution dated December 2, 2019, the Committee commenced granting of options.

i) Details of the grants under Scheme 2019

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
No. of Options/ RSUs	33,42,876	1,16,360	14,17,684	11,18,385	32,161
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 1st year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	December 02, 2019	December 28, 2020	January 21, 2021	December 02, 2019	December 28, 2020
Grant/ exercise price (₹ per share)	225.25	164.10	173.55	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80	BSE - 173.05 NSE - 173.85	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80
Method of settlement	Equity	Equity	Equity	Equity	Equity

	Options		RSUs	
	Tranche 4	Tranche 5	Tranche 4	Tranche 5
No. of Options/ RSUs	5,99,997	2,05,224	1,78,574	54,563
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	August 05, 2022	September 20,2022	August 05, 2022	September 20,2022
Grant/ exercise price (₹ per share)	275.10	330.75	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55
Method of settlement	Equity	Equity	Equity	Equity

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ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2023			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**21,30,030**	**225.25**	**9,66,830**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(47,374)	225.25	(2,60,371)	10.00
Lapsed during the financial year	(52,727)	225.25	(40,703)	10.00
Outstanding at the end of the financial year	**20,29,929**	**225.25**	**6,65,756**	**10.00**
Unvested at the end of the financial year	**7,18,177**	**225.25**	-	-
Exercisable at the end of the financial year	**13,11,752**	**225.25**	**6,65,756**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**1,12,724**	**164.10**	**32,161**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(21,818)	164.10	-	-
Lapsed during the financial year	(10,908)	164.10	(4,020)	10.00
Outstanding at the end of the financial year	**79,998**	**164.10**	**28,141**	**10.00**
Unvested at the end of the financial year	**50,908**	**164.10**	**28,141**	**10.00**
Exercisable at the end of the financial year	**29,090**	**164.10**	-	-
Tranche 3				
Outstanding at the beginning of the financial year	**11,23,098**	**173.55**	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(89,411)	173.55	-	-
Lapsed during the financial year	(2,576)	173.55	-	-
Outstanding at the end of the financial year	**10,31,111**	**173.55**	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**10,31,111**	**173.55**	-	-
Tranche 4				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**5,99,997**	**275.10**	**1,78,574**	**10.00**
Tranche 5				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**2,05,224**	**330.75**	**54,563**	**10.00**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 282.06.

Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**24,52,614**	**225.25**	**10,71,150**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(92,682)	225.25	-	-
Lapsed during the financial year	(2,29,902)	225.25	(1,04,320)	10.00
Outstanding at the end of the financial year	**21,30,030**	**225.25**	**9,66,830**	**10.00**
Unvested at the end of the financial year	**14,67,262**	**225.25**	**9,58,790**	**10.00**
Exercisable at the end of the financial year	**6,62,768**	**225.25**	**8,040**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**1,16,360**	**164.10**	**32,161**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(3,636)	164.10	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**1,12,724**	**164.10**	**32,161**	**10.00**
Unvested at the end of the financial year	**87,270**	**164.10**	-	-
Exercisable at the end of the financial year	**25,454**	**164.10**	-	-
Tranche 3				
Outstanding at the beginning of the financial year	**14,08,593**	**173.55**	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(1,83,195)	173.55	-	-
Lapsed during the financial year	(1,02,300)	173.55	-	-
Outstanding at the end of the financial year	**11,23,098**	**173.55**	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**11,23,098**	**173.55**	-	-

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2023 is 5 years (March 31, 2022: 5 years) and for RSUs outstanding as at March 31, 2023 is 5 years (March 31, 2022: 6 years).

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iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	32.88	36.16	36.02	32.88	36.16
Risk-free interest rate (%)	6.66	5.62	5.62	6.76	6.19
Weighted average fair value per Option/ RSU (₹)	112.00	84.39	76.78	216.18	158.10
Model used	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model

	Options		RSUs	
	Tranche 4	Tranche 5	Tranche 4	Tranche 5
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	38.63	38.73	39.38	39.62
Risk-free interest rate (%)	7.17	7.26	7.23	7.27
Weighted average fair value per Option/ RSU (₹)	147.78	178.42	269.49	325.16
Model used	Binomial model	Binomial model	Binomial model	Binomial model

b. Stock Appreciation Rights (SARs)

The SAR compensation cost is amortised on a straight-line basis over the total vesting period of the SARs. Accordingly, ₹ 11.09 Crore (March 31, 2022: ₹ 1.41 Crore) has been taken to the Consolidated Statement of Profit and Loss.

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Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2023

I. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019

On February 04, 2019, the Nomination and Remuneration Committee and the Board of Directors of the Company, at their respective meetings had approved the "Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019" ("SARs Scheme 2019"), to grant SARs in the form of "Option SARs" and "RSU SARs", from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

i) The details of the Plan are as below:

	SARs			
	Option SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 2
No. of SARs	61,226	17,92,686	Nil	2,04,546
Method of accounting	Fair value	Fair value	NA	Fair value
Vesting plan	May 16, 2019 and September 08, 2019	Graded vesting - 33.33% every year	NA	Graded vesting - 33.33% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	NA	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	NA	November 03, 2021
Grant/ exercise price (₹ per share)	178.30	206.35	NA	288.10
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	NA	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	NA	Cash

	SARs			
	Option SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
No. of SARs	10,81,344	13,434	5,970	14,546
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Graded vesting - 33.33% every year	Graded vesting - 50% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 05,2022	September 20, 2022	November 15, 2022	December 01, 2022
Grant price (₹ per share)	275.10	330.75	314.60	225.25
Market price on the date of granting of SARs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 312.55 NSE - 312.60	BSE - 316.10 NSE - 316.00
Method of settlement	Cash	Cash	Cash	Cash

	SARs			
	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of SARs	6,880	6,38,700	1,005	56,533
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	September 08, 2020	August 18, 2024	December 02, 2022	November 03, 2024
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	August 18, 2021	November 03, 2021
Grant/ exercise price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	BSE - 205.80 NSE - 205.90	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	Cash	Cash

	SARs			
	RSU SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
No. of SARs	6,42,634	6,746	1,587	10,553
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	August 01,2025	September 19, 2025	November 15, 2025	December 02, 2022
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 05,2022	September 20, 2022	November 15, 2022	December 01, 2022
Grant price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 278.50 NSE - 277.90	BSE - 338.00 NSE - 337.55	BSE - 312.55 NSE - 312.60	BSE - 316.10 NSE - 316.00
Method of settlement	Cash	Cash	Cash	Cash

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ii) Movement of SARs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, SARs during the year.

	As at March 31, 2023		As at March 31, 2022	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 1				
Option SARs				
Outstanding at the beginning of the financial year	43,218	178.30	61,226	178.30
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(43,218)	178.30	(18,008)	178.30
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	43,218	178.30
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	43,218	178.30
RSU SARs				
Outstanding at the beginning of the financial year	4,856	10.00	6,880	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(4,856)	10.00	(2,024)	10.00
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	-	-	4,856	10.00
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	4,856	10.00
Tranche 2				
Option SARs				
Outstanding at the beginning of the financial year	17,17,239	206.35	-	-
Granted during the financial year	-	-	17,92,686	206.35
Exercised during the financial year	(89,582)	206.35	-	-
Lapsed during the financial year	(53,940)	206.35	(75,447)	206.35
Outstanding at the end of the financial year	15,73,717	206.35	17,17,239	206.35
Unvested at the end of the financial year	11,03,007	206.35	17,17,239	206.35
Exercisable at the end of the financial year	4,70,710	206.35	-	-
RSU SARs				
Outstanding at the beginning of the financial year	6,10,307	10.00	-	-
Granted during the financial year	-		6,38,700	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(24,176)	10.00	(28,393)	10.00
Outstanding at the end of the financial year	5,86,131	10.00	6,10,307	10.00
Unvested at the end of the financial year	5,86,131	10.00	6,10,307	10.00
Exercisable at the end of the	-	-	-	-
Tranche 3				
RSU SARs				
Outstanding at the beginning of the financial year	1,005	10.00	-	-
Granted during the financial year	-	-	1,005	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	1,005	10.00	1,005	10.00
Unvested at the end of the financial year	1,005	10.00	1,005	10.00
Exercisable at the end of the	-	-	-	-
Tranche 4				
Option SARs				
Outstanding at the beginning of the financial year	2,04,546	288.10	-	-
Granted during the financial year	-	-	2,04,546	288.10
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	2,04,546	288.10	2,04,546	288.10
Unvested at the end of the financial year	2,04,546	288.10	2,04,546	288.10
Exercisable at the end of the financial year				
RSU SARs				
Outstanding at the beginning of the financial year	56,533	10.00	-	-
Granted during the financial year	-	-	56,533	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	56,533	10.00	56,533	10.00
Unvested at the end of the financial year	56,533	10.00	56,533	10.00
Exercisable at the end of the financial year	-	-	-	-
Tranche 5				
Option SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	10,81,344	275.10	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(5,970)	275.10	-	-
Outstanding at the end of the financial year	10,75,374	275.10	-	-
Unvested at the end of the financial year	10,75,374	275.10	-	-
Exercisable at the end of the financial year	-	-	-	-
RSU SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	6,42,634	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(7,539)	10.00	-	-
Outstanding at the end of the financial year	6,35,095	10.00	-	-

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Unvested at the end of the financial year	6,35,095	10.00	-	-
Exercisable at the end of the financial year	-	-	-	-
Tranche 6				
Option SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	13,434	330.75	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	13,434	330.75	-	-
Unvested at the end of the financial year	13,434	330.75	-	-
Exercisable at the end of the financial year	-	-	-	-
RSU SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	6,746	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	6,746	10.00	-	-
Unvested at the end of the financial year	6,746	10.00	-	-
Exercisable at the end of the financial year	-	-	-	-
Tranche 7				
Option SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	5,970	314.60	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	5,970	314.60	-	-
Unvested at the end of the financial year	5,970	314.60	-	-
Exercisable at the end of the financial year	-	-	-	-
RSU SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	1,587	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	1,587	10.00	-	-
Unvested at the end of the financial year	1,587	10.00	-	-
Exercisable at the end of the financial year	-	-	-	-
Tranche 7				
Option SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	14,546	225.25	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	14,546	225.25	-	-
Unvested at the end of the financial year	7,273	225.25	-	-
Exercisable at the end of the financial year	7,273	225.25	-	-
RSU SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	10,553	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	10,553	10.00	-	-
Unvested at the end of the financial year	10,553	10.00	-	-
Exercisable at the end of the financial year	-	-	-	-

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 302.67.
The weighted average remaining contractual life for SARs options outstanding as at March 31, 2023 is 4 years (March 31, 2022 : 4 years) and for RSUs outstanding as at March 31, 2023, is 5 years (March 31, 2022: 6 years).

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iii) The following table lists the inputs to the model used for SARs as on grant date:

	Option SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	32.53	36.00	NA	36.71
Risk-free interest rate (%)	5.88	5.74	NA	5.78
Weighted average fair value per SAR (₹)	27.52	72.15	NA	94.85
Model used	Binomial model	Binomial model	NA	Binomial model

	Option SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	37.26	37.15	37.22	36.78
Risk-free interest rate (%)	7.02	7.23	7.39	7.10
Weighted average fair value per SAR (₹)	112.94	135.31	112.23	138.81
Model used	Binomial model	Binomial model	Binomial model	Binomial model

	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	31.74	36.46	36.46	36.90
Risk-free interest rate (%)	6.24	6.16	6.16	6.08
Weighted average fair value per SAR (₹)	144.94	172.79	172.79	204.55
Model used	Binomial model	Binomial model	Binomial model	Binomial model

	RSU SARs			
	Tranche 5	Tranche 6	Tranche 7	Tranche 8
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	37.14	36.94	37.03	36.78
Risk-free interest rate (%)	7.10	7.25	7.43	7.07
Weighted average fair value per SAR (₹)	223.88	245.14	237.95	250.80
Model used	Binomial model	Binomial model	Binomial model	Binomial model

The expected life of the Share Options, RSUs and SARs is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Share Options, RSUs and SARs is indicative of future trends, which may not necessarily be the actual outcome.

I. Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022

During the year ended March 31, 2023, i.e. on December 23, 2022, the Board of Directors of the Company ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme – 2022 ("Scheme 2022") for issue of Stock Options in the form of Options ("Options") to the identified employees of the Company and of its holding company and subsidiary Companies subject to the approval of the shareholders of the Company. Shareholders of the Company vide its resoultion passed at Extra Ordinary General Meeting held on December 23, 2022, approved the introduction of Scheme 2022 and authorised the Board to finalise and implement the Scheme 2022.

Accordingly, under the said Scheme 2022, vide its resolution dated December 30, 2022, the Company commenced granting of options.

i) Details of the grants under the Scheme 2022

	Tranche 1 Options
No. of Options/ RSUs	2,11,30,606
Method of accounting	Fair Value
Vesting plan	Graded vesting
Exercise period	10 years from the date of grant
Grant date	44,925
Grant/ exercise price (₹ per share)	10
Market price on the date of granting of Options/ RSUs (₹ per share)	NA since it is unlisted
Method of settlement	Equity

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ii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the period

	As at March 31, 2023		As at March 31, 2022	
	No. of Options	Weighted average exercise price (₹ per share)	No. of Options	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	2,11,30,606	-	-	-
Forfeited during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	2,11,30,606	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-

iii) The following table lists the inputs to the model used for the Options as on grant date:

	Options
	Tranche 1
Expected dividend yield (%)	Nil
Expected volatility (%) '	-
Risk-free interest rate (%)	-
Weighted average fair value per Option/ RSU (₹)	-
Model used	Binomial model

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NOTE - 45
COMMITMENTS AND CONTINGENCIES

a) Leases
Lease commitments as lessee
The Group has entered into agreements for taking on lease certain residential/ office/ store premises, warehouses, factories, property, plant and equipment on lease and licence basis. The lease term is for periods ranging from 3 to 21 years, with escalation clauses in the lease agreements. Consistent with industry practice, the Group has contracts which have fixed rentals or variable rentals based on a percentage of sales in the stores, or a combination of both.

Expenses/ Income recognised in the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Other income		
Gain on retirement of right-of-use assets	19.75	14.85
Rent		
Expense relating to short-term leases	28.06	47.26
Expense relating to leases of low value assets	0.14	1.35
Variable rent*	868.76	563.79
Rent concession	(0.22)	(219.18)
Finance cost		
Interest expense on lease liabilities	302.83	214.27
Depreciation and amortisation expenses		
Depreciation on right-of-use assets	927.85	762.55
Other expenses		
Processing charges	26.44	20.99
Sublease payments received (not shown separately in the Consolidated Statement of Profit and Loss)	1.10	0.80

* The variable rent varies basis percentage of Net Sales Value (NSV) at the lease premises.

Contractual maturities of lease liabilities
The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Within one year	1,238.55	946.89
After one year but not more than five years	3,315.08	2,093.93
More than five years	607.81	323.38
Total	**5,161.44**	**3,364.20**

The initial non-cancellable period of the lease agreement is upto 3 years, beyond which there is an option for the lessee to continue the lease, which the Group expects to continue for a period of 2 to 3 years after the initial non-cancellable period, accordingly 5 – 6 years has been considered as non-cancellable for the purpose of the above disclosure. Post such period, the Group has the option to exit the lease by giving a notice period and the Group assesses its intention to continue considering location and other economic factors associated with the lease arrangement.

Total cash outflow for leases for the year ended March 31, 2023 is ₹ 2,025.00 Crore (March 31, 2022 is ₹ 1,316.13 Crore).

The Group entered into a sale and leaseback transaction in respect of certain assets such as furniture and fixtures, office equipment etc., in line with its capital expenditure strategy. The assets were sold at fair values with no gains/ losses. Sale proceeds of ₹ 0.76 Crore (March 31, 2022: ₹ Nil) were realised upon sale of such assets. The lease arrangement is for a period of 4-5 years. The same has been recorded as a right-of-use assets with corresponding lease liabilities.

Lease commitments for leases not considered in measurement of lease liabilities

₹ in Crore

Particulars	As at March 31, 2023	As at March 31, 2022
Lease commitment for short-term leases	5.78	4.02
Lease commitment for leases of low value assets	0.02	0.02
Total	**5.80**	**4.04**

Future Cash Outflows to which the Group is potentially exposed and not reflected in measurement of lease liabilities

₹ in Crore

Particulars	March 31, 2023		March 31, 2022	
Increase/ (decrease) in sales	**Increase by 5%**	**Decrease by 5%**	**Increase by 5%**	**Decrease by 5%**
Rent	43.44	(43.44)	28.19	(28.19)

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b) Capital commitments

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	252.62	98.76
Customs duty on capital goods and raw materials imported under advance licensing/ EPCG scheme, against which export obligation is to be fulfilled	-	0.03
Total	**252.62**	**98.79**

c) Other commitments

Refer Note 47 for commitments towards investment in Goodview Fashion Private Limited.

NOTE - 46
CONTINGENT LIABILITIES NOT PROVIDED FOR

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Claims against the Group not acknowledged as debts		
Commercial taxes	12.22	45.17
Excise duty	0.50	0.50
Customs duty	2.21	0.03
Bank Guarantees	37.67	37.43
Textile committee cess	0.75	0.75
Income Tax	1.41	-
Others*	15.76	17.15
Total	**70.52**	**101.03**

* Pertains to claims made by third parties, pending settlement which are considered not tenable.

The Group's pending litigations comprise of claims against the Group primarily for excise duty, comprising various cases demanding duty on reversal of CENVAT credit on sale of capital goods and for commercial taxes, comprising various cases in respect of short fall of Forms F, H, I and C, disallowance of input credit, etc.

The Group has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its financial statements where financial outflow is not probable. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Group has a provision of ₹ 65.60 Crore as at March 31, 2023 (March 31, 2022: ₹ 66.75 Crore) (Refer Note-25).

Bank Guarantee is given by Sabyasachi Calcutta LLP (a subsidiary of the Company) to foreign bank in respect of standby letter of credit (SBLC) facility of USD 50,00,000 (March 31, 2022: USD 50,00,000) to be availed by M/s Sabyasachi Inc. (a wholly owned subsidiary of Sabyasachi Calcutta LLP).

Bank guarantee is given by HOMLPL (a subsidiary of the Company) to Municipal Corporation Of Greater Mumbai of Rs. 5,00,000/- in order to ensure faithful compliance of Waste Management Plan / Debris Management Plan approved by the MCG.

Finesse International Design Private Limited (a subsidiary of the Company) had received assessment orders under Section 153A of the IT Act for the assessment year 2017-18 and 2018-19. The Company had filed further appeal against the tax demand of Rs. 101.58 Lakhs and is confident that the outcome is unlikely to result in a claim against the Company. Further, the Company has recourse to indemnification provided by the promoters of the Company vide the Share Subscription and Purchase Agreement executed with the Company. The Company had received penalty orders under Section 271DA of the IT Act for the assessment year 2018-19 and 2019-20 and the tax penalty made was Rs. 28.56 Lakhs The Company had filed further appeal against the penalty demand of Rs. 15.38 Lakhs and is confident that the outcome is unlikely to result in a claim against the Company, for the balance penalty the Company has received a favaourable outcome during the year. Further, the Company has recourse to indemnification provided by the promoters of the Company vide the Share Subscription and Purchase Agreement executed with the Company. The Company has received penalty orders under Section 271AAC of the IT Act for the assessment year 2017-18 and 2018-19 during the year. The Company had filed further appeal against the penalty demand of Rs. 24.01 Lakhs and is confident that the outcome is unlikely to result in a claim against the Company. Further, the Company has recourse to indemnification provided by the promoters of the Company vide the Share Subscription and Purchase Agreement executed with the Company.

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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NOTE - 47a
BUSINESS COMBINATIONS

(I). Acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited

On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of Definitive Agreement and completion of closing conditions precedent to be set out in the Definitive Agreement and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent set out in the Definitive Agreement, HMLPL became a subsidiary of the Company.

Details of the fair value of assets and liabilities taken over on acquisition and consideration paid by the Group has been explained in the table below:

	Fair value recognised on acquisition	
	₹ in Crore	**₹ in Crore**
Assets taken over		
Property, plant and equipment	1.07	
Right-of-use assets	7.58	
Other assets	2.73	
Brand	37.20	
Deferred tax assets	0.10	
Cash and cash equivalents	55.60	104.28
Liabilities taken over		
Borrowings - current	2.20	
Deferred tax liabilities	9.36	
Lease liabilities	7.38	18.94
Total identifiable net assets at fair value as at acquisition date (A)		**85.34**
Company's share of net assets		**44.76**
Non-Controlling Interest (B)		**40.58**
Purchase consideration transferred (C)		**90.00**
Goodwill arising on acquisition (B+C-A)		**45.24**

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(ii) Subsidiaries acquired by Aditya Birla Digital Fashion Ventures Limited

During the year, Aditya Birla Digital Fashion Ventures Limited has signed definitive agreement and has acquired majority stake in below subsidiaries. Management has provisionally determined the value of all the identifiable assets and liabilities acquired. Management has also estimated an useful life of 10 years for the 'Nobero', 'Urbano' and 'Veirdo' brand. Non-controlling shareholder in these three entities holds the right to put the remaining equity interest to the company after the expiry of 4 years from date of acquisition.

Name of the subsidiary	Holding %	Effective date of becoming subsidiary
Pratyaya E-Commerce Private Limited (Nobero)	66.26%	July 22, 2022
Imperial Online Services Private Limited (Urbano)	55.00%	August 12, 2022
Awesomefab Shopping Private Limited (Veirdo)	55.00%	August 24, 2022
Bewakoof Brands Private Limited (Bewakoof)	85.17%	February 15, 2023

₹ in Crore

	Fair value recognised on acquisition			
	Bewakoof Brands Private Limited (Bewakoof)	Pratyaya E-Commerce Private Limited (Nobero)	Imperial Online Services Private Limited (Urbano)	Awesomefab Shopping Private Limited (Veirdo)
Assets taken over				
Property, plant and equipment	11.22	0.10	0.15	1.54
Investment property	1.74	-	-	-
Right of use assets	1.34	-	0.45	-
Brand	109.80	6.30	20.50	25.70
Intangible assets	0.27	-	-	-
Deferred tax assets	0.49	0.03	0.01	-
Other financial assets - current	-	-	-	0.00
Other non-current assets	48.39	-	-	-
Inventories	35.70	0.99	9.22	8.96
Trade receivables	16.95	0.46	2.07	1.29
Cash and Cash Equivalents	0.66	12.37	0.00	1.33
Bank balances other than cash and cash equivalents	4.74	0.04	-	-
Other current assets	5.74	-	3.64	1.61
	237.04	**20.30**	**36.04**	**40.44**
Liabilities taken over				
Deferred tax liabilities	27.63	1.59	5.16	6.49
Borrowings - Non - current	-	9.61	-	2.00
Borrowings - current	54.18	0.76	4.18	-
Lease liabilities	1.51	-	0.45	-
Trade payables	62.23	3.71	4.63	5.67
Other financial liabilities	-	0.61	-	-
Provisions	1.02	0.79	1.52	2.55
Other current liabilities	21.81	0.13	-	-
	168.38	**17.20**	**15.92**	**16.71**
Total identifiable net assets at fair value as at acquisition date (A)	**68.66**	**3.10**	**20.12**	**23.73**
Company's share of net assets	**56.13**	**2.06**	**11.07**	**13.05**
Non-Controlling interest (B)	**12.53**	**1.05**	**9.05**	**10.68**
Purchase consideration transferred (C)	**109.10**	**5.70**	**17.88**	**20.53**
Goodwill arising on acquisition (B+C-A)	**52.97**	**3.64**	**6.82**	**7.48**

(iii) Business acquisition of Nauti Nati by by Aditya Birla Digital Fashion Ventures Limited

On December 23, 2022, ABDFVL acquired the Nauti Nati business from Omega Designs Private Limited, vide a Business Transfer Agreement.

Details of the fair value of assets and liabilities taken over on acquisition and consideration for acquisition of Naut iNati paid has been explained in the table below:

	Fair value recognised on acquisition ₹ in Crore
Property, plant and equipment	0.11
Brand	12.90
Current tax assets (non current)	0.05
Inventories	5.99
Current investments	0.05
Trade receivables	2.20
Cash and bank balance	0.17
Other assets	0.85
Total Assets	**22.32**
Trade payables	1.28
Borrowings - current	12.02
Provisions	0.22
Other liabilities	3.15
Total Liabilities	**16.67**
Total identifiable net assets at fair value as at acquisition date (A)	5.65
Purchase consideration transferred (B)	10.00
Goodwill arising on acquisition (B- A)	**4.35**

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NOTE - 47b
INTEREST IN JOINT VENTURE

Goodview Fashion Private Limited is the joint venture of the Group which have been accounted as per equity method of accounting. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(A) Goodview Fashion Private Limited [formerly known as Goodview Properties Private Limited] - Proportion of ownership interest 33.50%

(a) Summarised statement of profit and loss

₹ in Crore

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	104.58	63.49
Other income	0.67	0.34
Total Income	**105.24**	**63.83**
Cost of materials consumed	12.26	7.77
Changes in inventories of stock-in-trade	(1.84)	(3.37)
Employee benefits expense	17.43	11.33
Finance costs	3.29	2.03
Depreciation and amortisation expense	8.87	6.10
Other expenses	44.82	33.00
Total expenses	**84.83**	**56.86**
Profit/ (Loss) before tax for the Year/ Period	**20.41**	**6.97**
Income tax expense/(credit)	5.30	1.75
Profit/ (Loss) for the Year/ Period	**15.11**	**5.22**
Other comprehensive income for the period	(0.15)	(0.26)
Total comprehensive income for the Year/ period	**14.96**	**4.96**
Group's share of profit/(loss) after tax for the year/ period	**5.01**	**1.66**

The contingent liabilities of joint venture as at March 31, 2023 is Nil (March 31, 2022 : Nil) and capital commitments as at March 31, 2023 is amounting to ₹ 0.98 Crore (March 31, 2022 : ₹ 0.01 Crore)

On or after the expiry of 3 years from the Closing Date and till the expiry of 5 years from the Closing Date, the Company has right but not an obligation, to acquire all or such number of Promoter securities from the Promoter of Goodview Fashion Private Limited so as to increase the shareholding to 51%. This is referred to as the Tranche 2 call option. Tranche 2 call option will be exercised by acquiring the said equity shares at a value based on specific formula.

Also, the agreement stipulates a simultaneous call and put option (the Company holds the call options and has written the put options), whereby, after the expiry of 10 years, in certain specified time periods, the Company can acquire, if it exercises the call option it holds, and will also be required to acquire, if Promoter exercises the put options the Company has written, all or such number of equity shares so as to increase its shareholding to 100%. These call and put options are to be exercised by acquiring/selling the said equity shares at fair value. Accordingly, the fair value of the option is Nil.

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NOTE - 48
RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:

Name of related parties
Joint Venture
Goodview Fashion Private Limited

Other related parties in which directors are interested
Aditya Birla Fashion and Retail Jan Kalyan Trust
Grasim Premium Fabric Private Limited (formerly known as Soktas India Private Limited) upto June 20, 2021
Aditya Birla Management Corporation Private Limited
Indiginus Learning Private Limited

Post-employment benefit plans
Aditya Birla Fashion and Retail Limited - Employees Group Superannuation Scheme Trust
Aditya Birla Fashion and Retail Limited - Employees Group Gratuity Fund Trust

Key Management Personnel ("KMP")
Mr. Kumar Mangalam Birla - Chairman and Non-Executive Director
Mr. Himanshu Kapania - Vice Chairman and Non-Executive Director upto January 27, 2023
Mr. Ashish Dikshit - Managing Director
Mr. Vishak Kumar - Whole-time Director
Ms. Sangeeta Pendurkar - Whole-time Director
Mr. Nish Bhutani - Independent Director
Ms. Preeti Vyas- Independent Director
Mr. Sunirmal Talukdar - Independent Director
Ms. Sukanya Kripalu - Independent Director
Mr. Yogesh Chaudhary - Independent Director
Mr. Arun Kumar Adhikari - Independent Director with effect from May 19, 2021
Mr. Vikram Dondu Rao - Independent Director with effect from May 18, 2022
Mr. Pankaj Sood - Non-Executive Nominee Director with effect from September 20, 2022
Ms. Ananyashree Birla - Non-Executive Director with effect from January 30, 2023
Mr. Aryaman Birla - Non-Executive Director with effect from January 30, 2023
Mr. Jagdish Bajaj - Chief Financial Officer
Ms. Geetika Anand - Company Secretary till November 30, 2022
Mr. Anil Malik - Company Secretary with effect from December 01, 2022

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

₹ in Crore

	Year ended March 31, 2023			Year ended March 31, 2022		
	Joint Venture	KMP and Relative of KMP	Other related parties	Joint Venture	KMP and Relative of KMP	Other related parties
Sale of goods	-	-	0.64			
Purchase of goods	-	-	-	-	-	2.84
Reimbursement of expenses paid to	-	-	36.72	-	-	19.24
Consultancy services	-	-	0.07	-	-	-
Share in Profit after tax (including other comprehensive income) of Joint Venture	5.09	-	-	1.66	-	-
Contribution to trusts	-	-	5.08	-	-	4.37
Remuneration paid to KMP*	-	39.29	-	-	33.77	-
Remuneration paid to relative of KMP	-	-	-	-	-	-

* Includes director sitting fees

Balances outstanding

₹ in Crore

	As at March 31, 2023		As at March 31, 2022	
	KMP and Relative of KMP	Other related parties	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	-	5.25	-	4.82
Deposits receivable	-	5.64	-	5.64

The above amounts are classified as security deposit receivable and trade payables (Refer Notes - 8 and 28 respectively).

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Disclosure as per Regulation 34 (3) and 53 (f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Disclosure of transactions with the entity belonging to the promoter/ promoter group holding 10% or more shareholding in the Company

Transactions during the financial year

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Grasim Industries Limited		
Reimbursement of expenses recovered from	2.11	1.95
Purchase of goods	59.34	22.87
Rental Income	0.16	-

Balances outstanding

₹ in Crore

	As at March 31, 2023	As at March 31, 2022
Grasim Industries Limited		
Amounts owed to entity	27.91	16.59
Amounts owed by entity	0.62	0.71

No amounts in respect of the related parties have been written off/ back during the year.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key Managerial Personnel (KMP) of the Company

₹ in Crore

	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	27.89	22.58
Post-employment benefits	2.13	1.41
Share-based payment	9.27	9.78
Total	**39.29**	**33.77**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key managerial personnel.

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KMPs interests in the Employee Stock Options and RSUs

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2023 Number outstanding	As at March 31, 2022 Number outstanding
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
Options - Tranche 1	September 08, 2017	September 07, 2026	178.30	4,12,677	4,87,709
Options - Tranche 3	February 2, 2018	February 1, 2027	163.60	-	45,020
Options - Tranche 4	April 18, 2018	April 17, 2027	150.80	45,019	67,529
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
Options - Tranche 1	December 02, 2019	December 01, 2028	225.25	7,07,728	7,30,456
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	4,03,274	4,03,274
Options - Tranche 4	August 05, 2022	August 03, 2030	275.10	3,05,970	-
Options - Tranche 5	September 20,2022	September 18,2030	330.75	2,05,224	-
Total				**20,79,892**	**17,33,988**
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
RSUs - Tranche 1	September 08, 2017	September 07, 2025	10.00	91,048	91,048
RSUs - Tranche 4	April 18, 2018	April 17, 2026	10.00	30,349	30,349
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
RSUs - Tranche 1	December 02, 2019	December 01, 2027	10.00	2,13,568	2,99,498
RSUs - Tranche 4	August 05, 2022	August 03, 2030	10.00	81,349	-
RSUs - Tranche 5	September 20,2022	September 18,2030	10.00	54,563	-
Total				**4,70,877**	**4,20,895**
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
Options - Tranche 2	August 18, 2021	August 17, 2027	206.35	2,90,919	3,36,369
Options - Tranche 4	November 03, 2021	November 03, 2027	288.10	2,04,546	2,04,546
Options - Tranche 5	August 05,2022	August 03, 2028	275.10	21,456	-
Options - Tranche 8	December 01, 2022	December 01, 2026	225.25	14,546	-
Total				**5,31,467**	**5,40,915**
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
RSUs - Tranche 2	August 18, 2021	August 17, 2027	10.00	92,964	92,964
RSUs - Tranche 4	November 03, 2021	November 03, 2027	10.00	56,533	56,533
RSUS - Tranche 5	August 05,2022	August 03, 2028	10.00	5,704	-
RSUS - Tranche 8	December 01, 2022	December 01, 2025	10.00	10,553	-
Total				**1,65,754**	**1,49,497**

NOTE - 49
GROUP INFORMATION

The consolidated financial statements of the Group include subsidiaries and joint venture listed in the table below:

Name of the entity	Relationship with Company	Country of incorporation	Principal Activities	Proportion of ownership interest and voting power held by Parent As at March 31, 2023	As at March 31, 2022
Jaypore E-Commerce Private Limited	Subsidiary	India	Retailing	100.00%	100.00%
TG Apparel & Decor Private Limited	Subsidiary	India	Retailing	100.00%	100.00%
Finesse International Design Private Limited	Subsidiary	India	Manufacturing and retailing	58.69%	58.69%
Sabyasachi Calcutta LLP	Subsidiary	India	Manufacturing and retailing	51.00%	51.00%
Sabyasachi Inc.	Subsidiary	USA	Retailing	51.00%	51.00%
Indivinity Clothing Retail Private Limited	Subsidiary	India	Manufacturing and retailing	80.00%	80.00%
House of Masaba Lifestyle Private Limited	Subsidiary	India	Retailing	52.44%	NA
Aditya Birla Garments Limited	Subsidiary	India	Manufacturing and	100.00%	NA
Aditya Birla Digital Fashion Ventures	Subsidiary	India	Retailing	100.00%	NA
Pratyaya E-Commerce Private Limited	Subsidiary	India	Retailing	66.26%	NA
Imperial Online Services Private Limited	Subsidiary	India	Retailing	55.00%	NA
Awesomefab Shopping Private Limited	Subsidiary	India	Retailing	55.00%	NA
Bewakoof Brands Private Limited	Subsidiary	India	Retailing	85.17%	NA
Next Tree Products Private Limited	Subsidiary	India	Retailing	85.17%	NA
Goodview Fashion Private Limited	Joint Venture	India	Manufacturing and retailing	33.50%	33.50%

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NOTE - 50
SEGMENT INFORMATION

Based on the "management approach", as defined under Ind AS 108 - Operating segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates the resources based on the analysis of various performance indicators by business segments. Accordingly, the business of the Group is divided into two business segments, which are as follows:

Segments	Activities
Madura Fashion & Lifestyle	Manufacturing, distribution and retailing of branded fashion apparel and accessories
Pantaloons	Retailing of apparel and accessories

Jaypore, TG Apparel, Finesse, Forever 21, Sabyasachi, Sabyasachi Inc., Indivinity, HMLPL, Aditya Birla Garments Limited and Aditya Birla Digital Fashion Ventures Limited businesses have been included in Madura Fashion & Lifestyle segment, considering all of these deals into branded apparel and accessories and is viewed as branded business.

Prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended March 31, 2023

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Eliminations	Total
Revenue					
External customers	8,348.60	4,069.30	**12,417.90**	-	**12,417.90**
Inter-segment	291.70	-	**291.70**	(291.70)	-
Total revenue	**8,640.30**	**4,069.30**	**12,709.60**	**(291.70)**	**12,417.90**

Year ended March 31, 2023 and As at March 31, 2023

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Corporate and eliminations	Total
Expenses/ (income)					
Depreciation and amortisation expense	707.76	519.20	**1,226.96**	-	**1,226.96**
Segment profit/ (loss)	**257.88**	**126.09**	**383.97**	**(466.41)**	**(82.44)**
Total assets	**10,222.00**	**5,142.42**	**15,364.42**	**1,676.85**	**17,041.28**
Total liabilities	**7,606.86**	**3,535.14**	**11,142.00**	**2,553.28**	**13,695.28**
Other disclosures					
Capital expenditure	982.50	279.48	**1,261.98**	-	**1,261.98**

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Reconciliation of amounts reflected in the consolidated financial statements:

Reconciliation of profit

	Year ended March 31, 2023	₹ in Crore Year ended March 31, 2022
Segment profit/(loss)	**383.97**	**203.92**
Other unallocable (expenditure)/ income (net)	22.22	14.00
Finance costs (Refer Note - 36)	(472.36)	(350.71)
Inter-segment (loss)/ profit on sales (elimination)	(23.11)	(14.48)
Share in loss of Joint Venture	6.84	2.34
Loss before tax	**(82.44)**	**(144.93)**

Reconciliation of assets

	As at March 31, 2023	₹ in Crore As at March 31, 2022
Segment operating assets	**15,364.42**	**11,359.16**
Cash and cash equivalents	692.69	64.78
Deferred tax assets (net) (Refer Note - 10)	408.50	380.46
Non-current tax assets (net)	6.42	22.81
Investment in Joint Venture (Refer Note - 6a)	73.58	68.57
Non-current investments (Refer Note - 6b)	10.57	7.32
Current Investments (Refer Note - 13)	182.43	537.42
Other corporate assets	501.26	98.56
Inter-segment eliminations	(198.60)	(132.52)
Total	**17,041.28**	**12,406.56**

Reconciliation of liabilities

	As at March 31, 2023	₹ in Crore As at March 31, 2022
Segment operating liabilities	**11,142.00**	**8,024.96**
Current borrowings (Refer Note - 27)	440.29	1.88
Non-current borrowings (Refer Note - 23)	1,507.62	777.97
Current maturities of long-term borrowings (Refer Note - 27)	357.61	452.48
Interest accrued but not due on borrowings (Refer Note - 24 and 29)	46.78	133.41
Deferred tax liabilities (net) (Refer Note - 10)	251.68	211.94
Other corporate liabilities	75.36	98.99
Inter-segment eliminations	(126.06)	(83.59)
Total	**13,695.28**	**9,618.04**

Other information required by IND AS 108
Geographical segment

	Year ended March 31, 2023	₹ in Crore Year ended March 31, 2022
Revenue from customers outside India	242.50	197.61
Révenue from customers within India	12,175.40	7,938.61
Total	**12,417.90**	**8,136.22**

(i) Non current assets excluding Financial Instrument, Deferred tax assets, Investment accounted using equity method amounting to ₹ 8,623.07 Crore (March 31, 2022: ₹ 6,265.33 Crore) are held within India and ₹ 75.19 Crore (March 31, 2022: ₹ 21.90 Crore) are held outside India.

(ii) No single customer or customer group has accounted for more than 10% of the external revenues during the current and previous year.

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NOTE - 51
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 are as follows:

As at March 31, 2023

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 13)	182.43	10.57	-	193.00	182.43	-	10.57
Loans (Refer Notes - 7 and 14)	-	-	11.19	11.19	-	-	-
Security deposits (Refer Notes - 8 and 15)	-	-	531.40	531.40	-	-	-
Trade receivables (Refer Note - 16)	-	-	886.44	886.44	-	-	-
Cash and cash equivalents (Refer Note - 17)	-	-	692.69	692.69	-	-	-
Bank balance other than Cash and cash equivalents (Refer Note - 18)	-	-	8.37	8.37	-	-	-
Other financial assets (Refer Notes - 9 and 19)	-	-	316.09	316.09	-	-	-
Total	**182.43**	**10.57**	**2,446.18**	**2,639.18**	**182.43**	**-**	**10.57**
Financial liabilities							
Non-current borrowings (Refer Note - 23)	-	-	1,507.62	1,507.62	-	-	-
Current borrowings (Refer Note - 27)	-	-	797.90	797.90	-	-	-
Lease liabilities (Refer Note - 4b)	-	-	4,267.34	4,267.34	-	-	-
Deposits	-	-	443.13	443.13	-	-	-
Trade payables (Refer Note - 28)	-	-	3,846.12	3,846.12	-	-	-
Other financial liabilities (Refer Notes - 24 and 29)	-	-	885.36	885.36	-	-	-
Derivative contracts (Refer Note - 29)	4.65	-	-	4.65	4.65	-	-
Non-controlling interest put option (Refer Note - 24)	724.08	-	-	724.08	-	-	724.08
Total	**728.73**	**-**	**11,747.47**	**12,476.20**	**4.65**	**-**	**724.08**

As at March 31, 2022

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 13)	608.14	7.32	-	615.46	608.14	-	7.32
Loans (Refer Notes - 7 and 14)	-	-	8.70	8.70	-	-	-
Security deposits (Refer Notes - 8 and 15)	-	-	442.54	442.54	-	-	-
Trade receivables (Refer Note - 16)	-	-	756.43	756.43	-	-	-
Cash and cash equivalents (Refer Note - 17)	-	-	118.22	118.22	-	-	-
Bank balance other than Cash and cash equivalents (Refer Note - 18)	-	-	2.31	2.31	-	-	-
Other financial assets (Refer Notes - 9 and 19)	-	-	46.88	46.88	-	-	-
Total	**608.14**	**7.32**	**1,375.08**	**1,990.54**	**608.14**	**-**	**7.32**
Financial liabilities							
Non-current borrowings (Refer Note - 23)	-	-	777.97	777.97	-	-	-
Current borrowings (Refer Note - 27)	-	-	454.36	454.36	-	-	-
Lease liabilities (Refer note - 4b)	-	-	2,868.09	2,868.09	-	-	-
Deposits	-	-	380.98	380.98	-	-	-
Trade payables (Refer Note - 28)	-	-	3,410.56	3,410.56	-	-	-
Other financial liabilities (Refer Notes - 24 and 29)	-	-	334.47	334.47	-	-	-
Derivative contracts (Refer Note - 29)	3.20	-	-	3.20	3.20	-	-
Non-controlling interest put option (Refer Note - 24)	421.15	-	-	421.15	-	-	421.15
Total	**424.35**	**-**	**8,226.43**	**8,650.78**	**3.20**	**-**	**421.15**

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The carrying value of investment made in joint venture as at March 31, 2023 is ₹ 73.58 Crore (March 31, 2022: ₹ 68.57 Crore) and are measured at cost.

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Key inputs for level 1 and 3 fair valuation techniques

a) Derivative contracts:
i) Forward contracts: Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Company (level 1)
b) Non-controlling interest put option :
i) Option contracts: Fair value of option contracts is determined basis valuation performed by independent valuer appointed by the Company (level 3)
c) Investment:
i) Unquoted equity instruments: Valuation has been done by considering the net worth of the company and price to book multiple to arrive at the fair value (level 3)
ii) Quoted investments: Valuation has been done based on market value of the investment i.e. fair value (level 1)

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

Financial Instruments measured at fair value

₹ in Crore

Particulars	Fair Value as at March 31, 2023	Significant unobservable inputs	Fair Value as at March 31,2023		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Non-controlling interest put option	724.08	Risk adjusted discount rate	712.99	737.20	Increase in discount rate by 0.50% would decrease the fair value by ₹ 11.09 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 13.12 Crore.
		EBITDA margin projection	732.19	716.97	Increase in EBITDA margin by 0.50% would increase the fair value by ₹ 8.11 Crore and decrease in EBITDA margin by 0.50% would decrease the fair value by ₹ 7.11 Crore.
		Revenue projection	732.31	716.85	Increase in revenue by 0.50% would increase the fair value by ₹ 8.23 Crore and decrease in revenue by 0.50% would decrease the fair value by ₹ 7.23 Crore.

B. Risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

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i) Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2023, approximately 83% of the Group's borrowings are at a fixed rate of interest (March 31, 2022: 97%).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Group's profit/ (loss) before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2023		As at March 31, 2022	
Basis points (%)	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax				
₹ in Crore	(2.00)	2.00	(0.18)	0.18

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.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities denominated in foreign currency.

The Group manages foreign currency risk by hedging its transactions using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months. As at March 31, 2023, the Group has hedged Nil (March 31, 2022: Nil) of its receivables in foreign currency and 95% (March 31, 2022: 91%) of its payables in foreign currency.

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

As at March 31, 2023	Currency	Foreign currency In Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	USD	4.77	397.09

As at March 31, 2022	Currency	Foreign currency In Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	USD	4.61	349.93

The details of unhedged foreign currency exposure as at the Consolidated Balance Sheet date are as follows:

As at March 31, 2023	Currency	Foreign currency In Crore	₹ in Crore
Trade payables (net of advances)	USD	0.02	1.89
	EURO	0.11	9.70
	GBP	0.07	7.48
	HKD	*	*
Trade receivables	USD	0.26	21.39
	EURO	0.16	14.69
	HKD	0.06	0.63
	GBP	0.09	9.58
Bank balances	USD	*	*
	CNY	0.02	0.27
	BDT	0.33	0.25

* The amount has been rounded off in Crore.

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As at March 31, 2022	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	USD	0.27	20.70
	EURO	0.07	5.76
	GBP	0.07	7.16
	HKD	0.03	0.28
Trade receivables	USD	0.29	22.00
	EURO	0.04	3.63
	HKD	0.16	1.57
	GBP	0.07	7.22
Bank balances	USD	0.00*	0.09
	CNY	0.02	0.20
	BDT	0.07	0.06

* The amount has been rounded off in Crore.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Group's loss before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Basis points (%)	As at March 31, 2023		As at March 31, 2022	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax ₹ in Crore	(0.01)	0.01	(0.10)	0.10

b) Credit risk

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

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

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

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

Trade receivables

Customer credit risk is managed by each business unit, subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2023, the Group has 21 customers (March 31, 2022: 16 customers) that owed the Group more than ₹ 5 Crore each and accounts for approximately 86% (March 31, 2022: 80%) of all the receivables outstanding. There are 114 customers (March 31, 2022: 177 customers) with balances greater than ₹ 0.50 Crore each and accounts for approximately 12% (March 31, 2022: 18%) of the total amounts receivable.

An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on losses from historical data.

The Group's maximum exposure to credit risk for the components of the Consolidated Balance Sheet as at March 31, 2023 and March 31, 2022, is the carrying amount as provided in Note - 16.

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Notes to the consolidated financial statements for the year ended March 31, 2023

c) Liquidity risk

The Group monitors its risk of shortage of funds. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. Approximately, 33% of the Group's debt will mature in less than one year as at March 31, 2023 (March 31, 2022: 37%) based on the carrying value of borrowings reflected in the Consolidated financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to various sources of funding.

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

As at March 31, 2023

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	900.73	1,801.90	0.03	2,702.66
Cumulative redeemable preference shares	0.50	0.01	-	0.51
Lease liabilities	1,238.55	3,315.08	607.81	5,161.44
Other financial liabilities	497.00	189.05	1,893.71	2,579.76
Deposits	189.91	253.22	-	443.13
Trade payables	3,846.12	-	-	3,846.12
Total	**6,672.81**	**5,559.26**	**2,501.55**	**14,733.62**

As at March 31, 2022

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	631.62	817.63	-	1,449.25
Cumulative redeemable preference shares	-	0.51	-	0.51
Lease liabilities	946.89	2,093.93	323.38	3,364.20
Other financial liabilities	336.90	0.77	421.15	758.82
Deposits	152.62	228.36	-	380.98
Trade payables	3,410.56	-	-	3,410.56
Total	5,478.59	3,141.20	744.53	9,364.32

*Includes interest

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations, to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group is leader in apparels in the country and has a diversified portfolio of brands.

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ADITYA BIRLA FASHION AND RETAIL LIMITED ★

NOTE - 52
CAPITAL MANAGEMENT

The Group's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Group is to borrow funds through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Group (debts excludes lease liabilities):

		₹ in Crore
	As at March 31, 2023	**As at March 31, 2022**
Short-term debts (Including current maturities of long-term borrowings)	797.90	454.36
Long-term debts	1,507.62	777.97
Total borrowings	**2,305.52**	**1,232.33**
Total - Equity (Including Non-controlling Interest)	3,346.00	2,788.52

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

The Group has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings taking into consideration the waiver of compliance with one financial covenant by the Trustees of the Debentures issued by the Company.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

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NOTE - 53
ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

Year ended March 31, 2023 and As at March 31, 2023

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Parent								
Aditya Birla Fashion and Retail Limited	113.18%	3,786.89	-222.84%	132.52	65.16%	1.59	-235.16%	134.11
Subsidiaries								
Jaypore E-Commerce Private Limited	1.12%	37.42	60.52%	(35.99)	10.25%	0.25	62.67%	(35.74)
TG Apparel & Decor Private Limited	-0.02%	(0.67)	0.35%	(0.21)	0.00%	-	0.37%	(0.21)
Finesse International Design Private Limited	0.20%	6.56	19.51%	(11.60)	2.87%	0.07	20.22%	(11.53)
Sabyasachi Calcutta LLP	27.04%	904.86	-13.38%	7.96	30.74%	0.75	-15.27%	8.71
Indivinity Clothing Retail Private Limited	2.54%	84.90	113.81%	(67.68)	6.56%	0.16	118.39%	(67.52)
House of Masaba Lifestyle Private Limited	1.38%	46.27	18.56%	(11.04)	-6.97%	(0.17)	19.66%	(11.21)
Aditya Birla Garments Limited	0.33%	11.04	6.66%	(3.96)	0.00%	-	6.94%	(3.96)
Aditya Birla Digital Fashion Ventures Limited	7.15%	239.17	97.43%	(57.94)	-6.15%	(0.15)	101.86%	(58.09)
Adjustments arising out of consolidation	-52.91%	(1,770.44)	19.39%	(11.53)	-2.46%	(0.06)	20.32%	(11.59)
Total	**100.00%**	**3,346.00**	**100.00%**	**(59.47)**	**100.00%**	**2.44**	**100.00%**	**(57.03)**
Non-controlling interest in subsidiary		**2.71**		**(23.47)**		**0.08**		**(23.39)**
Finesse International Design Private Limited		2.71		(4.80)		0.03		(4.77)
Sabyasachi Calcutta LLP		-		3.90		0.10		4.00
Indivinity Clothing Retail Private Limited		-		(13.54)		0.03		(13.51)
House of Masaba Lifestyle Private Limited		-		(5.25)		(0.08)		(5.33)
Aditya Birla Digital Fashion Ventures Limited		-		(3.78)		-		(3.78)
Total		**3,343.29**		**(36.00)**		**2.36**		**(33.64)**

Year ended March 31, 2022 and As at March 31, 2022

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Parent								
Aditya Birla Fashion and Retail Limited	103.36%	2,882.14	68.18%	(80.70)	130.96%	2.69	67.07%	(78.01)
Subsidiaries								
Jaypore E-Commerce Private Limited	2.62%	73.16	21.73%	(25.72)	6.33%	0.13	22.01%	(25.60)
TG Apparel & Decor Private Limited	-0.02%	(0.46)	0.18%	(0.21)	-	-	0.18%	(0.21)
Finesse International Design Private Limited	0.65%	18.09	6.37%	(7.54)	-6.82%	(0.14)	6.60%	(7.68)
Sabyasachi Calcutta LLP	28.55%	796.15	-23.42%	27.72	-27.30%	(0.56)	-23.36%	27.16
Indivinity Clothing Retail Private Limited	1.38%	38.62	25.84%	(30.59)	1.21%	0.02	26.28%	(30.57)
Adjustments arising out of consolidation	-36.54%	(1,019.18)	1.12%	(1.32)	-4.38%	(0.09)	1.20%	(1.40)
Total	**100.00%**	**2,788.52**	**100.00%**	**(118.36)**	**100.00%**	**2.05**	**100.00%**	**(116.31)**
Non-controlling interest in subsidiary		**15.20**		**(9.64)**		**0.06**		**(9.58)**
Finesse International Design Private Limited		7.48		(3.52)		0.06		(3.46)
Indivinity Clothing Retail Private Limited		7.72		(6.12)		-		(6.12)
Total		**2,773.32**		**(108.72)**		**1.99**		**(106.73)**

NOTE - 54
ACQUISTION OF REEBOK INDIA BUSINESS

On February 28, 2022, Aditya Birla Fashion and Retail Limited entered into a commercial agreement with Authentic Brands Group LLC and has obtained exclusive rights to distribute Reebok footwear and apparel in India, Bangladesh, Bhutan, Maldives, Nepal and Sri-Lanka. The agreement became effective from October 1, 2022 upon signing of the Local Asset Deal Agreement.

As part of the commercial agreement, the Company is required to pay royalty for sale of Reebok footwear and apparel in the aforesaid territories including a minimum contractual royalty payable over the 20-year life of the agreement. The Company has recognised under "Licence Rights", the distribution rights for the Reebok products at the present value of the minimum royalty payable amounting to Rs.497 crores with a corresponding financial liability. Distribution right has been amortised over the term of commercial agreement.

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NOTE - 55

SETTING UP OF SUBSIDIARIES

a) On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C") business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means. Thus on April 11, 2022 Aditya Birla Digital Fashion Ventures Limited a wholly owned subsidiary of the Company was set up to carry on the "D2C" business.

b) Aditya Birla Garments Limited a manufacturing plant set up under the PLI scheme was incorporated as a wholly owned subsidiary of the Company with effect from June 15, 2022.

NOTE - 56

ACQUISITION OF TCNS CLOTHING COMPANY LIMITED

On May 5, 2023, the Board of Directors approved the acquisition of TCNS Clothing Co. Ltd ("Target Company"). The Acquisition is subject to approval of the Competition Commission of India and other regulatory approvals. The acquisition of the Target Company is planned to be achieved in the following manner:

a)Acquisition of between 1,41,92,448 to 1,98,76,757 equity shares of Target Company representing ~22.0% to ~30.81% of the Expanded Share Capital of the Target Company, as defined in the Public Announcement from the promoters for a consideration of ₹ 503 per equity share (subject to closing adjustments).

b)Making an open offer for up to 1,87,08,227 equity shares, constituting 29.0% of the Expanded Share Capital, at a price of ₹ 503 per equity share to the public shareholders of the Target Company, conditional upon a minimum level of acceptance of 1,30,23,918 equity shares, constituting ~20.19% of the Expanded Share Capital ("Minimum Level of Acceptance");

c)Subsequent to completion of steps a) and b), amalgamation of the Target Company (as a going concern) with the Company under the Companies Act, 2013 read with relevant circulars and regulations of Securities and Exchange Board of India, and other applicable laws. Equity shares of the Company will be issued to the shareholders of the Target Company (other than the Company) in the ratio of 11 fully paid up equity shares of INR 10 each of the Company for every 6 fully paid-up equity shares of INR 2 of the Target Company ("Share Exchange Ratio"). The effectiveness of the Scheme will be subject to inter alia the approval of Competition Commission of India, National Company Law Tribunals and completion of the Acquisition and filing of the approved schemes with the Registrar of Companies;

d)Approval of the acquisition by the Board of Directors is a non-adjusting subsequent and therefore no adjustments have been made in the Standalone Financial Statements.

NOTE - 57

ACQUISITION OF MAJORITY STAKE IN 'HOUSE OF MASABA LIFESTYLE PRIVATE LIMITED' ("HMLPL")

On January 14, 2022, the Board of Directors approved the acquisition of 52.44% stake in House of Masaba Lifestyle Private Limited ("HMLPL") by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. On June 01, 2022, post completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, HMLPL became a subsidiary of the Company.

NOTE - 58

ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated on or are pending against the Group under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Parent, Subsidiaries and a Joint Venture in India have complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) WILFUL DEFAULTER

The Parent, Subsidiaries and a Joint Venture in India have not been declared as wilful defaulters by any banks or financial institutions or government or any government authority.

(v) UNDISCLOSED INCOME

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

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Notes to the consolidated financial statements for the year ended March 31, 2023

(vi) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS), INTANGIBLE ASSETS AND INVESTMENT PROPERTY

The Group has not revalued its Property, Plant and Equipment (including Right-of-use assets),Intangible assets and Investment Property during the current or previous year.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No. : 203637

Place: Mumbai
Date : May 22 2023

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 22 2023

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 22 2023

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 22 2023

ANIL MALIK
(Company Secretary)
(M.No.: A11197)

Place: Mumbai
Date : May 22 2023

ADITYA BIRLA FASHION AND RETAIL LIMITED

Year ended March 31, 2022

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Eliminations	Total
Revenue					
External customers	5,510.15	2,626.07	**8,136.22**	-	**8,136.22**
Inter-segment	182.62	-	**182.62**	(182.62)	-
Total revenue	**5,692.77**	**2,626.07**	**8,318.84**	**(182.62)**	**8,136.22**

Year ended March 31, 2022 and As at March 31, 2022

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Corporate and eliminations	Total
Expenses/ (income)					
Depreciation and amortisation expense	562.90	434.13	**997.03**	-	**997.03**
Segment profit/ (loss)	**270.35**	**(66.43)**	**203.92**	**(348.85)**	**(144.93)**
Total assets	**7,386.07**	**3,973.09**	**11,359.16**	**1,047.40**	**12,406.56**
Total liabilities	**5,400.67**	**2,624.29**	**8,024.96**	**1,593.08**	**9,618.04**
Other disclosures					
Capital expenditure	202.11	173.22	375.33	-	375.33

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Eliminations' column. All Eliminations are part of detailed reconciliations presented further below.

Corporate and eliminations

Finance income and costs are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to these segments as they are also managed on a Group basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets including assets from acquisition of subsidiaries.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Fashion and Retail Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Aditya Birla Fashion and Retail Limited (hereinafter referred to as the "Holding Company") which includes the financial statements of ABFRL Employee Welfare Trust and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (Refer Note 53 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its joint venture as at March 31, 2022, of consolidated total comprehensive loss (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
Impairment assessment of goodwill (Refer Note 5A to the consolidated financial statements) The Group has goodwill of Rs.2,209.20 crores as at March 31, 2022. The goodwill was acquired in business combinations recorded in the prior years and was allocated to cash generating units (CGU) of the Company. In accordance with Ind AS 36, *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment annually. Management has performed impairment assessment for each of the CGUs to which goodwill has been allocated by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU which is higher of value in use and fair value less costs of disposal. Impairment assessment of goodwill requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill is considered to be a key audit matter.	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Holding company's controls to assess impairment of goodwill on an annual basis. • Evaluated whether the CGUs were determined and the goodwill allocation was performed in accordance with requirements of Ind AS 36 and our knowledge of the Group operations. • Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount of the CGU. • Evaluated the objectivity, competency and independence of the management expert engaged by the Holding Company. • Assessed the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis and evaluated the consistency of the cashflow projections with the budgets approved by the Board of Directors. • Evaluated the sensitivity analysis performed by management on the growth rates and discount rate to determine whether reasonable changes in these key assumptions would result in the carrying amounts of individual CGUs to exceed their recoverable amounts. • Involved auditor's expert to assist in evaluating the impairment assessment including certain assumptions used. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on procedures above, management's impairment assessment of goodwill appears to be reasonable.

Key Audit Matters	How our audit addressed the key audit matters
Provision for Inventory obsolescence (Refer Notes 12 and 41(f) to the consolidated financial statements) The Group held inventories of Rs.2,929.59 crores as at March 31, 2022. In accordance with Ind AS 2, *Inventories*, inventories are carried at lower of cost or net realizable value. The Group operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost. Management has a policy to recognize provisions for inventory considering assessment of future trends and the Group's past experience related to its ability to liquidate the aged inventory. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimates.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for inventory obsolescence. • Evaluated the methodology used by the management to determine the provision for inventory obsolescence and determined whether the method is consistent with that applied in the prior year. • Assessed whether the changes in the methodology (if any), are reasonable and consistent with our understanding of the changes in the business. • Evaluated the ageing report including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Group's policy. • Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provision for inventory obsolescence.
Provision for discount and sales returns (Refer Note 41(g) to the consolidated financial statements) The Group has recognized provision for unsettled discounts and sales returns amounting to Rs.231.88 crores and Rs.393.39 crores respectively, as at March 31, 2022.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for discounts and sales returns. • Evaluated the periodic account reconciliations prepared by the management during the year.

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Key Audit Matters	How our audit addressed the key audit matters
Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer. Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts. The estimate of sales returns and discounts depends on contract terms, forecasts of sales volumes and past history of quantum of returns. The expected returns and discounts that have not yet been settled with the customers are estimated and accrued. Determination of provision for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation	• Evaluated the management estimates and judgements in determining the provision for discounts and sales returns and assessed whether the same is consistent with the prior year. • Evaluated the contract terms for a sample of customer contracts to assess the reasonableness of the provision for discounts and returns and determine whether the same is in line with terms of the contract. • Verified credits notes issued to customers on a sample basis and assessed the validity of claims with the underlying documents and appropriate approvals. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provisions for discount and sales returns.

5. The following Key Audit Matter was included in the memorandum of work performed dated May 11, 2022 on the consolidated financial statements of Sabyasachi Calcutta LLP issued by an independent firm of Chartered Accountants ('Component auditor') reproduced by us as under:

Key Audit Matter	How the work of the Component auditor addressed the key audit matter
Impairment assessment of intangible asset Sabyasachi Calcutta LLP has an Intangible Asset being 'Brand' amounting to Rs.623.26 crores as at March 31, 2022 which was recognized in previous year on reconstitution of the Limited Liability Partnership.	The audit procedures included the following: • Understood the Sabyasachi Calcutta LLP's management process of forecasting the future cash flows, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data, wherever necessary; • Assessed that the methodology used by Sabyasachi Calcutta LLP's management to estimate the value in use of the brand is consistent with accounting standards and is in

Sabyasachi Calcutta LLP's management has engaged independent valuation expert to perform impairment assessment of brand by determining their recoverable amount using the value in use method. Sabyasachi Calcutta LLP's management has determined that the brand has an indefinite useful life. Impairment assessment of brand with indefinite useful life is considered as a key audit matter since it requires estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates which are subjective and sensitive to changes in economic conditions.	line with the valuation standards applicable in India; • Involved auditor's expert to assess the methodologies used by Sabyasachi Calcutta LLP's management to determine the recoverable amount of the Intangible Asset; • Evaluated the Sabyasachi Calcutta LLP management's determination that no re-estimation of the useful life of the brand is considered necessary at the year end. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on procedures above, management's impairment assessment of the brand appears to be reasonable.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Chairman's Statement, Report of Board of Directors, Sustainability and Business Responsibility Report, Corporate Governance Report and Management Discussion and Analysis Report but does not include the consolidated financial statements and our auditor's report thereon.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- 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 ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Other Matters

15. The consolidated financial statements of the Company for the year ended March 31, 2021 were audited by another firm of chartered accountants under the Act who, vide their report dated May 28, 2021, expressed an unmodified opinion on those consolidated financial statements.

16. We did not audit the financial statements of 4 subsidiaries (including a step down subsidiary), included in the consolidated financial statements, whose financial statements reflect total assets of Rs.1,145.79 crores and net assets of Rs.874.45 crores as at March 31, 2022, total revenue of Rs.269.20 crores, total profit after tax of Rs.10.16 crores and total comprehensive income (comprising of profit and other comprehensive loss) of Rs.9.74 crores and net cash outflows of Rs.2.65 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies (as applicable) and joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint venture – Refer Notes 25 and 46 to the consolidated financial statements.

ii. The Group and its joint venture did not have any long-term contracts including derivative contracts as at March 31, 2022 for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture incorporated in India during the year.

iv. (a) The respective Managements of the Holding Company and its subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and a joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and a joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and a joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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(b) The respective Managements of the Holding Company and its subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and a joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and a joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Holding Company, its subsidiary companies, and joint venture, has not declared or paid any dividend during the year.

19. The Group and its joint venture have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJFDRZ5331

Place: Mumbai
Date: May 18, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of Aditya Birla Fashion and Retail Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to Consolidated financial statements of Aditya Birla Fashion and Retail Limited (hereinafter referred to as "the Holding Company"), as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to Consolidated financial statements is not applicable to all the subsidiaries and a joint venture incorporated in India namely Jaypore E-commerce Private Limited, TG Apparel & Decor Private Limited, Sabyasachi Calcutta LLP, Indivinity Clothing Retail Private Limited, Finesse International Design Private Limited and Goodview Fashion Private Limited, respectively, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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Bengaluru

Annexure A to Independent Auditor's Report

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

6. A company's internal financial control with reference to Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to Consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Price Waterhouse & Co Chartered Accountants LLPIN AAC 4362

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of Aditya Birla Fashion and Retail Limited on the consolidated financial statements for the year ended March 31, 2022

Opinion

8. In our opinion, the Holding Company which is a company incorporated in India, has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJFDRZ5331

Place: Mumbai
Date: May 18, 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 17 of the Independent Auditors' Report of even date to the members of Aditya Birla Fashion and Retail Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given remarks in their CARO report on the standalone financial statements of the respective companies to whom requirements of CARO 2020 is applicable and included in the Consolidated Financial Statements of the Holding Company:

Sl. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number in the respective CARO reports
1.	Aditya Birla Fashion and Retail Limited	L18101MH2007PLC233901	Holding Company of the group	May 18, 2022	(i)(c) and (ii)(b)
2.	Finesse International Design Private Limited	U74900DL2007PTC164203	Subsidiary	May 11, 2022	(xvii)
3.	Indivinity Clothing Retail Private Limited	U18109HR2021PTC093323	Subsidiary	May 12, 2022	(xvii)
4.	Goodview Fashion Private Limited	U18100HR1996PTC096704	Joint Venture	May 12, 2022	(xvii)
5.	Jaypore E-Commerce Private Limited	U51900DL2012PTC289276	Subsidiary	May 11, 2022	(xvii)
6.	TG Apparel & Decor Private Limited	U51109DL2015PTC288706	Subsidiary	May 11, 2022	(xvii)

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJFDRZ5331

Place: Mumbai
Date: May 18, 2022

Aditya Birla Fashion and Retail Limited
Consolidated Balance Sheet as at March 31, 2022

₹ in Crore

		Notes	As at March 31, 2022	As at March 31, 2021
ASSETS				
I	**Non-current assets**			
	(a) Property, plant and equipment	3a	631.20	574.71
	(b) Capital work-in-progress	3b	102.57	37.60
	(c) Right-of-use assets	4a	2,522.93	2,141.42
	(d) Investment property	4c	1.92	1.92
	(e) Goodwill	5	2,209.20	2,209.20
	(f) Other intangible assets	5	693.99	699.65
	(g) Intangible assets under development		0.64	-
	(h) Financial assets			
	(i) Investment in joint venture	6a	68.57	66.93
	(ii) Other investments	6b	7.32	6.66
	(iii) Loans	7	1.56	2.59
	(iv) Security deposits	8	323.58	308.95
	(v) Other financial assets	9	3.32	0.46
	(i) Deferred tax assets	10	380.46	333.92
	(j) Non-current tax assets (net)		22.81	24.89
	(k) Other non-current assets	11	101.97	71.93
	Total - Non-current assets		**7,072.04**	**6,480.83**
II	**Current assets**			
	(a) Inventories	12	2,929.59	1,846.96
	(b) Financial assets			
	(i) Current investments	13	608.14	344.31
	(ii) Loans	14	7.14	6.54
	(iii) Security deposits	15	118.96	100.90
	(iv) Trade receivables	16	756.43	607.97
	(v) Cash and cash equivalents	17	118.22	246.13
	(vi) Bank balance other than Cash and cash equivalents	18	2.31	15.62
	(vii) Other financial assets	19	43.56	15.66
	(c) Other current assets	20	750.17	596.00
	Total - Current assets		**5,334.52**	**3,780.09**
	TOTAL - ASSETS		**12,406.56**	**10,260.92**

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

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Balance Sheet as at March 31, 2022

₹ in Crore

	Notes	As at March 31, 2022	As at March 31, 2021
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	21	938.29	915.05
(b) Other equity	22	1,835.03	1,728.74
Equity attributable to owners of the Company		**2,773.32**	**2,643.79**
(c) Non-controlling interest	22	15.20	32.48
Total - Equity		**2,788.52**	**2,676.27**
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	777.97	814.37
(ii) Lease liabilities	4b	2,076.46	1,754.13
(iii) Deposits		228.36	167.28
(iv) Other financial liabilities	24	421.92	427.11
(b) Deferred tax liabilities	10	211.94	212.25
(c) Provisions	25	101.68	95.84
(d) Other non-current liabilities	26	11.73	11.44
Total - Non-current liabilities		**3,830.06**	**3,482.42**
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	454.36	322.01
(ii) Lease liabilities	4b	791.63	709.27
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	28	87.44	26.89
Total outstanding dues of creditors other than micro enterprises and small enterprises	28	3,323.12	2,125.53
(iv) Deposits		152.62	130.73
(v) Other financial liabilities	29	336.90	219.70
(b) Liabilities for current tax (net)		2.29	-
(c) Provisions	30	101.32	91.98
(d) Other current liabilities	31	538.30	476.12
Total - Current liabilities		**5,787.98**	**4,102.23**
TOTAL - EQUITY AND LIABILITIES		**12,406.56**	**10,260.92**
Summary of significant accounting policies	2.3		

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 18, 2022

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2022

₹ in Crore

		Notes	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenue from operations	32	8,136.22	5,248.92
II	Other Income	33	100.55	73.40
III	**Total Income (I + II)**		**8,236.77**	**5,322.32**
IV	**Expenses**			
	(a) Cost of materials consumed	34a	867.18	421.25
	(b) Purchase of stock-in-trade	34b	3,793.42	1,526.72
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	34c	(940.43)	614.99
	(d) Employee benefits expense	35	1,158.53	865.39
	(e) Finance costs	36	350.71	502.60
	(f) Depreciation and amortisation expense	37	997.03	962.75
	(g) Rent expense	45a & 4a	393.22	10.67
	(h) Other expenses	38	1,764.38	1,255.15
	Total expenses		**8,384.04**	**6,159.52**
V	**Loss before Share in Profit/ (Loss) of Joint Venture and Tax (III - IV)**		(147.27)	(837.20)
VI	Add: Share in Profit / (Loss) of Joint Venture		2.34	(0.34)
VII	**Loss before tax (V+ VI)**		**(144.93)**	**(837.54)**
VIII	**Income tax expense**			
	(a) Current tax	39	20.89	40.12
	(b) Deferred tax	39	(47.46)	(141.66)
			(26.57)	**(101.54)**
IX	**Loss for the year (VII - VIII)**		**(118.36)**	**(736.00)**
X	**Other comprehensive income/ (loss)**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement gains/ (losses) on defined benefit plans		1.82	2.89
	Income tax effect on above		(0.35)	(0.73)
	(b) Fair value gains/ (losses) on equity instruments		0.64	(0.50)
	Income tax effect on above		(0.16)	0.13
	Items that will be reclassified to profit or loss			
	(a) Exchange differences on translation of foreign operations		0.10	0.02
	Income tax effect on above		-	-
	Total other comprehensive income/ (loss) for the year		**2.05**	**1.81**
XI	**Total comprehensive income/ (loss) for the year (IX + X)**		**(116.31)**	**(734.19)**

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

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2022

₹ in Crore

		Notes	Year ended March 31, 2022	Year ended March 31, 2021
XII	**Loss attributable to**			
	- Owners of the Company		(108.72)	(672.51)
	- Non-controlling interest		(9.64)	(63.49)
			(118.36)	**(736.00)**
XIII	**Other comprehensive income/ (loss) attributable to**			
	- Owners of the Company		1.99	1.67
	- Non-controlling interest		0.06	0.14
			2.05	**1.81**
XIV	**Total comprehensive income/ (loss) attributable to**			
	- Owners of the Company		(106.73)	(670.84)
	- Non-controlling interest		(9.58)	(63.35)
			(116.31)	(734.19)
XV	**Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2021 : ₹ 10)]**	40		
	Basic (₹)		(1.18)	(8.23)
	Diluted (₹)		(1.18)	(8.23)
	Summary of significant accounting policies	2.3		

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

Place: Mumbai
Date : May 18, 2022

Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

a. Equity share capital

	As at March 31, 2022 No. of shares	As at March 31, 2022 ₹ in Crore	As at March 31, 2021 No. of shares	As at March 31, 2021 ₹ in Crore
Equity shares of ₹ 10 each issued				
As at the beginning of the year	93,77,36,163	937.73	77,39,64,840	773.96
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) & (iv)]	2,80,504	0.28	16,32,68,882	163.27
Exercise of Options (Refer Note - 44)	4,92,871	0.49	5,02,441	0.50
As at the end of the year	93,85,09,538	938.50	93,77,36,163	937.73

	As at March 31, 2022 No. of shares	As at March 31, 2022 ₹ in Crore	As at March 31, 2021 No. of shares	As at March 31, 2021 ₹ in Crore
Equity shares of ₹ 10 each subscribed and fully paid				
As at the beginning of the year	93,75,30,659	915.05	77,39,47,987	773.95
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) & (iv)]	2,80,504	22.75	16,30,80,231	140.60
Exercise of Options (Refer Note - 44)	4,92,871	0.49	5,02,441	0.50
As at the end of the year	93,83,04,034	938.29	93,75,30,659	915.05

b. Other equity

₹ in Crore

	Share suspense account (Refer Note - 22)	Reserves and surplus: Securities premium (Refer Note - 22)	Retained earnings (Refer Note - 22)	Share options outstanding account (Refer Note - 22)	Treasury shares (Refer Note - 22)	Capital reserve (Refer Note - 22)	Other comprehensive income: Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Foreign currency translation reserve (Refer Note-22)	Equity attributable to owners of the Company	Non-controlling interest (Refer Note-22)	Total other equity
As at April 01, 2020	0.02	773.64	(444.92)	44.15	(100.49)	21.69	(2.31)	2.21	(0.05)	293.94	19.90	313.84
Pursuant to business combination (Refer Note - 22)	-	-	-	-	-	-	-	-	-	-	450.14	450.14
Profit/ (Loss) during the year	-	-	(672.51)	-	-	-	-	-	-	(672.51)	(63.49)	(736.00)
Share forfeiture/ (issued) during the year	-	-	-	-	-	0.19	-	-	-	0.19	-	0.19
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) & (iv)]	-	2,097.49	-	-	-	-	-	-	-	2,097.49	-	2,097.49
Non-controlling interest put option (Refer Note - 24)	-	-	-	-	-	-	-	-	-	-	(374.21)	(374.21)
Premium on exercise of Options	-	0.06	-	-	-	-	-	-	-	0.06	-	0.06
Other comprehensive income for the year	-	-	-	-	-	-	2.03	(0.37)	0.01	1.67	0.14	1.81
Recognition of Share based payment	-	-	-	11.87	-	-	-	-	-	11.87	-	11.87
Transfer to Securities Premium on exercise of Options	-	8.39	-	(8.39)	-	-	-	-	-	-	-	-
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	(3.97)	-	-	-	-	(3.97)	-	(3.97)
As at March 31, 2021	0.02	2,879.58	(1,117.43)	47.63	(104.46)	21.88	(0.28)	1.84	(0.04)	1,728.74	32.48	1,761.22

Aditya Birla Fashion and Retail Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

₹ in Crore

		Reserves and surplus					Other comprehensive income					
	Share suspense account (Refer Note - 22)	Securities premium (Refer Note - 22)	Retained earnings (Refer Note - 22)	Share options outstanding account (Refer Note - 22)	Treasury shares (Refer Note - 22)	Capital reserve (Refer Note - 22)	Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Foreign currency translation reserve (Refer Note - 22)	Equity attributable to owners of the Company	Non-controlling interest (NCI) (Refer Note-22)	Total other equity
As at April 01, 2021	0.02	2,879.58	(1,117.43)	47.63	(104.46)	21.88	(0.28)	1.84	(0.04)	1,728.74	32.48	1,761.22
Profit/ (Loss) during the year	-	-	(108.72)	-	-	-	-	-	-	(108.72)	(9.64)	(118.36)
Other comprehensive income for the year	-	-	-	-	-	-	1.39	0.50	0.10	1.99	0.06	2.05
Recognition of Share based payment	-	-	-	29.13	-	-	-	-	-	29.13	-	29.13
Share forfeiture/ (issued) during the year	-	-	-	-	-	(0.14)	-	-	-	(0.14)	-	(0.14)
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) & (iv)]	-	226.05	-	-	-	-	-	-	-	226.05	-	226.05
Non-controlling interest relating to Sabyasachi Calcutta LLP recognised on April 01, 2021	-	-	-	-	-	-	-	-	-	-	374.21	374.21
Difference between Put option liability and NCI relating to Sabyasachi Calcutta LLP [Refer Note - 2.3(XIII)]	-	-	(46.94)	-	-	-	-	-	-	(46.94)	46.94	-
Non-controlling interest relating to Sabyasachi Calcutta LLP derecognised on March 31, 2022 (including NCI profit share)	-	-	-	-	-	-	-	-	-	-	(421.15)	(421.15)
Acquisition of NCI share	-	-	2.65	-	-	-	-	-	-	2.65	(2.65)	-
Transfer to Securities Premium on exercise of Options	-	12.55	-	(12.55)	-	-	-	-	-	-	-	-
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	1.37	-	-	-	-	1.37	-	1.37
Others	-	-	5.05	(4.15)	-	-	-	-	-	0.90	(5.05)	(4.15)
As at March 31, 2022	0.02	3,118.18	(1,265.39)	60.06	(103.09)	21.74	1.11	2.34	0.06	1,835.03	15.20	1,850.23

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A. J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 18, 2022

For and on behalf of the Board of Directors of Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)
Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)
Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2022

₹ in Crore

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities			
Loss before tax		**(144.93)**	**(837.54)**
Adjustments for:			
Depreciation and amortisation expense	37	997.03	962.75
Finance costs	36	348.40	500.38
Gain on retirement of right-of-use assets	33	(14.85)	(21.74)
Rent concession on lease rentals	4b, 41k & 45a	(219.18)	(343.72)
(Profit)/ Loss on sale/ discard of property, plant and equipment		(2.66)	0.72
Share-based payment to employees	35	29.13	11.70
Interest income	33	(9.38)	(2.42)
Liabilities no longer required written back		(2.10)	(3.83)
Net gain on sale of current investments	33	(20.23)	(3.29)
Net Unrealised exchange (gain)/ loss		3.69	1.46
Expense/ (income) on financial assets/ liabilities that is designated as fair value through profit or loss		(28.16)	(27.08)
Provision for doubtful debts, deposits and advances	38	7.17	14.22
Bad debts written off	38	1.22	1.89
Share of (profit)/ loss of Joint Venture		(2.34)	0.34
Operating profit before working capital changes		**942.81**	**253.84**
Changes in working capital:			
(Increase)/ decrease in trade receivables		(155.51)	224.93
(Increase)/ decrease in inventories		(1,082.63)	611.14
(Increase)/ decrease in other assets		(196.59)	(6.05)
Increase/ (decrease) in trade payables		1,259.83	(53.17)
Increase/ (decrease) in provisions		15.59	(7.64)
Increase/ (decrease) in other liabilities		183.45	83.57
Cash generated from operations		**966.95**	**1,106.62**
Income taxes paid (net of refund)		(16.44)	(2.82)
Net cash flows from operating activities		**950.51**	**1,103.80**
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets and capital advance		(347.95)	(161.26)
Consideration on acquisition of/ investment in subsidiaries, net of cash acquired		-	15.56
Drawings by minority holder of Limited Liability Partnership Firm		-	(316.24)
Investments in joint venture		-	(67.18)
Purchase of current investments		(10,008.14)	(12,410.75)
Proceeds/ (Investment) in treasury shares held by ESOP Trust		1.37	(3.97)
Proceeds from sale of property, plant and equipment and intangible assets		29.49	2.74
Proceeds from sale/ maturity of current investments		9,764.54	12,083.44
Interest received		9.24	2.44
Net cash flows used in investing activities		**(551.45)**	**(855.22)**
Cash flows from financing activities			
Proceeds from issue of equity shares		0.49	0.50
Proceeds from Rights Issue (net off share issue expenses)	21(iii)	247.12	738.66
Proceeds from Preferential Issue (net off share issue expenses)	21(iv)	-	1,499.63
Proceeds from non-current borrowings (net off charges)		414.34	692.32
Proceeds from sale of property, plant and equipment under sale and leaseback arrangement		-	28.65
Proceeds/ (repayments) from current borrowings (net)		432.35	(1,513.38)
Repayment of non-current borrowings		(750.74)	(833.67)
Repayment of lease liabilities		(560.87)	(406.10)
Interest paid		(309.66)	(475.87)
Net cash flows used in financing activities		**(526.97)**	**(269.25)**

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ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2022

₹ in Crore

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Net Decrease in cash and cash equivalents		(127.91)	(20.67)
Cash and cash equivalents at the beginning of the year		246.13	266.80
Cash and cash equivalents at the end of the year	17	118.22	246.13
Components of Cash and cash equivalents			
Balances with banks - on current accounts		36.75	91.97
Balances with banks - on deposit accounts (original maturity less than 3 months)		50.44	124.43
Balances with credit card companies		11.19	4.12
Balances with e-wallet companies		1.91	1.21
Cash on hand		13.67	14.48
Cheques/ drafts on hand		4.26	9.92
Total Cash and cash equivalents		118.22	246.13

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 18, 2022

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2022

1. Corporate information

Aditya Birla Fashion and Retail Limited ("the Company" or "the Holding Company"), a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400070.

The Company, its subsidiaries (together referred to as the "Group") and its joint venture are engaged in the business of manufacturing and retailing of branded apparels and runs a chain of apparels and accessories retail stores in India.

The consolidated financial statements, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors in their meeting held on May 18, 2022.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Group has evaluated the effect of the amendments on its financial statements and complied with the same.

2.2 Functional and Presentation Currency:

The functional currency of the Group, its subsidiaries and its joint venture is determined on the basis of the primary economic environment in which it operates. The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. (₹ 1 Crore is equal to ₹ 10 Million)

2.3 Summary of significant accounting policies

(I) Principles of consolidation

The consolidated financial statements (CFS) comprise the financial statements of the Company and its Subsidiaries and Joint Venture. Subsidiaries are entities controlled by the Group. The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110) and "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 133 of the Companies Act, 2013. The Group controls an Investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

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The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary and joint venture, the subsidiary and joint venture prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary and joint venture, unless it is impracticable to do so.

Consolidation procedures for subsidiaries:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non- controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Equity Accounted Investees:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains resulting from the transaction between the Group and joint venture are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

When the Group's share of losses of joint venture equals or exceeds its interest in that joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the Consolidated Statement of Profit and Loss separately.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of Profit and Loss.

(II) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

(III) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents assets, liabilities, income and expenses which relate to the Group as a whole and are not allocated to the segments.

Inter-segment transfers

The Group generally accounts for inter-segment sales at arm's length basis in a manner similar to transactions with third parties.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income, expense and other common assets and liabilities which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(IV) Fair value measurements and hierarchy

The Group measures financial instruments, such as investments (other than equity investments in joint ventures) and derivatives at fair value at each Consolidated Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability; or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(V) Foreign currencies

Transactions and balances:

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Consolidated Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Consolidated Statement of Profit and Loss are also reclassified in OCI or the Consolidated Statement of Profit and Loss, respectively).

For the purposes of presenting these consolidated financial statements, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Indian Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences arising on translation for consolidation are recognised in OCI and accumulated in other equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

(VI) Revenue from contracts with customers

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Group expect to be entitled for those goods/ services.

To recognize revenues, the Group applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue from sale of products

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Goods and Service Tax (GST) is not received by the Group in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Assets and liabilities arising from right to return

The Group has contracts with customers which entitles them the unconditional right to return.

Right to return assets

A right of return gives the Group a contractual right to recover the goods from a customer (right to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Group has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Group has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Income from gift voucher

Gift voucher sales are recognised when the vouchers are redeemed, and the goods are sold to the customer.

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Loyalty points programme

The Group operates a loyalty programme which allows customers to accumulate points on purchases made in retail stores. The points give rise to a separate performance obligation as it entitles them for redemption as settlement of future purchase transaction price. Consideration received is allocated between the sale of products and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of points is determined by applying statistical techniques based on the historical trends.

Consideration allocated to reward points is deferred and recognised when points are redeemed or when the points expire. The amount of revenue is based on the value of points redeemed/ expired.

Income from services

Income from services is recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

Interest income

Interest income on all debt instruments is measured at amortised cost. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

Export Incentives income

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Commission income

In case of sales of goods, where the Group is an agent in the transaction, the difference between the revenue and the cost of the goods sold is disclosed as commission income in other operating income.

(VII) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with:

- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- When the grant relates to an asset, it is recognised as income in Statement of Profit and Loss in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, at a below-market rate of interest, the effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised and measured at fair value, and the government grant is measured as the difference between the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.

(VIII) 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

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cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Consolidated Statement of Profit and Loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

(IX) Taxes

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

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

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

Deferred tax

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

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

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

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

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

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

Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related

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to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

The Group had adopted the new tax regime in the Financial Year 2019-20 under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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

(X) Property, plant and equipment

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes borrowing costs for long-term construction projects, if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss, during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any.

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 reflect fair approximation of the period over which the assets are likely to be used. The Group has used the following rates to provide depreciation on its tangible fixed assets:

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

Assets	**Class of Assets**	**Useful life as prescribed by Schedule II of the Companies Act, 2013**
Factory buildings	Freehold buildings	30 years
Fences, wells, tube wells	Freehold buildings	5 years
Borewells (pipes, tubes and other fittings)	Freehold buildings	5 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 years

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(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	5 – 6 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 – 6 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office equipment	5 years	4 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	5 years

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

Leasehold assets

Assets	Estimated useful life
Leasehold improvements at stores	5 to 6 years or period of lease, whichever is shorter
Leasehold improvements other than stores	Period of lease

Based on managements' assessment, items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date the asset is ready to use or useful life of class of asset to which these assets belong.

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

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

(XI) Investment properties

Investment property is freehold land and structure, held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Group measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes. Fair value is determined on the basis of assessable market value of the property as per rate specified by Government Authority. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Consolidated Statement of Profit and Loss in the period of derecognition. In determining the amount of consideration from the derecognition of Investment properties the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

(XII) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Consolidated Statement of Profit and Loss, in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite life are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and changes if any, made on prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss.

Intangible assets with indefinite useful life are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

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Amortisation methods and periods

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

Intangible assets	**Useful life**	**Amortisation method used**
Computer software	3 years	Amortised on straight-line basis
Brands/ trademarks	10 years	Amortised on straight-line basis, except where the Brand/Trademark is considered to have indefinite life
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement
Non-Compete	7 years	Amortised on straight-line basis

(XIII) Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

At the acquisition date, goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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Where the group does not have present ownership interest in the shares held by the non-controlling shareholders, measured at either fair value or at the proportionate share of the acquiree's identifiable net assets, and the related put option held by the group over such non-controlling shares remains unexercised, the group accounts for the non-controlling interest and the written put option at the end of each reporting period as below:

a) Group determines the amount that would have been recognised for the non-controlling interest, including an allocation to reflect the share of profit or loss, share of changes in other comprehensive income and dividends (if any) declared during the reporting period;
b) The group de-recognises the non-controlling interest as if it was acquired at the end of the reporting period;
c) The group recognises a financial liability in respect of the written put option at the present value of the amount payable on exercise of the non-controlling interest; and
d) Difference between b) and c) is accounted for as an equity transaction.

Upon exercise of the put option over the non-controlling interest the amount recognised as financial liability is extinguished by payment of the exercise price.

If the put option over the non-controlling interest remains unexercised, non-controlling interest is recognised at the amount it would have been, as if the put option had never been granted (i.e. measured initially at the date of the business combination, and remeasured for subsequent allocations of profit or loss, other comprehensive income and changes in equity attributable to the non-controlling interest). The financial liability is derecognised, with a corresponding credit to the same component of equity.

A cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment annually as at reporting date. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(XIV) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGUs) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rates, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually as at reporting date. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss.

Reversal of impairment losses except on goodwill is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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(XV) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assess whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Where the Group is the lessee

Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for short-term leases which are less than 12 months and leases of low value assets. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortised cost using the effective interest method.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification arising due to change in the lease term, change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding

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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 Group presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Consolidated Balance Sheet.

Short-term leases and leases of low value assets

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

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss.

Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.

(iii) There is no substantive change to other terms and conditions of the lease.

Pursuant to the above amendment, the Group has applied the practical expedient with effect from April 01, 2020. The Group has accounted the unconditional rent concessions in "Rent expenses" in the Consolidated Statement of Profit and Loss.

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Adoption of the COVID-19 related concessions – amendments to Ind AS 116, Leases with effect from April 1, 2021 has resulted in recognition of ₹ 219.18 crores as income from lease concession during the year. This amendment is not expected to have any material impact on the Statement of Profit and Loss for the future years.

(XVI) Financial instruments

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

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Consolidated Statement of Profit and Loss are recognised immediately in the Consolidated Statement of Profit and Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories:

(a) Non-derivative financial assets

(i) Financial assets at amortised cost

Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

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

Effective Interest Rate (EIR) method:

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is

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recognised in the Consolidated Statement of Profit and Loss and is included in the 'Other income' line item.

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Financial assets included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the Consolidated Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Consolidated Statement of Profit and Loss.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (refer above) are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(iv) Equity investments

All equity investments (other than investments in joint ventures) are measured at fair value as per Ind AS 109. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group has an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Impairment of financial assets:

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The Group applies simplified approach of expected credit loss model for recognising impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Expected credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the Consolidated Balance Sheet.

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(b) Non derivative financial liabilities

(i) Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(1) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(2) Compound financial instruments:

The component parts of compound financial instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

(3) Financial liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

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A financial liability is classified as held for trading, if:

- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss.

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the Consolidated Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in the Consolidated Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in the Consolidated Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in other comprehensive income under other equity and are not subsequently reclassified to the Consolidated Statement of Profit and Loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees

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and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

(ii) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Consolidated Statement of Profit and Loss as 'Finance costs'.

(iii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Consolidated Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Consolidated Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Consolidated Statement of Profit and Loss.

<u>De-recognition of financial assets and financial liabilities</u>

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss.

On de-recognition of a financial asset other than in its entirety (for example: when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Consolidated Statement of Profit and Loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group de-recognises financial liabilities only when the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(XVII) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and options contract in accordance with agreement, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the Consolidated Statement of Profit and Loss when the hedge item affects the Consolidated Statement of Profit and Loss or treated as basis adjustment, if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

(XVIII) Inventories

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other

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costs in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates (Refer Note – 41f).

(XIX) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group (Refer Note – 46).

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(XX) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

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(b) Defined contribution plan

The Group makes defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the Consolidated Statement of Profit and Loss, on accrual basis. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Group operates a defined benefit gratuity plan in India. The Group contributes to a gratuity fund maintained by an independent insurance company. The Group's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Consolidated Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the Consolidated Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Consolidated Statement of Profit and Loss.

(d) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation in the Consolidated Statement of Profit and Loss.

The Group presents the entire leave as a current liability in the Consolidated Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

(XXI) Share-based payment

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

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

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No expense is recognised for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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

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

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve. Share options exercised during the reporting period are settled with treasury shares.

(XXII) Earnings per share

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

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(XXIII) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance Sheet and for the purpose of the Consolidated Statement of Cash Flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.4 New and amended standards adopted by the Group:

The Group has applied the following amendments to Ind AS for the first time from the annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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2.5 Standards issues but not yet effective:

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended the following accounting standards. These amendments are effective from April 01, 2022 and early adoption is permitted in some cases.

a) Ind AS 16, Property Plant and equipment
b) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
c) Ind AS 101, First time adoption of Indian Accounting Standards
d) Ind AS 103, Business Combinations
e) Ind AS 109, Financial Instruments
f) Ind AS 41, Agriculture

The above amendments are not likely to have any material impact on the financial statements of the Group for the current or future reporting period.

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NOTE: 3a
PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

	Freehold land*	Freehold buildings*	Plant and equipment	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
As at April 01, 2020	5.92	42.74	216.72	300.96	113.33	510.56	133.93	15.96	**1,340.12**
Additions	-	0.62	24.75	44.93	9.05	62.28	6.12	0.41	**148.16**
Addition pursuant to business combination	-	-	7.37	2.49	1.01	12.06	1.53	0.81	**25.27**
Disposals	-	-	22.72	21.84	4.77	70.85	4.15	3.44	**127.77**
As at March 31, 2021	**5.92**	**43.36**	**226.12**	**326.54**	**118.62**	**514.05**	**137.43**	**13.74**	**1,385.78**
Additions	-	-	80.18	83.63	16.99	96.07	14.19	2.17	**293.23**
Disposals	-	-	46.85	26.43	2.20	74.55	2.53	5.85	**158.41**
As at March 31, 2022	**5.92**	**43.36**	**259.45**	**383.74**	**133.41**	**535.57**	**149.09**	**10.06**	**1,520.60**
Depreciation									
As at April 01, 2020	-	4.11	79.67	152.83	76.22	312.06	66.74	5.60	**697.23**
Depreciation for the year (Refer Note - 37)	-	1.56	39.81	49.76	17.61	88.93	7.35	3.77	**208.79**
Disposals	-	-	17.12	20.92	4.73	46.13	3.25	2.80	**94.95**
As at March 31, 2021	-	**5.67**	**102.36**	**181.67**	**89.10**	**354.86**	**70.84**	**6.57**	**811.07**
Depreciation for the year (Refer Note - 37)	-	1.57	57.15	52.20	9.00	81.22	9.14	3.04	**213.32**
Disposals	-	-	39.84	20.77	1.50	66.34	1.93	4.61	**134.99**
As at March 31, 2022	-	**7.24**	**119.67**	**213.10**	**96.60**	**369.74**	**78.05**	**5.00**	**889.40**
Net carrying value as at:									
March 31, 2022	**5.92**	**36.12**	**139.78**	**170.64**	**36.81**	**165.83**	**71.04**	**5.06**	**631.20**
March 31, 2021	**5.92**	**37.69**	**123.76**	**144.87**	**29.52**	**159.19**	**66.59**	**7.17**	**574.71**

Net carrying value

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	631.20	574.71
Total	**631.20**	**574.71**

* The title deeds of immovable properties, included in Property, Plant and Equipment above are held in the name of the Group except for Freehold land and Freehold building wherein the Gross Block amounting to ₹ 5.92 Crore (March 31, 2021: ₹ 5.92 Crore) and ₹ 0.13 Crore (March 31, 2021: ₹ 0.13 Crore), respectively, which are held in the name of the demerged companies and are in the process of being transferred to the Group.

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Notes to the consolidated financial statements for the year ended March 31, 2022

NOTE: 3b
CAPITAL WORK-IN-PROGRESS

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	102.57	37.60
Total	102.57	37.60

Ageing of Capital work-in-progress as on March 31, 2022

₹ In Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Projects in progress	83.27	13.46	5.79	-	102.52
(ii)Projects temporarily suspended	-	-	-	0.05	0.05

Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan	To be completed in				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Project 1	-	-	-	-	-
(ii)Project 2	-	-	-	-	-

Ageing of Capital work-in-progress as on March 31, 2021

₹ In Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Projects in progress	24.56	11.34	0.02	0.03	35.95
(ii)Projects temporarily suspended	0.38	1.27	-	-	1.65

Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan	To be completed in				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Project 1	-	-	-	-	-
(ii)Project 2	-	-	-	-	-

There are no projects as on the reporting periods where costs have been exceeded cost as compared to its original plan or where completion is overdue.

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NOTE: 4
RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

₹ in Crore

	Land	Buildings*	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost							
As at April 01, 2020	10.42	2,755.67	9.56	3.70	38.77	1.62	2,819.74
Additions	-	741.37	6.96	0.20	51.42	2.32	802.27
Addition pursuant to business combination	0.27	30.46	-	-	-	-	30.73
Termination	-	250.66	-	-	-	-	250.66
As at March 31, 2021	10.69	3,276.84	16.52	3.90	90.19	3.94	3,402.08
Additions	-	1,225.58	4.81	-	6.40	2.28	1,239.07
Termination	-	162.67	-	-	-	-	162.67
As at March 31, 2022	10.69	4,339.75	21.33	3.90	96.59	6.22	4,478.48
Depreciation							
As at April 01, 2020	0.39	612.25	0.04	0.02	0.18	0.01	612.89
Depreciation for the year (Refer Note - 37)	0.13	723.16	1.74	-	7.33	0.04	732.40
Termination	-	84.63	-	-	-	-	84.63
As at March 31, 2021	0.52	1,250.78	1.78	0.02	7.51	0.05	1,260.66
Depreciation for the year (Refer Note - 37)	0.13	738.33	4.05	0.79	18.21	1.04	762.55
Termination	-	67.66	-	-	-	-	67.66
As at March 31, 2022	0.65	1,921.45	5.83	0.81	25.72	1.09	1,955.55
Net carrying value as at:							
As at March 31, 2022	10.04	2,418.30	15.50	3.09	70.87	5.13	2,522.93
As at March 31, 2021	10.17	2,026.06	14.74	3.88	82.68	3.89	2,141.42

* The title deeds of Right of Use assets above are held in the name of the Group except for Buildings wherein the Gross Block amounts to ₹ 259.93 Crore (March 31, 2021: ₹ 259. 93 Crore) which are held in the name of the demerged companies and are in the process of being transferred to the Group.

Net carrying value

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Right-of-use assets	2,522.93	2,141.42
Total	2,522.93	2,141.42

(b) Lease liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening balance	2,463.40	2,501.80
Additions	1,198.00	758.25
Addition pursuant to business combination	-	31.99
Retirements	(105.66)	(173.40)
Interest expense on lease liabilities	214.27	224.91
Rent concession (Refer Note - 41k)	(219.18)	(343.72)
Payments	(682.74)	(536.43)
Closing balance	2,868.09	2,463.40
Current	791.63	709.27
Non-current	2,076.46	1,754.13

For maturity analysis of lease liabilities, refer Note - 45a.

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NOTE: 4
(c) INVESTMENT PROPERTY

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
Freehold Land and Structure	1.92	1.92
Total	**1.92**	**1.92**
Fair value of investment property	**8.23**	**9.83**

The above fair value has been arrived on the basis of assessable market value of the above property as per rate specified by Directorate of Registration and Stamp Revenue, Government of West Bengal.

Estimation of fair value: The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

NOTE: 5
GOODWILL AND OTHER INTANGIBLE ASSETS

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer software	Technical know-how	Franchisee rights	Non-Compete right	Total
Cost							
As at April 01, 2020	1,983.06	79.77	80.85	1.84	33.81	3.00	**2,182.33**
Additions	-	0.17	7.34	-	-	-	**7.51**
Addition pursuant to business combination	226.14	606.50	-	-	-	-	**832.64**
Disposals	-	-	0.26	-	-	-	**0.26**
As at March 31, 2021	**2,209.20**	**686.44**	**87.93**	**1.84**	**33.81**	**3.00**	**3,022.22**
Additions	-	0.65	15.85	-	-	-	**16.50**
Addition pursuant to business combination	-	-	-	-	-	-	-
Disposals	-	-	1.47	-	-	-	**1.47**
As at March 31, 2022	**2,209.20**	**687.09**	**102.31**	**1.84**	**33.81**	**3.00**	**3,037.25**
Amortisation							
As at April 01, 2020	-	16.38	63.57	1.28	10.55	0.29	**92.07**
Amortisation for the year (Refer Note - 37)	-	8.54	11.64	0.20	1.18	-	**21.56**
Disposals	-	-	0.26	-	-	-	**0.26**
As at March 31, 2021	-	**24.92**	**74.95**	**1.48**	**11.73**	**0.29**	**113.37**
Amortisation for the year (Refer Note - 37)	-	8.69	11.29	-	1.18	-	**21.16**
Disposals	-	-	0.47	-	-	-	**0.47**
As at March 31, 2022	-	**33.61**	**85.77**	**1.48**	**12.91**	**0.29**	**134.06**
Net carrying value as at:							
March 31, 2022	**2,209.20**	**653.48**	**16.54**	**0.36**	**20.90**	**2.71**	**2,903.19**
March 31, 2021	**2,209.20**	**661.52**	**12.98**	**0.36**	**22.08**	**2.71**	**2,908.85**

Net carrying value

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Goodwill	2,209.20	2,209.20
Other intangible assets	693.99	699.65
Total	**2,903.19**	**2,908.85**

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ADITYA BIRLA FASHION AND RETAIL LIMITED

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NOTE: 5A
IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through various business combinations have been allocated to the six Cash-Generating Units (CGUs) as below:

1. Pantaloons CGU
2. Madura Fashion & Lifestyle CGU
3. Forever 21 CGU
4. Jaypore CGU
5. Finesse CGU
6. Sabyasachi CGU

Pantaloons CGU

During the year ended March 31, 2013, the Company acquired Pantaloons format business ('Pantaloons business') from Future Retail Limited ("FRL"), which consisted of fashion retail business operating under the brand name "Pantaloons". Pantaloons is a leading large format fashion retailer engaged in retailing of apparel and accessories. The business thus acquired is Pantaloons CGU.

Madura Fashion & Lifestyle CGU

Pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors ("Composite Scheme"), Madura Undertaking of ABNL and MGL Retail Undertaking of MGLRCL ("demerged undertakings") were transferred to the Company on a going concern basis, w.e.f. April 01, 2015.

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England, and MGL Retail Undertaking is primarily engaged in promoting lifestyle brands and having licences to retail various international brands like Armani Collezioni, Hugo Boss, Versace Collection and many more under one roof, 'The Collective'. Both these divisions jointly comprise the Madura Fashion & Lifestyle CGU.

Forever 21 CGU

Effective July 01, 2016, the Company acquired exclusive franchise rights for the Indian market of Forever 21 business comprising of operating retail stores in India for the sale of clothing, artificial jewellery, accessories and related merchandise under the brand name "Forever 21" ("F21"), and is considered as a separate CGU.

Jaypore CGU

Effective July 02, 2019, the Company entered in a Share Purchase Agreement(s) with Jaypore E-Commerce Private Limited ("Jaypore") and TG Apparel & Decor Private Limited ("TG Apparel") which sells ethnic fashion merchandise under its own brand "Jaypore" and of other third-party brands through stores and on-line channels. Consequent to the above, Jaypore, Jaypore Inc., USA (an overseas wholly-owned subsidiary of Jaypore) and TG Apparel become wholly-owned subsidiaries of the Company. These Companies together are considered as a separate CGU "Jaypore CGU".

Jaypore Inc., USA, an overseas wholly-owned subsidiary of Jaypore was dissolved on September 21, 2020.

Finesse CGU

Effective July 26, 2019, the Company entered into a strategic partnership with India's leading designers "Shantanu & Nikhil" by way of acquisition of 51% stake in 'Finesse International Design Private Limited' ("Finesse"), which is primarily engaged in the business of occasional and ceremonial contemporary apparel for men and women under the brand name 'Shantanu & Nikhil'. Finesse became the subsidiary of the Company and is considered as a separate CGU "Finesse CGU".

Sabyasachi CGU

Effective February 24, 2021, the Company entered into Agreement with Sabyasachi Calcutta LLP (formerly M/s. Sabyasachi Couture, a partnership firm ("Sabyasachi") with a profit share of 51% to the Company, which is engaged in the business of manufacturing, distribution and sale of designer apparel, accessories and jewellery under its own brand 'Sabyasachi' (the "Brand" or "Brand – 'Sabyasachi'"). Sabyasachi is India's largest and most influential luxury designer brands with strong Indian roots and global appeal. The Brand straddles categories such as apparel, accessories and jewellery and has a strong franchisee network in India, US, UK, and the Middle East. Considering the terms of the Agreement, Sabyasachi Calcutta LLP became the subsidiary of the Company and is considered as a separate CGU "Sabyasachi CGU". Also refer Note - 47a.

For the purpose of Segment reporting, Madura Fashion & Lifestyle, Forever 21 , Jaypore, Finesse and Sabyasachi CGUs have been aggregated to form Madura Fashion & Lifestyle segment in accordance with Ind AS 108.

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Carrying amounts of Goodwill allocated to each of the CGUs are as below:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Pantaloons CGU	1,167.55	1,167.55
Madura Fashion & Lifestyle CGU	627.67	627.67
Forever 21 CGU	64.38	64.38
Jaypore CGU	88.44	88.44
Finesse CGU	35.02	35.02
Sabyasachi CGU	226.14	226.14
Total	**2,209.20**	**2,209.20**

Disclosures with respect to Goodwill allocated to the CGUs

Value in use calculation of CGUs

The recoverable amount of the CGUs as at March 31, 2022, has been determined based on value in use using cash flow projections from financial budgets approved by senior management covering a three years period ended March 31, 2025 and cash flow projections for financial years 2026 and 2027 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. The Group has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2027. The pre-tax discount rate is applied to cash flow projections for impairment testing during the financial years. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.

Key assumptions used for value in use calculations

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings of the respective CGU. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates:

Rates are based on published industry research. Growth rate is based on the Group's projection of business and growth of the industry in which the Group is operating. The growth rate is in line with the long-term growth rate of the industry except for Forever 21 CGU, Jaypore CGU ,Finesse CGU and Sabyasachi CGU. The growth rate of these CGUs considers the Group's plan to launch new stores/ expected same store growth, digital e-commerce and change in merchandise.

No reasonable possible change in key assumptions is likely to result in the recoverable amount of the CGUs being less than their carrying amount.

	Terminal growth rate		Discount rate	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Pantaloons CGU	5.00%	6.00%	14.50%	13.64%
Madura Fashion & Lifestyle CGU	5.00%	6.00%	15.00%	14.41%
Forever 21 CGU	5.00%	6.00%	14.90%	15.41%
Jaypore CGU	5.00%	6.00%	19.10%	19.58%
Finesse CGU	5.00%	6.00%	15.20%	16.04%
Sabyasachi CGU	5.00%	-	18.70%	-

ADITYA BIRLA FASHION AND RETAIL LIMITED

Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2022

NOTE: 6
(a) INVESTMENT IN JOINT VENTURE

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Joint Venture (Refer Note - 47b)		
Share in Net Assets	38.13	38.13
Goodwill	29.05	29.05
Equity Investment in Joint Venture - at cost	67.18	67.18
Share in profit / (loss) after tax (including other comprehensive income) of Joint Venture	1.39	(0.25)
Total	**68.57**	**66.93**

(b) OTHER INVESTMENTS: (Carried at fair value through other comprehensive income)

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Unquoted equity instruments		
7,000 (March 31, 2021: 7,000) fully paid equity shares of ₹ 10/- each of Birla Management Centre Services Limited*	7.32	6.66
Total	**7.32**	**6.66**

* Increase is on account of fair valuation.

Aggregate book value of unquoted investments	75.89	73.59
Aggregate amount of impairment in value of investments	-	-

NOTE: 7
NON-CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	1.56	2.59
Loans receivables, which have significant increase in credit risk	-	-
Credit impaired	-	-
Total	**1.56**	**2.59**

NOTE: 8
NON-CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Security deposits		
Deposits to related party - unsecured, considered good (Refer Note - 48)	5.64	5.64
Unsecured, considered good	317.94	303.31
Unsecured, considered doubtful	0.31	0.14
Provision for doubtful deposits	(0.31)	(0.14)
Total	**323.58**	**308.95**

NOTE: 9
NON-CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Other bank balance		
Bank deposits with more than 12 months maturity from the Balance Sheet date	3.32	0.46
Total	**3.32**	**0.46**

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NOTE: 10
DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

Reflected in the Consolidated Balance Sheet as follows:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	380.46	333.92
Deferred tax liabilities	211.94	212.25

Deferred tax assets/ (liabilities) relates to the following:

₹ in Crore

	Consolidated Balance Sheet		Consolidated Statement of Profit and Loss	
	As at March 31, 2022	As at March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation and amortisation expense	(256.69)	(260.27)	(3.58)	303.26
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	24.76	21.08	(3.68)	22.91
Provision for share-based payment	7.27	0.73	(6.54)	1.76
Loss as per income tax computations available for offsetting against future taxable income	492.25	477.05	(15.20)	(459.31)
Intangibles recognised in business combinations	(7.36)	(7.36)	-	(1.33)
Deferred tax impact on share of loss in joint venture	-	-	-	(0.09)
Impact of Ind AS 116				
ROU assets and lease liabilities	115.81	105.19	(10.62)	(13.90)
Others	4.42	(2.50)	(7.33)	5.64
Net deferred tax assets (net)	**380.46**	**333.92**	**(46.95)**	**(141.06)**
Deferred tax liabilities				
Deferred tax pursuant to business combination	211.94	211.94	-	-
Others	-	0.31		
Deferred tax liabilities (Net)	**211.94**	**212.25**		

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

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

₹ in Crore

	Deferred tax assets (net)		Deferred tax liabilities (net)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	333.92	194.96	(212.25)	(7.25)
Deferred tax pursuant to business combinations (Refer Note - 47)	-	4.93	-	(211.94)
Deferred tax income/ (expense) recognised in profit and loss	47.05	134.72	0.31	6.94
Deferred tax impact on share of loss in joint venture	-	(0.09)	-	-
Deferred tax income/ (expense) recognised in OCI during the year (Refer Note - 39)	(0.51)	(0.60)	-	-
As at the end of the year	**380.46**	**333.92**	**(211.94)**	**(212.25)**

NOTE: 11
OTHER NON-CURRENT ASSETS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Capital advances	17.76	1.29
Prepayments	43.46	18.08
Advances to suppliers	-	3.00
Balances with government authorities (other than income tax)	40.08	47.00
Other receivables	0.67	2.56
Total	**101.97**	**71.93**

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ADITYA BIRLA FASHION AND RETAIL LIMITED

NOTE: 12
INVENTORIES

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
At lower of cost and net realisable value		
Raw materials	307.51	196.02
Includes Goods-in-transit ₹ 125.03 Crore (March 31, 2021: ₹ 71.57 Crore)		
Work-in-progress	65.51	33.74
Finished goods	306.24	158.09
Includes Goods-in-transit ₹ 1.90 Crore (March 31, 2021: ₹ Nil)		
Stock-in-trade	2,192.44	1,432.50
Includes Goods-in-transit ₹ 28.46 Crore (March 31, 2021: ₹ 18.05 Crore)		
Stores and spares	34.43	9.99
Packing materials	23.46	16.62
Total	**2,929.59**	**1,846.96**

During the year ended March 31, 2022, ₹ 37.09 Crore (March 31, 2021: ₹ 19.95 Crore) is recognised as an expense for inventories carried at net realisable value.

NOTE: 13
CURRENT INVESTMENTS (Carried at fair value through profit and loss (FVTPL))

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
Quoted investments		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus) (March 31, 2022: 25,70,542.054 units, March 31, 2021: 51,46,153.783 units)	87.51	170.61
Aditya Birla Sun Life Overnight Fund - Growth- Direct Plan (March 31, 2022: Nil, March 31, 2021: 11,58,380.796 units)	-	128.92
Aditya Birla Sunlife Money Market Fund (March 31, 2022: 1,37,771.60 units March 31, 2021: Nil)	4.08	-
Aditya Birla Sunlife Liquid Fund (March 31, 2022: 379,345.35 units, March 31, 2021: 22,623.47 units)	19.02	0.75
Aditya Birla Sun Life Savings Fund- Growth (March 31, 2022: 20,322.745 units, March 31, 2021: Nil)	0.89	-
Aditya Birla Sun Life Liquid Fund (March 31, 2022: 241,593.084 units, March 31, 2021: Nil)	8.22	-
Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan (March 31, 2022: 32,20,919.551 units, March 31, 2021: Nil)	95.43	-
Axis Money Market - Regular Growth(MM-GP) (March 31, 2022: 3,35,483.883 units, March 31, 2021: Nil)	38.49	-
Axis Liquid Fund - Regular Growth(CF-GP) (March 31, 2022: 1,52,008.935 units, March 31, 2021: Nil)	35.72	-
ABSL Money Manager Fund Units (March 31, 2022: 2,53,319.96 units, March 31, 2021: Nil)	7.51	-
ABSL Savings Fund Units (March 31, 2022: 1,85,839.79 units, March 31, 2021: Nil)	8.18	-
Axis Money Market Fund Units (March 31, 2022: 70,008.14 units, March 31, 2021: Nil)	8.03	-
DSP Saving Fund - Regular Plan Growth (March 31, 2022: 35,11,989.369 units, March 31, 2021: Nil)	15.03	-
DSP Liquidity Fund - Regular Plan Growth (March 31, 2022: 39,768.674 units, March 31, 2021: Nil)	12.00	-
DSP Floater Fund - Regular - Growth Plan (March 31, 2022: Nil, March 31, 2021: 2,18,85,315.269 units)	-	22.00
HDFC Money Market Fund - Regular Growth Plan (March 31, 2022: 89,682.608 units, March 31, 2021: Nil)	41.17	-
HDFC Liquid Fund - Regular Growth Plan (March 31, 2022: 90,592.704 units, March 31, 2021: Nil)	37.61	-
HDFC Ultra Short Term Fund - Regular - Growth Plan (March 31, 2022: Nil, March 31, 2021: 1,85,94,443.411 units)	-	22.03
ICICI Prudential Money Market - Fund Growth (March 31, 2022: 5,04,139.019 units, March 31, 2021: Nil)	15.34	-
IDFC Cash Fund Units (March 31, 2022: 5,940.95 units, March 31, 2021: Nil)	1.52	-
Invesco Liquid Fund Units (March 31, 2022: 17,266.16 units, March 31, 2021: Nil)	5.02	-
Kotak Liquid Fund Regular Plan Growth (March 31, 2022: 82,127.437 units, March 31, 2021: Nil)	35.14	-
Kotak Equity Arbitrage Fund Growth Regular Plan (March 31, 2022: 10,16,322.965 units March 31, 2021: Nil)	3.07	-
L & T Liquid Fund - Regular Growth (March 31, 2022: 69,130.529 units, March 31, 2021: Nil)	20.05	-
Mirae Asset Cash Management Fund - Regular Plan (March 31, 2022: 1,40,625.465 units, March 31, 2021: Nil)	31.17	-
SBI Liquid Fund Regular Growth (March 31, 2022: 1,66,171.185 units, March 31, 2021: Nil)	55.02	-
UTI Overnight Fund - Regular Plan (March 31, 2022: 7,030.267 units, March 31, 2021: Nil)	2.03	-
UTI Liquid Cash Plan - Regular Plan (March 31, 2022: 45,350.426 units, March 31, 2021: Nil)	15.71	-
UTI Arbitrage Fund (March 31,2022: 9,298.017 units, March 31, 2021: Nil)	3.22	-
UTI Money Market Fund Units (March 31, 2022: 32,223.80 units, March 31, 2021: Nil)	7.95	-
Total	**608.14**	**344.31**
Aggregate book value of quoted investments	608.14	344.31
Aggregate market value of quoted investments	608.14	344.31

NOTE: 14
CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	7.14	6.54
Loans receivables, which have significant increase in credit risk	-	-
Credit impaired	-	-
Total	**7.14**	**6.54**

NOTE: 15
CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Security deposits		
Unsecured, considered good	118.96	100.90
Unsecured, considered doubtful	9.20	8.04
Provision for doubtful deposits	(9.20)	(8.04)
Total	**118.96**	**100.90**

NOTE: 16
TRADE RECEIVABLES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Trade receivables from others	781.32	634.30
Less: Loss Allowances	(24.89)	(26.33)
Total	**756.43**	**607.97**

Break-up for security details:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured, considered good	104.00	70.57
Unsecured, considered good	677.32	569.73
	781.32	**634.30**

Ageing of Trade Receivables:

₹ in Crore

Particulars	Outstanding as on March 31,2022 (for following periods from due date of payments)						
	Not Due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	550.86	198.43	6.24	2.04	0.90	0.83	759.30
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:*							-
Disputed	-	0.11	-	0.11	0.89	6.62	7.73
Undisputed	-	0.32	5.59	0.07	2.14	6.17	14.29
(ix) Provision on Trade Receivables assessed on individual basis							(22.02)
(x) Expected credit loss							(2.87)
Total	**550.86**	**198.86**	**11.83**	**2.22**	**3.93**	**13.62**	**756.43**

Particulars	Outstanding as on March 31,2021 (for following periods from due date of payments)						
	Not Due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	258.88	143.58	183.06	19.32	1.77	1.36	607.97
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:*							-
Disputed	-	-	0.02	0.24	0.73	6.38	7.37
Undisputed	0.03	3.73	3.71	4.14	4.81	2.54	18.96
(ix) Provision on Trade Receivables assessed on individual basis							(26.33)
(x) Expected credit loss							-
Total	**258.91**	**147.31**	**186.79**	**23.70**	**7.31**	**10.28**	**607.97**

* The Group has recognised allowance of ₹ 22.02 Crore (March 31, 2021: ₹ 26.33 Crore) on trade receivables, which were assessed for credit risk on individual basis.

No trade or other receivables is due from directors or other officers of the Group either severally or jointly with any other person

For terms and conditions relating to related party receivables, refer Note - 48.

Trade receivables are generally non-interest bearing and on terms of 30 to 180 days.

Based on the risk profiling for each category of customer, the Group has not evaluated credit risk where the risk is mitigated by collateral. The Group has therefore evaluated credit risk for departmental, depletion, e-commerce b2b, e-commerce b2c, export and trade customers. The Group follows the simplified approach method for computing the expected credit loss. The risk are categorised into high, low and moderate category basis internal and external parameters. Any customer related specific information has been factored over and above the probability of default (PD). Provision matrix takes into account historical credit loss experience adjusted for forward-looking estimates and macro-economic factors. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

	Expected credit loss (%)					
	As at March 31, 2022			As at March 31, 2021		
	Departmental stores	Depletion key accounts	Trade Channel	Departmental stores	Depletion key accounts	Trade Channel
Not due	0.00%	0.00%	0.64%	-	-	-
0-90 days	0.00%	0.00%	3.12%	-	-	-
91-180 days	0.00%	0.00%	3.44%	-	-	-
181-365 days	0.00%	0.00%	4.10%	-	-	-
1-2 years	0.00%	0.00%	4.32%	-	-	-
2-3 years	0.00%	0.00%	4.41%	-	-	-

Ageing of receivables on which impairment allowance of doubtful debts is applied*

	As at March 31, 2022			As at March 31, 2021		
	Departmental stores	Depletion key accounts	Trade Channel	Departmental stores	Depletion key accounts	Trade Channel
Not due	-	-	242.25	-	-	-
0-90 days	-	-	18.91	-	-	-
91-180 days	-	-	2.52	-	-	-
181-365 days	-	-	2.34	-	-	-
1-2 years	-	-	3.57	-	-	-
2-3 years	-	-	3.84	-	-	-
Total	-	-	**273.43**	-	-	-

* The amount is net of provision for discount and refund liabilities

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Movement in the expected credit loss allowance

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	26.33	19.64
On account of business combination	-	0.40
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	1.12	(0.40)
Specific provision (reversed)/ made	(2.56)	6.69
As at the end of the year	**24.89**	**26.33**

NOTE: 17
CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Current accounts	36.75	91.97
Deposit accounts (original maturity less than 3 months)	50.44	124.43
Balances with credit card companies	11.19	4.12
Balances with e-wallet companies	1.91	1.21
Cash on hand	13.67	14.48
Cheques/ drafts on hand	4.26	9.92
Total	**118.22**	**246.13**

The Group has undrawn committed borrowing facility available to the extent of ₹ 3,546.00 Crore as at March 31, 2022 (March 31, 2021: ₹ 3,714.28 Crore).

Details of non-cash transactions from investing activities and Changes in liabilities arising from financing activities:

As at March 31, 2022

₹ in Crore

	As at March 31, 2021	Adjustments	Pursuant to business combinations	Cash flows (net)	Non-cash changes		As at March 31, 2022
					Fair value adjustments	Others	
Investing activities							
Non-current investments	73.59	-	-		0.66	1.64	75.89
Current investments	344.31	-	-	243.60	2.80	17.43	608.14
Total	**417.90**	**-**	**-**	**243.60**	**3.46**	**19.07**	**684.03**
Financing activities							
Non-current borrowings	814.37	-	-	(36.40)	-	-	777.97
Current borrowings (including current maturities of non-current borrowings)	322.01	-	-	132.35	-	-	454.36
Lease liabilities	2,463.40	-	-	(560.87)	-	965.56	2,868.09
Total	**3,599.78**	**-**	**-**	**(464.92)**	**-**	**965.56**	**4,100.42**

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As at March 31, 2021

₹ in Crore

	As at March 31, 2020	Adjustments	Pursuant to business combinations	Cash flows (net)	Non-cash changes: Fair value adjustments	Non-cash changes: Others	As at March 31, 2021
Investing activities							
Non-current investments	7.16		-	70.73	(0.50)	(3.80)	73.59
Current investments	7.04		-	327.31	0.33	9.63	344.31
Total	**14.20**	**-**	**-**	**398.04**	**(0.17)**	**5.83**	**417.90**
Financing activities							
Non-current borrowings	856.93	-	2.58	(45.14)			814.37
Current borrowings (including current maturities of non-current borrowings)	1,926.10	-	5.50	(1,609.59)	-	-	322.01
Lease liabilities	2,501.80	-	31.99	(377.45)	-	307.06	2,463.40
Total	**5,284.83**	**-**	**40.07**	**(2,032.18)**	**-**	**307.06**	**3,599.78**

NOTE: 18
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Earmarked deposits		
Current accounts	0.11	0.11
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)*#	2.20	15.51
Total	**2.31**	**15.62**

* Bank balance other than cash and cash equivalents are held as margin money under lien to banks for assuring guarantees.

\# Bank deposits amounting to ₹ Nil (March 31, 2021 ₹ 13.37 Crore) of Sabyasachi Calcutta LLP (a subsidiary of the Company) are held as margin money under lien to banks for assuring guarantees and against term loan/working capital facilities.

NOTE: 19
CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Interest accrued on deposits	0.17	0.03
Other receivables	43.39	15.63
Total	**43.56**	**15.66**

NOTE: 20
OTHER CURRENT ASSETS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Capital advances	0.12	-
Prepayments	57.93	20.82
Advance to suppliers	142.33	110.36
Export incentives	1.14	3.08
Balances with government authorities (other than income tax)	332.70	247.35
Government grant receivables	1.24	1.11
Insurance claim receivables	0.84	0.07
Right to return assets	206.26	195.51
Other receivables	7.61	17.70
Total	**750.17**	**596.00**

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NOTE: 21
EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
Increase during the year	-	-	-	-
As at the end of the year	**1,00,00,00,000**	**1,000.00**	**1,00,00,00,000**	**1,000.00**

Issued equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	93,77,36,163	937.73	77,39,64,840	773.96
Increase during the year towards:				
Equity shares under Rights Issue [Refer Note - 21(iii)]	2,80,504	0.28	9,00,98,151	90.10
Equity shares under Preferential Issue [Refer Note - 21(iv)]	-	-	7,31,70,731	73.17
Exercise of Options (Refer Note - 44)	4,92,871	0.49	5,02,441	0.50
As at the end of the year	**93,85,09,538**	**938.50**	**93,77,36,163**	**937.73**

Subscribed and paid-up equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	93,75,30,659	915.05	77,39,47,987	773.95
Increase during the year towards:				
Equity shares under Rights Issue [Refer Note - 21(iii)]	2,80,504	22.75	8,99,09,500	67.43
Equity shares under Preferential Issue [Refer Note - 21(iv)]	-	-	7,31,70,731	73.17
Exercise of Options (Refer Note - 44)	4,92,871	0.49	5,02,441	0.50
As at the end of the year	**93,83,04,034**	**938.29**	**93,75,30,659**	**915.05**

(i) Shares held by Promoters :

Shares held by Promoters as at March 31, 2022			% Change during the year
Promoter name	**No. of Shares**	**% of total shares**	
Birla Group Holdings Private Limited	17,15,52,967	18.28	-0.01%
IGH Holdings Private Limited	13,64,72,680	14.54	0.01%
Grasim Industries Limited	9,75,93,931	10.40	0.00%
Umang Commercial Company Private Limited	6,50,66,998	6.93	0.00%
Hindalco Industries Limited	5,02,39,794	5.35	0.00%
Pilani Investment and Industries Corporation Limited	39,88,866	0.43	0.00%
Mrs. Rajashree Birla	8,63,696	0.09	0.00%
Birla Industrial Finance (India) Limited	1,66,508	0.02	0.00%
Birla Consultants Limited	1,66,422	0.02	0.00%
ABNL Investment Limited	77,430	0.01	0.00%
Birla Industrial Investments (India) Limited	34,666	0.00	0.00%
Mr. Kumar Mangalam Birla	33,966	0.00	0.00%
Mrs. Neerja Birla	20,270	0.00	0.00%
Mrs. Vasavadatta Bajaj	19,542	0.00	0.00%
Aditya Vikram Kumar Mangalam Birla HUF	1,780	0.00	0.00%
Total	**52,62,99,516**	**56.09**	

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Shares held by Promoters as at March 31, 2021			% Change during the year
Promoter name	No. of Shares	% of total shares	
Birla Group Holdings Private Limited	17,15,52,967	18.29	-3.87%
IGH Holdings Private Limited	13,63,22,680	14.53	3.55%
Grasim Industries Limited	9,75,93,931	10.41	-0.88%
Umang Commercial Company Private Limited	6,50,66,998	6.94	-1.46%
Hindalco Industries Limited	5,02,39,794	5.36	-0.46%
Pilani Investment and Industries Corporation Limited	39,88,866	0.43	0.14%
Mrs. Rajashree Birla	8,63,696	0.09	0.01%
Birla Industrial Finance (India) Limited	1,66,508	0.02	0.00%
Birla Consultants Limited	1,66,422	0.02	0.00%
ABNL Investment Limited	77,430	0.01	0.00%
Birla Industrial Investments (India) Limited	34,666	0.00	0.00%
Mr. Kumar Mangalam Birla	33,966	0.00	0.00%
Mrs. Neerja Birla	20,270	0.00	0.00%
Mrs. Vasavadatta Bajaj	19,542	0.00	0.00%
Aditya Vikram Kumar Mangalam Birla HUF	1,780	0.00	0.00%
Total	52,61,49,516	56.12	

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(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10/- per share. Each holder of an equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution to all preference shareholders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(iii) Issue of Right Shares

Rights Issue - 2020 :

a) Approval : On May 27, 2020, the Board approved fund raising by way of a Rights Issue. On June 25, 2020, it further approved the terms of the issue i.e. 9,04,65,693 equity shares of face value of ₹ 10 each ("RES") at a price of ₹ 110 per Rights Equity Share (including premium of ₹ 100 per RES), aggregating to ₹ 995.12 Crore, in the ratio of 9 RES for every 77 existing fully-paid shares held by the eligible equity shareholders as on the Record Date i.e. July 1, 2020.

b) Application : On July 28, 2020, 9,02,77,042 RES of face-value ₹ 10 each were allotted as Partly paid shares ("PPS") to the eligible applicants who paid the application amount of ₹ 55 per RES (including premium of ₹ 50). Allotment of 1,88,651 RES has been kept in abeyance, pending regulatory/ other clearances.

c) First Call : On January 11, 2021, the 'First call' money of ₹ 27.50 per PPS (including premium of ₹ 25) was called for. On 8,99,09,500 PPS, the amount due, was successfully received. 3,67,542 PPS were forfeited due to non-payment, in accordance with the Articles of Association and Letter of Offer [dated June 28, 2020] ("LoF").

d) Final Call : On July 5, 2021, the final call money of ₹ 27.50 per PPS (including premium of ₹ 25) was called for and the payment period ended on July 19, 2021. The Company issued a 'Reminder cum Forfeiture Notice' to those shareholders who were yet to pay the amount due, thereby allowing time until September 30, 2021 and further extended to May 31, 2022.

e) Annulment of Forfeiture: On September 1, 2021, the Board of Directors approved annulment of 3,67,542 partly paid-up shares ("PPS") which were earlier forfeited. The Company has received payment towards 2,80,504 PPS and has allowed further time until May 31, 2022 to remaining shareholders.

f) There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the LoF.

g) Pursuant to IND AS 33, basic and diluted earnings per share for the relevant previous year have been restated for the bonus element in respect of the aforesaid Rights Issue.

(iv) Preferential Issue to foreign portfolio investors

On October 23, 2020, the Board of Directors approved issuance of equity shares on a preferential basis to Flipkart Investments Private Limited ("Flipkart"), a foreign portfolio investor, duly registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, aggregating upto ₹ 1,500 Crore ("Preferential Issue") The Company received the approval of shareholders by way of Postal Ballot on November 22, 2020 and received the approval of Competition Commission of India on January 20, 2021. On January 28, 2021, post completion of the closing conditions under the Investment Agreement, the Board of Directors approved allotment of 7,31,70,731 fully paid-up equity shares to Flipkart at ₹ 205 per Equity Share (of which ₹ 10 is towards face value and ₹ 195 towards premium) on receipt of the consideration. There has been no deviation in the use of proceeds of the Preferential Issue, from the objects stated in the investment agreement.

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital
Birla Group Holdings Private Limited	17,15,52,967	18.28%	17,15,52,967	18.29%
IGH Holdings Private Limited	13,64,72,680	14.54%	13,63,22,680	14.53%
Grasim Industries Limited	9,75,93,931	10.40%	9,75,93,931	10.41%
Flipkart Investments Private Limited	7,31,70,731	7.80%	7,31,70,731	7.80%
Umang Commercial Company Private Limited	6,50,66,998	6.93%	6,50,66,998	6.94%
Hindalco Industries Limited	5,02,39,794	5.35%	5,02,39,794	5.36%

(vi) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting year

On effectiveness of the Composite Scheme of Arrangement amongst the Company, erstwhile Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective Shareholders and Creditors under Section 391 to 394 of the Companies Act, 1956, the Company had issued 67,98,19,778 Equity Shares to the Shareholders of ABNL and MGLRCL ("said Shares"). Out of the said Shares, 67,60,37,600 Equity Shares were allotted to the Shareholders of ABNL and MGLRCL on January 27, 2016. However, pursuant to Clause 21 of the Composite Scheme, allotment of 37,82,178 Equity Shares to 3,475 Non-Resident Shareholders, including 4 Overseas Corporate Bodies ("OCBs") of ABNL ("NRE Shareholders") was kept pending until receipt of applicable regulatory approvals. Thereafter, from time to time, the Company has allotted 20,71,265 Equity Shares to 1,407 NRE Shareholders, who held accounts in India on Non-repatriation basis and provided such valid details.

In view of the amended provisions of the "Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017" and the authority granted by the Board of Directors (on February 04, 2019), 16,94,060 Equity Shares were allotted to 2,064 NRE Shareholders of ABNL (excluding OCBs) on March 19, 2019. Post this allotment, out of the said Shares, 16,853 Equity Shares held by 4 OCBs shall remain pending for allotment until the receipt of Regulatory approvals.

Summary of Shares allotted pursuant to the Composite Scheme, as at the end of five years immediately preceding the reporting year:

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Equity shares allotted as fully paid-up pursuant to demerger contracts for consideration other than cash	72,61,19,443	72,61,19,443	72,61,19,443	72,61,19,443	72,44,25,383

(vii) Shares reserved for issue under Employee Stock Option Plan

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Group, refer Note - 44.

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Notes to the consolidated financial statements for the year ended March 31, 2022

NOTE: 22
OTHER EQUITY

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
Share suspense account (Refer Note - 21(vi))		
As at the beginning of the year	0.02	0.02
Allotted to Non Resident shareholders during the year - Nil equity shares (March 31, 2021: Nil)	-	-
As at the end of the year	0.02	0.02
Reserves and surplus		
Securities premium		
As at the beginning of the year	2,879.58	773.64
Equity shares under Rights Issue (net off share issue expenses of ₹ Nil (March 31, 2021: ₹ 5.12 Crore)) [Refer Note- 21(iii)]	226.05	671.03
Equity shares under Preferential Issue (net off share issue expenses of ₹ Nil (March 31, 2021: ₹ 0.37 Crore)) [Refer Note- 21(iv)]	-	1,426.46
Premium on exercise of Options	12.55	8.45
As at the end of the year	3,118.18	2,879.58
Retained earnings		
As at the beginning of the year	(1,117.43)	(444.92)
Loss for the year	(108.72)	(672.51)
Difference between Put option liability and NCI relating to Sabyasachi Calcutta LLP [Refer Note - 2.3(XIII)]	(46.94)	-
Acquisition of NCI share	2.65	-
Others	5.05	-
As at the end of the year	(1,265.39)	(1,117.43)
Share options outstanding account		
As at the beginning of the year	47.63	44.15
Recognition of Share based payment	29.13	11.87
Transfer to Securities Premium on exercise of Options	(12.55)	(8.39)
Others	(4.15)	-
As at the end of the year	60.06	47.63
Treasury shares (Refer Note - 44)		
As at the beginning of the year	(104.46)	(100.49)
Shares issued/ (purchases) by ESOP Trust during the year	1.37	(3.97)
As at the end of the year	(103.09)	(104.46)
Capital reserve		
As at the beginning of the year	21.88	21.69
Changes during the year [due to forfeiture of Rights equity shares (Refer Note - 21(iii))]	(0.14)	0.19
As at the end of the year	21.74	21.88

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		₹ in Crore As at March 31, 2022	As at March 31, 2021
Other comprehensive income			
Remeasurement gains/ (losses) on defined benefit plans			
As at the beginning of the year		(0.28)	(2.31)
Gains/ (losses) during the year		1.39	2.03
As at the end of the year		1.11	(0.28)
Fair value gains/ (losses) on equity instruments			
As at the beginning of the year		1.84	2.21
Gains/ (losses) during the year		0.50	(0.37)
As at the end of the year		2.34	1.84
Foreign currency translation reserve			
As at the beginning of the year		(0.04)	(0.05)
Gains/ (losses) during the year		0.10	0.01
As at the end of the year		0.06	(0.04)
Other equity attributable to owners of the Company	(A)	1,835.03	1,728.74
Non-controlling interest			
As at the beginning of the year		32.48	19.90
Pursuant to business combinations (Refer Note - 47)		-	450.14
Non-controlling interest relating to Sabyasachi Calcutta LLP recognised on April 01, 2021		374.21	-
Difference between Put option liability and NCI relating to Sabyasachi Calcutta LLP [Refer Note - 2.3(XIII)]		46.94	-
Non-controlling interest relating to Sabyasachi Calcutta LLP derecognised on March 31, 2022 (Refer Note - 24)		(421.15)	-
Acquisition of NCI share		(2.65)	-
Profit/ (Loss) during the year		(9.58)	(63.35)
Others		(5.05)	-
Non-controlling interest put option (Refer Note - 24)		-	(374.21)
As at the end of the year	(B)	15.20	32.48
Total other equity	(A+B)	1,850.23	1,761.22

Other equity

	₹ in Crore As at March 31, 2022	As at March 31, 2021
Share suspense account (Refer Note - 21(vi))	0.02	0.02
Reserves and surplus		
Securities premium	3,118.18	2,879.58
Retained earnings	(1,265.89)	(1,117.43)
Share options outstanding account	60.06	47.63
Treasury shares (Refer Note - 44)	(103.09)	(104.46)
Capital reserve	21.74	21.88
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans	1.11	(0.28)
Fair value gains/ (losses) on equity instruments	2.34	1.84
Foreign currency translation reserve	0.06	(0.04)
Other equity attributable to owners of the Company	1,835.03	1,728.74
Non-controlling interest	15.20	32.48

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The description of the nature and purpose of each reserve within other equity is as follows:

1. Share suspense account (Refer Note - 21(vi))
As per the Scheme of Arrangement, the Non-Resident shareholders of ABNL, holding shares on repatriation basis, are allotted shares upon receiving necessary regulatory approval(s). The amount lying in share suspense account pertains to shares not allotted on account of pending requisite approvals.

2. Securities premium
Securities premium is used to record the premium on issue of shares, and is utilised in accordance with the provisions of the Companies Act, 2013.

3. Retained earnings
Retained earnings comprise of the Group's accumulated undistributed profits/ (losses) after taxes.

4. Share options outstanding account
The fair value of the equity-settled share based payment transactions with employees is recognised in Consolidated Statement of Profit and Loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

5. Treasury shares (Refer Note - 44)
The equity shares of the Company have been acquired from open markets for Employee Stock Option Scheme 2019 and is held by ABFRL Employee Welfare Trust (ESOP Trust) at cost. Trust issue and allot shares to employees at the time of exercise of ESOP by employees.

6. Capital reserve
Capital reserve pertains to the reserve created out of the difference between the share capital issued and the net assets taken over at the time of Scheme of Arrangement and forfeiture of Rights shares.

7. Remeasurement gains/ (losses) on defined benefit plans
The cumulative balances of gains/ (losses) arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in remeasurement gains/ (losses) reserve will not be reclassified subsequently to Consolidated Statement of Profit and Loss

8. Fair value gains/ (losses) on equity instruments
It represents the cumulative gains/(losses) arising on the fair valuation of equity shares (other than investments in subsidiaries, which are carried at cost) measured at fair value through other comprehensive income. This fair value gains/ (losses) will not be reclassified subsequently to Consolidated Statement of Profit and Loss.

9. Foreign currency translation reserve
The translation reserve comprise foreign currency exchange differences arising from the translation of the financial statements of foreign operations. This gains/ (losses) will be reclassified subsequently to Consolidated Statement of Profit and Loss.

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NOTE: 23
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	Effective interest rate	Maturity	As at March 31, 2022	As at March 31, 2021
	% p.a.		₹ in Crore	₹ in Crore
Redeemable non-convertible debentures				
Redeemable non-convertible debentures - Series 6 Zero coupon (Unsecured)*	8.71%	November 11, 2022	-	434.18
Redeemable non-convertible debentures - Series 7 Zero coupon (Unsecured)*	8.75%	May 22, 2023	324.61	325.00
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	399.46	-
Term loans from banks				
Term loan from HDFC Bank (TUF) (Secured)[1]	1 year MCLR + 0.25%	March 15, 2025	6.67	10.00
Term loan from Standard Chartered Bank (Secured)[3]	Repo rate + 4.00% **	March 31, 2034	0.79	1.35
Term loan from Axis Bank (Secured)[4]	1 Year MCLR + 1.25%	September 30, 2024	5.57	8.36
Term loan from Yes Bank (Secured)[5]	EBLR + 0.95%	August 09, 2024	-	2.20
Term loan-FCTL (Secured)[6]	Reference Rate+1.90%	March 31, 2023	14.21	-
Vehicle loans from banks				
Vehicle loan from Yes Bank (Secured)[8]	8.14%	April 02, 2025	-	0.37
Term loan from others				
Other borrowings (Unsecured)[9]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	26.15	32.40
Preference shares				
Cumulative redeemable preference shares[10]	8.00%	March 29, 2024	0.50	0.50
Cumulative redeemable preference shares[11]	6.00%	October 12, 2024	0.01	0.01
Total			**777.97**	**814.37**

*Net off unamortised charges
** The rate of interest for previous year ended March 31, 2020 was MCLR + 0.50%. The same has been revised to Repo rate + 4.00% w.e.f. January 11, 2021 onwards.

Current maturities of long-term borrowings

	Effective interest rate	Maturity	As at March 31, 2022	As at March 31, 2021
	% p.a.		₹ in Crore	₹ in Crore
Current maturities of long-term borrowings				
Redeemable non-convertible debentures - Series 5 Zero coupon (Unsecured)	8.96%	August 14, 2021	-	300.00
Redeemable non-convertible debentures - Series 6 Zero coupon (Unsecured)*	8.71%	November 11, 2022	434.69	-
Term loan from HDFC Bank (TUF) (Secured) [1]	1 year MCLR + 0.25%	March 15, 2025	3.33	3.33
Term loan from HDFC bank (TUF) (Unsecured) [2]	Base Rate + 0.20%	March 23, 2022	-	4.32
Term loan from Standard Chartered Bank (Secured)[3]	Repo rate + 4.00% **	March 31, 2034	0.64	0.64
Term loan from Axis Bank (Secured)[4]	1 Year MCLR + 1.25%	September 30, 2024	2.80	0.60
Term loan from Yes Bank (Secured)[5]	EBLR + 0.95%	August 09, 2024	-	0.87
Term loan-FCTL (Secured)[6]	Reference Rate + 1.90%	March 31, 2023	0.95	-
Vehicle loan from HDFC Bank (Secured)[7]	10.25%	November 07, 2021	-	0.03
Vehicle loan from Yes Bank (Secured)[8]	8.14%	April 02, 2025	-	0.10
Other borrowings (Unsecured)[9]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	10.07	8.12
Total (included in Current Borrowings)			**452.48**	**318.01**

*Net off unamortised charges

Aggregate secured borrowings	34.96	27.85
Aggregate unsecured borrowings	1,195.49	1,104.53

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The Group has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings.

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

The Group has registered all the charges with Registrar of Companies within the statutory period.

Details of security and terms of repayment

1. Term loan from HDFC Bank (TUF) secured by way of exclusive charge over movable assets of the Company's plant situated at Bhubaneswar, Odisha. The loan is repayable in 24 equal quarterly instalments commencing from June 15, 2019.

2. The repayment terms of term loan from HDFC Bank (TUF) are 21 quarterly instalments commencing from March 23, 2017. First four instalments of ₹ 0.20 Crore each, next four instalments of ₹ 0.25 Crore each, next four instalments of ₹ 0.30 Crore each, next four instalments of ₹ 0.40 Crore each and next 5 instalments of ₹ 1.08 Crore each.

3. Term loan is secured against the residential/ commercial property of director of Finesse International Design Private Limited (a subsidiary of the Company). The loan is repayable in 180 equal monthly instalments commencing from April 2019.

4. Term loan is secured by way of first charge created by hypothecation of movable property, plant and equipment and current assets of Finesse International Design Private Limited (a subsidiary of the Company) excluding vehicles both present and future. The loan is repayable in 12 structured quarterly instalments commencing from December 2021, i.e., after the moratorium period of 12 months.

5. Term Loan is secured by the exclusive charge on fixed deposit amounting to ₹ 1.50 Crore of Sabyasachi Calcutta LLP (a subsidiary of the Company). The loan is repayable in quarterly instalments commencing from May 2020 i.e after the moratorium period of 6 months.

6 Foreign Currency Term Loan (FCTL in US Dollars) from a Bank taken by the Subsidiary of the Company (M/s Sabyasachi Inc.) is secured by an irrevocable Standby Letter of Credit backed by its Parent entity (Sabyasachi Calcutta LLP) and charge over all moveable and immovable Property, plant and equipment of the Subsidiary. The loan is repayable in 16 equal quarterly instalments starting from March 31, 2023.

7 Vehicle loan is secured by way of first charge created by hypothecation of vehicles of Finesse International Design Private Limited (a subsidiary of the Company). The loan is repayable in 84 equal monthly instalments commencing from December 2014.

8 Vehicle loan is secured by hypothecation of specific vehicles of Sabyasachi Calcutta LLP (a subsidiary of the Company). The loan is repayable in 84 equated monthly instalments commencing from May 2018.

9 Loan amounting to ₹ 29.87 Crore is repayable in 20 equal quarterly instalments commencing from March 2020 and loan amounting to ₹ 6.35 Crore is repayable in 48-60 equal monthly instalment commencing on various dates through January 16, 2021 to February 15, 2022.

Details of Cumulative redeemable preference shares

10 5,00,000 8% Cumulative redeemable preference shares of ₹ 10/- each are entitled to a cumulative dividend @ 8% p.a. The dividend proposed by the Board of Directors, if any, shall be subject to the approval of the shareholders in the ensuing Annual General Meeting. Pursuant to the terms of issuance, the due date for redemption of 8% Redeemable Cumulative Preference Shares was March 30, 2019. While the Company had net profits for the financial year 2018-19, it did not have distributable profits in terms of Section 123 of the Act as it had past accumulated losses. Accordingly, pursuant to the unanimous consent of all the preference shareholders and in terms of the applicable provisions of the Act, the Board of Directors of the Company, vide a circular resolution dated April 11, 2019 approved the variation in terms of the preference shares to the extent of extending the redemption dates by a period of 5 years i.e. upto March 29, 2024. In the event of liquidation of the Company, before redemption of preference shares, the holders of preference shares will have priority over the holders of equity shares in the payment of dividend and repayment of capital.

11 500 6% Cumulative redeemable preference shares of ₹ 100/- each are entitled to a cumulative dividend @ 6% p.a. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. Pursuant to the terms of issuance, the due date for redemption of 6% Redeemable Cumulative Preference Shares was October 13, 2019. While the Company had net profits for the financial year 2018-19, it did not have distributable profits in terms of Section 123 of the Act as it had past accumulated losses. Accordingly, pursuant to the unanimous consent of all the preference shareholders and in terms of the applicable provisions of the Act, the Board of Directors of the Company, vide a circular resolution dated April 11, 2019 approved the variation in terms of the preference shares to the extent of extending the redemption dates by a period of 5 years i.e. upto October 12, 2024. In the event of liquidation of the Company, before redemption of preference shares, the holders of preference shares will have priority over the holders of equity shares in the payment of dividend and repayment of capital.

TUF - Technology Upgradation Fund.

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NOTE: 24
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	-	52.90
Non-controlling interest put option*	421.15	374.21
Others	0.77	-
Total	**421.92**	**427.11**

*During the previous year, the Company acquired 51% stake in Sabyasachi Calcutta LLP by entering into an agreement on February 24, 2021. Under the terms of the Agreement, the Company has provided a Put Option to Mr. Sabyasachi Mukherjee to sell his entire holding of 49% to the Company over a period of fourteen years starting from the end of five years from the aforesaid date and thereafter in three tranches, should an initial public offer of the organisation (after conversion to a company) does not take place. In respect of the balance 49% held by promoter of Sabyasachi Calcutta LLP, the Company has accounted the same as non-current financial liability considering the put option. This qualifies as a liability under Ind AS since the Company does not have an unconditional right to not purchase the interest as per the terms of the Agreement. The Non-Controlling Interest has been recorded at the present value of the expected future cash outflows based on an independent valuation performed by the Company's appointed independent valuer.

NOTE: 25
NON-CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Employee benefit obligation		
Provision for compensated absence	1.77	-
Provision for gratuity (Refer Note - 43)	32.98	27.12
Stock Appreciation Rights (SAR)	0.18	-
Provision for pending litigations (Refer Note - 46)	66.75	68.72
Total	**101.68**	**95.84**

Movement of provision for pending litigations during the year:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening balance	**68.72**	**78.51**
Add: provision made during the year	0.65	4.53
Less: provision utilised during the year	(0.70)	(1.58)
Less: provision reversed during the year	(1.92)	(12.74)
Closing balance	**66.75**	**68.72**

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NOTE: 26
OTHER NON-CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred income	11.73	11.44
Total	**11.73**	**11.44**

NOTE: 27
CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand from banks		
Cash credit/ Working capital demand loan (Secured)	1.88	4.00
Current maturities of long-term borrowings (Refer Note - 23)	452.48	318.01
Total current borrowings	**454.36**	**322.01**
Aggregate secured borrowings	9.60	9.57
Aggregate unsecured borrowings	444.76	312.44

Details of security
Current borrowings are secured by way of first pari passu charge on the current assets and second pari passu charge on the movable and immovable assets of the respective entities of the Group.

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NOTE: 28
TRADE PAYABLES

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	87.44	26.89
Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,323.12	2,125.53
Total	**3,410.56**	**2,152.42**

* Includes payable to related parties, for terms and conditions with related parties (Refer Note - 48).

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to Micro and Small Enterprises*	97.22	27.61
Interest due on the above	0.39	0.01
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	1.43	0.88
d The amount of interest accrued and remaining unpaid at the end of each accounting year; and	6.90	5.08
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

* Includes amount due to Creditors for capital supplies/ services amounting to ₹ 9.78 Crore as at March 31, 2022 (March 31, 2021 : ₹ 0.72 Crore)

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors.

Ageing of Trade Payables:

₹ In Crore

Particulars	Outstanding as on March 31,2022 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	77.07	9.28	0.16	0.08	0.24	86.83
(ii) Others	2,942.01	292.43	12.47	7.55	66.15	3,320.61
(iii) Disputed dues – MSME	-	0.44	0.17	-	-	0.61
(iv) Disputed dues – Others	0.56	0.01	0.74	0.18	1.02	2.51

Particulars	Outstanding as on March 31,2021 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	23.44	3.42	0.03	-	-	26.89
(ii) Others	1,566.60	433.42	38.93	17.13	67.59	2,123.67
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	0.59	0.10	0.15	1.02	1.86

NOTE: 29
CURRENT FINANCIAL LIABILITIES - OTHERS

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	133.41	99.86
Interest accrued and due on borrowings	0.01	-
Creditors for capital supplies/ services	59.10	12.42
Book overdraft	-	1.57
Derivative contracts	3.20	3.29
Employee Payable	139.50	98.52
Others	1.68	4.04
Total	**336.90**	**219.70**

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NOTE: 30
CURRENT PROVISIONS

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
Employee benefit obligation		
Provision for compensated absences	90.89	85.68
Provision for gratuity (Refer Note - 43)	1.01	0.92
Stock Appreciation Rights (SAR)	7.03	0.27
Provision for contingency*	2.39	5.11
Total	**101.32**	**91.98**

*Provision for contingency of Sabyasachi Calcutta LLP (a subsidiary of the Company) is created towards differential rate for embroidery charges claimed by Job workers towards job work of earlier years. The claims are under process of settlement.

NOTE: 31
OTHER CURRENT LIABILITIES

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
Advances received from customers	84.66	64.29
Deferred revenue*	16.43	10.22
Other advances received	1.67	1.76
Statutory dues (other than income tax)	64.66	37.49
Refund liabilities	370.88	362.32
Deferred income	-	0.04
Total	**538.30**	**476.12**

*** Deferred revenue**

₹ In Crore

	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	**10.22**	**16.53**
Deferred during the year	25.40	30.08
Released to the Consolidated Statement of Profit and Loss	(19.19)	(36.39)
As at the end of the year	**16.43**	**10.22**

The deferred revenue relates to the accrual and release of customer loyalty points, according to the loyalty programme of respective businesses. As at March 31, 2022, the estimated liability towards unredeemed points amounts to ₹ 16.43 Crore (March 31, 2021: ₹ 10.22 Crore).

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NOTE: 32
REVENUE FROM OPERATIONS

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from sale of products		
Sale of products	8,064.53	5,174.14
Revenue from redemption of loyalty points (Refer Note - 31)	19.19	36.39
Total revenue from sale of products	**8,083.72**	**5,210.53**
Revenue from rendering of services	9.34	2.27
Other operating income		
Scrap sales	9.87	10.01
Export incentives	9.16	6.77
Licence fees and royalties	4.65	1.46
Space on hire	1.43	0.56
Commission income	17.78	17.32
Others	0.27	-
Total	**8,136.22**	**5,248.92**

(a) Right to return assets and refund liabilities:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Right to return assets	206.26	195.51
Refund liabilities	370.88	362.32

(b) Contract balances:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Contract assets		
Trade receivables	756.43	607.97
Contract liabilities		
Advances received from customers	84.66	64.29
Deferred revenue	16.43	10.22

(c) Reconciliation of revenue as recognised in the Consolidated Statement of Profit and Loss with the contracted price:

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contracted price	9,420.78	6,123.02
Less:		
Sales return	671.56	495.93
Discount	596.57	367.95
Loyalty points	16.43	10.22
Revenue as per the Consolidated Statement of Profit and Loss	**8,136.22**	**5,248.92**

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(d) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss:

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Madura Fashion & Lifestyle		
Revenue from retail operations	3,301.25	1,968.61
Revenue from non-retail operations	2,208.90	1,421.73
	5,510.15	**3,390.34**
Pantaloons		
Revenue from retail operations	2,486.63	1,788.52
Revenue from non-retail operations	139.44	70.06
	2,626.07	**1,858.58**
Revenue as per the Consolidated Statement of Profit and Loss	**8,136.22**	**5,248.92**

(e) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss based on geographical segment:

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from customers outside India	197.61	113.59
Revenue from customers within India	7,938.61	5,135.33
Revenue as per the Consolidated Statement of Profit and Loss	**8,136.22**	**5,248.92**

NOTE: 33
OTHER INCOME

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income	9.38	2.42
Net gain on sale of current investments	20.23	3.29
Fair value gain on financial instruments at FVTPL	33.44	31.50
Gain on retirement of right-of-use assets (Refer Note - 4a & 45a)	14.85	21.74
Miscellaneous income	22.65	14.45
Total	**100.55**	**73.40**

NOTE: 34
COST OF MATERIALS CONSUMED

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Materials consumed		
Inventories at the beginning of the year	196.02	188.14
Add: Purchases	978.67	423.69
	1,174.69	611.83
Inventories taken over pursuant to business combinations		
Raw materials	-	5.44
Less: Inventories at the end of the year	307.51	196.02
Total	**867.18**	**421.25**
(b) Purchase of stock-in-trade		
Purchase of stock-in-trade	3,793.42	1,526.72
Total	**3,793.42**	**1,526.72**

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(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ In Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Opening inventories		
Finished goods	158.09	186.98
Stock-in-trade	1,432.50	1,952.11
Work-in-progress	33.74	22.25
	1,624.33	2,161.34
Inventories taken over pursuant to business combinations		
Finished goods	-	18.38
Stock-in-trade	-	49.57
Work-in-progress	-	10.03
	-	77.98
	1,624.33	2,239.32
Less:		
Closing inventories		
Finished goods	297.71	158.09
Stock-in-trade	2,192.43	1,432.50
Work-in-progress	74.62	33.74
	2,564.76	1,624.33
(Increase)/Decrease in inventories	**(940.43)**	**614.99**

NOTE: 35
EMPLOYEE BENEFITS EXPENSE

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	1,011.77	758.30
Contribution to provident and other funds (Refer Note - 43)	58.56	51.25
Share-based payment to employees (Refer Note - 44)	29.13	11.70
Gratuity expense (Refer Note - 43)	17.81	15.39
Staff welfare expenses	41.26	28.75
Total	**1,158.53**	**865.39**

NOTE: 36
FINANCE COSTS

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on borrowings	133.59	267.84
Interest expense on lease liabilities (Refer Note - 4b & 45a)	214.27	224.91
Other borrowing costs	0.54	7.63
Fair value impact on financial instruments at FVTPL	2.31	2.22
Total	**350.71**	**502.60**

NOTE: 37
DEPRECIATION AND AMORTISATION EXPENSE

₹ In Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer Note - 3a)	213.32	208.79
Depreciation on right-of-use assets (Refer Note - 4a & 45a)	762.55	732.40
Amortisation on intangible assets (Refer Note - 5)	21.16	21.56
Total	**997.03**	**962.75**

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NOTE: 38
OTHER EXPENSES

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	5.04	3.74
Power and fuel	11.55	8.15
Electricity charges	99.49	76.42
Repairs and maintenance		
Buildings	0.31	0.52
Plant and machinery	11.17	9.78
Others	179.06	148.36
Insurance	11.27	11.22
Rates and taxes	15.37	20.05
Processing charges	98.44	51.79
Commission to selling agents	140.30	108.39
Brokerage and discounts	1.32	0.66
Advertisement and sales promotion	292.98	120.07
Transportation and handling charges	148.37	86.57
Royalty expenses	18.58	15.93
Legal and professional expenses	114.95	125.36
Bad debts written off	1.22	1.89
Allowances for bad and doubtful debts	2.01	6.29
Provision for bad and doubtful deposits and advances	5.16	7.93
Printing and stationery	14.82	10.37
Travelling and conveyance	58.37	28.51
Communication expenses	4.68	5.84
Loss on sale/ discard of property, plant and equipment	-	0.72
Bank and credit card charges	38.52	27.48
Payment to auditors (Refer details below)	2.40	2.06
Donation	0.01	0.05
Postage expenses	4.88	-
Foreign exchange loss (net)	9.16	8.85
Information technology expenses	138.71	79.13
Outsourcing, housekeeping and security expenses	294.03	258.74
Corporate Social Responsibility (CSR) expenses (Refer Note - 42)	2.94	2.00
Directors' fees	0.63	0.68
Miscellaneous expenses	38.64	27.60
Total	**1,764.38**	**1,255.15**

Payment to auditors*:

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
For audit fees (including Limited Review fees)	1.72	1.53
For tax audit fees	0.24	0.18
For other services**	0.34	0.22
For reimbursement of expenses	0.10	0.13
Total	**2.40**	**2.06**

* Includes fees of subsidiaries to other auditors.

**Above excludes fees of ₹ Nil (March 31, 2021 : ₹ 0.45 Crore) paid to auditors of the Company for certification services for Rights Issue, which is considered as part of share issue expenses.

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NOTE: 39
INCOME TAX EXPENSE
The major components of income tax (income)/ expense are:

Consolidated Statement of Profit and Loss:
Profit or loss section

₹ in Crore

		Year ended March 31, 2022	Year ended March 31, 2021
Current income tax			
Current income tax charge*		20.89	40.12
	(A)	20.89	40.12
Deferred tax			
Relating to origination and reversal of temporary differences		(47.46)	(141.66)
	(B)	(47.46)	(141.66)
Total	(A+B)	(26.57)	(101.54)

OCI section
Deferred tax related to items recognised in OCI during the year

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Net (gains)/ losses on re-measurement of defined benefit plans	(0.35)	(0.73)
Net (gains)/ losses on fair value of equity instruments	(0.16)	0.13
Total	(0.51)	(0.60)

Reconciliation of tax (income)/ expense and the accounting profit/ (loss) multiplied by India's domestic tax rate

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Accounting Loss before income tax	(144.93)	(837.54)
Tax expense/ (income) at India's statutory income tax rate of 25.17% (March 31, 2021: 25.17%)	(36.48)	(210.81)
Expenses not allowed under the Income tax Act:		
- Corporate Social Responsibility	0.74	0.54
- Expenses disallowed for tax purposes	1.06	1.17
- Others	2.24	0.03
- Impact of differential higher income tax rate applicable to a subsidiary	5.87	(1.00)
-One time impact of amendment in Section 32 of the Income-tax Act, 1961 (Refer Note - 41c)	-	68.84
-Tax on Capital gains under Section 45(4) of the Income-tax Act, 1961	-	39.69
Income tax expenses/ (income) as per Statement of Profit and Loss Account	(26.57)	(101.54)

*Current Tax for the year ended March 31, 2021, included a one-time tax of ₹ 39.69 Crore on deemed capital gains on reconstitution of Sabyasachi Calcutta LLP ("the LLP") relating to existing partners arising from the induction of the Company as a partner in the LLP. This was entirely attributable to the Non-Controlling interest in LLP and not to the Company.

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NOTE: 40
EARNINGS PER SHARE (EPS)

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

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

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

₹ in Crore

		Year ended March 31, 2022	Year ended March 31, 2021
Loss for calculation of EPS	(A)	(108.72)	(672.51)
Weighted average number of equity shares for calculation of Basic EPS	(B)	92,49,31,614	81,67,00,886
Basic EPS (₹)	(A/B)	(1.18)	(8.23)
Weighted average number of equity shares outstanding		92,49,31,614	81,67,00,886
Weighted average number of potential equity shares*		80,24,183	2,87,96,459
Weighted average number of equity shares for calculation of Diluted EPS		92,49,31,614	81,67,00,886
Diluted EPS (₹)	(C)	(1.18)	(8.23)
Nominal value of shares (₹)		10.00	10.00

Treasury shares are adjusted in computing the weighted average number of equity shares outstanding during the year in calculation of EPS.

Basic and diluted earnings per share for the year ended March 31, 2021, have been restated for the bonus element in respect of Rights issue made during the year ended March 31, 2022.

*Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not anti-dilutive. The stock options are not included in the determination of basic earnings per share. The details relating to stock options are given in Note - 44.

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NOTE - 41
SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Group's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next three years and next 2 years have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note - 5A.

(b) Share-based payment

The Group uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Consolidated Statement of Profit and Loss. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 44.

(c) Taxes

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

As at March 31, 2022, the Group has ₹ 1,955.10 Crore (March 31, 2021: ₹ 1,894.70 Crore) of tax losses carried forward as per income tax records of the Group. These losses pertain to unabsorbed business loss as at March 31, 2022 of ₹ 647.25 Crore (March 31, 2021:₹ 641.59 Crore) which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2022 of ₹ 1,307.85 Crore (March 31, 2021: ₹ 1,253.11 Crore) which do not have any expiry period. Further details on taxes are disclosed in Notes - 10 and 39.

During the previous year, the Finance Act, 2021 had amended Section 32 of the Income Tax Act, 1961, whereby effective from April 1, 2020, goodwill of a business was not considered as a depreciable asset and depreciation on goodwill not allowed as deductible expenditure. Consequent to such amendment, in accordance with the requirements of Ind AS 12 - Income Taxes, the Company recognised a one-time net deferred tax expense amounting to ₹ 68.84 Crore representing net deferred tax liability ('DTL') arising from difference between the carrying value of goodwill as per books of account and as per updated tax written down value of NIL resulting from the aforementioned amendment.

In view of the amendments introduced by the Finance Act, 2021 to the Income Tax Act, 1961 and considering the opinion received by the Company from a senior legal counsel, as at March 31, 2021, the Company recorded deferred tax asset of ₹ 243.11 Crore on the carry forward unabsorbed depreciation pertaining to goodwill relating to earlier years. The Company also recorded a deferred tax liability on the carrying value of goodwill as at March 31, 2021 considering no future deduction is available pursuant to the said amendment.

The reversal of the aforesaid DTL and cash outflow on this account is deemed unlikely as the value of associated goodwill is expected to be recovered through value in use.

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(d) Employee benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, 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 for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note - 43.

(e) Revenue recognition – Loyalty points

The Group operates a loyalty programme where customers accumulate points for purchases made, which entitle them to discount on future purchases. The Group estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rate basis the Group's historic trends of redemption and expiry period of the points and such estimates are subject to uncertainty. As at March 31, 2022, the estimated liability towards unredeemed points amounts to ₹ 16.43 Crore (March 31, 2021: ₹ 10.22 Crore).

Further details are given in Note - 32.

(f) Provision on inventories

The Group has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non-core (fashion) and sub-categorised into finished goods and raw materials. The Group provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

(g) Provision for discount and sales return

The Group provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Group reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

(h) Impairment allowance for doubtful debts

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off if the same are not collectible. The carrying amount of allowance for doubtful debts under ECL model is ₹ 24.89 Crore (March 31, 2021: ₹ 26.33 Crore). Further details about impairment allowance are given in Note - 16.

(i) Leases

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

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

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(j) Assessment of COVID - 19 impact on operations

The Group has considered the impact of COVID-19 as evident so far in the consolidated financial statements and will also continue to closely monitor any material changes to future economic conditions which necessitate any further modifications.

(k) Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:
(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.
(iii) There is no substantive change to other terms and conditions of the lease.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19- Related Rent Concessions" effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient upto June 30, 2022.

The Group has accounted the unconditional rent concessions of ₹ 219.18 Crore (March 31, 2021: ₹ 343.72 Crore) during the year ended March 31, 2022. The same has been accounted as a reduction of rent expenses in the Consolidated Statement of Profit and Loss.

(l) Valuation of Non - controlling interest Put Option

The fair value of financial liability (put option) arising from acquisition agreements, has been determined at present value of consideration payable, using appropriate valuation model. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of the put option. Such valuation includes assumptions such as discount rate, future cashflow and EBITDA estimates. Such assumptions are reviewed at each reporting date.

(m) Going concern

The management has performed an assessment of the Group's ability to continue as a going concern. Based on the assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the consolidated financial statements have been prepared on a going concern basis.

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NOTE - 42

DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Group during the year	-	1.16
b) Amount approved by the Board to be spent during the year	3.00	2.00

₹ in Crore

	In Cash	Yet to be paid in Cash	Total
March 31, 2022:			
i) Construction/ acquisition of any asset	-	-	-
ii) On purposes other than (i) above	2.94	-	2.94
March 31, 2021:			
i) Construction/ acquisition of any asset	-	-	-
ii) On purposes other than (i) above	2.00	-	2.00

In case of Section 135(5) unspent amount				
Opening Balance as on April 01, 2021	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2022*
-	-	-	2.94	-

* Since the amount spent exceeds amount required to be spent, the unspent amount is Nil.

In case of Section 135(5) Excess amount spent			
Opening Balance as on April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2022*
-	-	2.94	-

* The Group has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off against the amounts required to spent in the future year.

Details of ongoing projects along with

In case of Section 135(6) (Ongoing Project)						
Opening Balance as on April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Closing Balance as on March 31, 2022	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

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NOTE - 43
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

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

Unfunded defined benefit plan

Net benefit expense recognised through the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	5.86	4.59
Interest cost on defined benefit obligation	1.98	1.62
Total	**7.84**	**6.21**

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	**31.05**	**24.07**
Addition pursuant to business combinations	-	4.04
Current service cost	5.86	4.59
Interest cost on defined benefit obligation	1.98	1.62
Actuarial (gain)/ loss on account of:		
Changes in demographic assumptions	(0.19)	(0.05)
Changes in financial assumptions	(1.30)	0.74
Experience adjustments	2.02	(2.04)
Actuarial (gain)/ loss recognised in OCI	**0.53**	**(1.35)**
Benefits paid	(3.05)	(2.23)
Liabilities assumed/ (settled)*	0.47	0.31
Closing defined benefit obligation	**36.84**	**31.05**

*On account of inter-company transfer.

Funded defined benefit plan

Net benefit expense recognised through the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	10.16	9.08
Interest cost on defined benefit obligation	4.57	4.26
Interest on plan assets	(4.76)	(4.16)
	9.97	**9.18**

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Changes in the defined benefit obligation and fair value of plan assets are as follows:

(i) Changes in the present value of the Defined Benefit Obligations (DBO):

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	**71.38**	**64.46**
Current service cost	10.16	9.08
Interest cost on defined benefit obligation	4.57	4.26
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	(3.22)	1.20
Experience adjustments	1.16	(2.44)
Actuarial (gain)/ loss recognised in OCI	**(2.06)**	**(1.24)**
Benefits paid	(7.14)	(4.94)
Liabilities assumed/ (settled)*	(0.21)	(0.24)
Closing defined benefit obligation	**76.70**	**71.38**

*On account of inter-company transfer.

(ii) Change in fair value of plan assets

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening fair value of the plan assets	**74.39**	**63.16**
Contributions by the employer	-	6.77
Interest income on plan assets	4.76	4.16
Actuarial gain/ (loss) recognised in OCI		
Actual returns on plan assets less interest cost on plan assets	0.40	0.30
Closing fair value of the plan assets	**79.55**	**74.39**

Amounts recognised in the Consolidated Balance Sheet

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Present value of the defined benefit obligation at the end of the year:		
Funded	76.70	71.38
Unfunded	36.84	31.05
	113.54	102.43
Fair value of plan assets	79.55	74.39
Net liability/ (asset)	**33.99**	**28.04**
Net liability is classified as follows:		
Current	1.01	0.92
Non-current	32.98	27.12
Net liability	**33.99**	**28.04**

Gratuity is funded through investments with an insurance service provider, i.e. Life Insurance Corporation of India (LIC). The plan assets under the scheme are administered by LIC. The investments are primarily in low risk assets.

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The principal assumptions used in determining gratuity (funded and unfunded) defined benefit obligations for the Group are shown below:

	As at March 31, 2022	As at March 31, 2021
Discount rate		
Funded plan	6.90%	6.40%
Unfunded plan	6.30% to 7.50%	5.65% to 6.55%
Salary escalation rate		
Funded plan		
Management	8.00%	8.00%
Staff	7.00%	7.00%
Workers	5.00%	5.00%
Unfunded plan		
Stores	5.00% to 9.00%	5.00% to 9.00%
HO and Zones	5.00% to 9.00%	5.00% to 9.00%

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market yield prevailing as on that date, applicable to the period over which the obligation is expected to be settled.

A quantitative sensitivity analysis for significant assumptions is as follows:

	As at March 31, 2022		As at March 31, 2021	
Sensitivity level				
Discount rate	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	(3.01)	3.22	(2.93)	3.15
Unfunded plan	(2.00)	2.24	(1.17)	1.28
Salary escalation rate	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	3.21	(3.02)	3.11	(2.92)
Unfunded plan	2.06	(1.87)	1.21	(1.14)

The above sensitivity analysis have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

There has been no change from the previous year in the method and assumptions used in preparing the sensitivity analysis.

The maturity profile of the defined benefit obligation are as follows:

₹ in Crore

	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	11.39	10.81
Between 2 and 5 years	44.82	39.99
Between 6 and 10 years	50.57	42.12
Beyond 10 years	125.77	104.40
Total	**232.55**	**197.32**

The Group is expected to contribute ₹ 8.19 Crore to the gratuity fund during the year ended March 31, 2023.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 to 15 years (March 31, 2021: 4 to 16 years).

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Defined contribution plans

Amount recognised as an expense and included in Note - 35 as "Contribution to provident and other funds"

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to Government Provident Fund	43.51	37.76
Contribution to Superannuation Fund	1.10	1.15
Contribution to Employee Pension Scheme (EPS)	5.46	4.87
Contribution to Employee State Insurance (ESI)	7.85	6.51
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	0.15	0.08
Contribution to Labour Welfare Fund (LWF)	0.12	0.09
Contribution to National Pension Scheme (NPS)	0.37	0.79
Total	**58.56**	**51.25**

In respect of the Honourable Supreme Court ruling in February 2019 relating to computation of salaries for Provident Fund contribution, there is uncertainty and ambiguity in retrospective application and accordingly the Group will evaluate its position as clarity emerges.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.

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NOTE - 44
SHARE-BASED PAYMENT

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Expense arising from equity-settled share-based payment transactions	27.72	11.67
Expense arising from cash-settled share-based payment transactions	1.41	0.03
Total	**29.13**	**11.70**

A. Employee share-based payment plans of Holding Company

a. Employee Stock Option Plans (Options and RSUs)

I. Employee Stock Option Scheme - 2013

During the year ended March 31, 2014, i.e. on July 22, 2013, the ESOP Compensation Committee of the Board of Directors of the Company (merged with Nomination and Remuneration Committee w.e.f. November 04, 2014) ("Committee") and the Board of Directors ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Employee Stock Option Scheme - 2013 ("Scheme 2013") for issue of Stock Options in the form of Options ("Options") and/ or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Sixth Annual General Meeting of the Company, held on August 23, 2013, approved the introduction of the Scheme 2013 and authorised the Board/ Committee to finalise and implement the Scheme 2013.

Accordingly, under the said Scheme 2013, vide its resolution dated October 25, 2013, the Committee commenced granting of options.

i) Details of the grants under the Scheme 2013

	Tranche 1		Tranche 3
	Options	**RSUs**	**RSUs**
No. of Options/ RSUs	8,30,382	2,59,849	2,79,544
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting on December 7, 2016
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	October 25, 2013	October 25, 2013	May 11, 2016
Grant/ exercise price (₹ per share)	102.10	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 104.10 NSE - 103.55	BSE - 104.10 NSE - 103.55	BSE - 152.10 NSE - 152.10
Method of settlement	Equity	Equity	Equity

There are no Options/RSUs unvested/excersiable under Tranche 2 as on March 31, 2022 and March 31, 2021.

Note:

RSUs – Tranche 3 were granted to employees of Madura Fashion & Lifestyle division of the Company, who were grantees of RSUs of Aditya Birla Nuvo Limited ("ABNL") and had become employees of the Company pursuant to the effectiveness of the Composite Scheme of Arrangement between the Company, ABNL, Madura Garments Lifestyle Retail Company Limited and their respective shareholders and creditors under Section 391 to 394 of the Companies Act, 1956. Accordingly, as per the terms and conditions of the grant, these RSUs vested as per the original vesting schedule of ABNL RSUs, i.e., on December 7, 2016.

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ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	12,129	102.10	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year*	(4,603)	102.10	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	7,526	102.10	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	7,526	102.10	-	-
Tranche 3				
Outstanding at the beginning of the financial year	N.A.	N.A.	-	-
Granted during the financial year	N.A.	N.A.	-	-
Exercised during the financial year	N.A.	N.A.	-	-
Lapsed during the financial year	N.A.	N.A.	-	-
Outstanding at the end of the financial year	N.A.	N.A.	-	-
Unvested at the end of the financial year	N.A.	N.A.	-	-
Exercisable at the end of the financial year	N.A.	N.A.	-	-

* The weighted average share price at the date of exercise of these Options was ₹ 271.98.

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Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
__Tranche 1__				
Outstanding at the beginning of the financial year	**12,129**	**102.10**	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**12,129**	**102.10**	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**12,129**	**102.10**	-	-
__Tranche 3__				
Outstanding at the beginning of the financial year	**N.A.**	**N.A.**	**37,840**	**10.00**
Granted during the financial year	N.A.	N.A.	-	-
Exercised during the financial year*	N.A.	N.A.	(37,840)	10.00
Lapsed during the financial year	N.A.	N.A.	-	-
Outstanding at the end of the financial year	**N.A.**	**N.A.**	-	-
Unvested at the end of the financial year	**N.A.**	**N.A.**	-	-
Exercisable at the end of the financial year	**N.A.**	**N.A.**	-	-

* The weighted average share price at the date of exercise of these Options was ₹ 141.21.

The weighted average remaining contractual life for the Options outstanding as at March 31, 2022, is 1 years (March 31, 2021: 2 years) and for RSUs outstanding as at March 31, 2022, is Nil (March 31, 2021: Nil).

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iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options	RSUs	
	Tranche 1	Tranche 1	Tranche 3
Expected dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	45.93	45.93	37.41
Risk-free interest rate (%)	8.58	8.58	7.37
Weighted average fair value per Option/ RSU (₹)	52.96	95.90	142.63
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model

II. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017

During the year ended March 31, 2018, i.e. on July 25, 2017, the Nomination and Remuneration Committee of the Board of Directors of the Company ("NRC") and the Board of Directors ("Board") approved the introduction of another Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the Shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Tenth Annual General Meeting of the Company, held on August 23, 2017, approved the introduction of the Scheme 2017 and authorised the Board/ NRC to finalise and implement the Scheme 2017.

Accordingly, under the said Scheme 2017, vide its resolution dated September 8, 2017, the Committee commenced granting of options.

i) Details of the grants under Scheme 2017

	Options				RSUs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of Options/ RSUs	37,38,254	14,406	2,88,122	90,039	13,04,558	14,568	1,17,144	30,349
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 08, 2017	October 27, 2017	February 02, 2018	April 18, 2018	September 08, 2017	October 27, 2017	February 02, 2018	April 18, 2018
Grant/ exercise price (₹ per share)	178.30	148.10	163.60	150.80	10.00	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 176.40 NSE - 176.50	BSE - 147.95 NSE - 148.70	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10	BSE - 176.40 NSE - 176.50	BSE - 147.95 NSE - 148.70	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity

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ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year:

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**16,41,845**	**178.30**	**5,12,881**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(1,64,561)	178.30	(1,72,971)	10.00
Lapsed during the financial year	(79,234)	178.30	-	-
Outstanding at the end of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**5,402**	**148.10**	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	(5,402)	148.10	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-
Tranche 3				
Outstanding at the beginning of the financial year	**1,62,069**	**163.60**	**72,838**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(90,038)	163.60	(60,698)	10.00
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Tranche 4				
Outstanding at the beginning of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Unvested at the end of the financial year	**22,509**	**150.80**	-	-
Exercisable at the end of the financial year	**45,020**	**150.80**	**30,349**	**10.00**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹255.86.

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Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2021			
	No. of Options	**Weighted average exercise price (₹ per share)**	**No. of RSUs**	**Weighted average exercise price (₹ per share)**
<u>Tranche 1</u>				
Outstanding at the beginning of the financial year	**25,26,110**	**178.30**	**9,84,226**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	-	-	(4,57,317)	10.00
Lapsed during the financial year	(8,84,265)	178.30	(14,028)	10.00
Outstanding at the end of the financial year	**16,41,845**	**178.30**	**5,12,881**	**10.00**
Unvested at the end of the financial year	**5,63,689**	**178.30**	-	-
Exercisable at the end of the financial year	**10,78,156**	**178.30**	**5,12,881**	**10.00**
<u>Tranche 2</u>				
Outstanding at the beginning of the financial year	**7,203**	**148.10**	**7,284**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	-	-	(7,284)	10.00
Lapsed during the financial year	(1,801)	148.10	-	-
Outstanding at the end of the financial year	**5,402**	**148.10**	-	-
Unvested at the end of the financial year	**1,800**	**148.10**	-	-
Exercisable at the end of the financial year	**3,602**	**148.10**	-	-
<u>Tranche 3</u>				
Outstanding at the beginning of the financial year	**2,16,092**	**163.60**	**72,838**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(54,023)	163.60	-	-
Outstanding at the end of the financial year	**1,62,069**	**163.60**	**72,838**	**10.00**
Unvested at the end of the financial year	**54,022**	**163.30**	-	-
Exercisable at the end of the financial year	**1,08,047**	**163.30**	**72,838**	**10.00**
<u>Tranche 4</u>				
Outstanding at the beginning of the financial year	**90,039**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(22,510)	150.80	-	-
Outstanding at the end of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Unvested at the end of the financial year	**45,019**	**150.80**	**30,349**	**10.00**
Exercisable at the end of the financial year	**22,510**	**150.80**	-	-

^^The weighted average share price at the date of exercise of these RSUs was ₹ 151.45.

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2022, is 3 years (March 31, 2021: 4 years) and for RSUs outstanding as at March 31, 2022, is 4 years (March 31, 2021: 4 years).

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options				RSUs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	36.57	36.28	35.32	35.28	36.57	36.28	35.32	35.28
Risk-free interest rate (%)	6.70	6.75	7.43	7.43	6.77	6.98	7.54	7.54
Weighted average fair value per Option/ RSU (₹)	77.04	63.85	71.56	65.93	171.41	141.29	156.99	144.20
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model

III. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019

During the year ended March 31, 2020, on July 26, 2019, the Nomination and Remuneration Committee and the Board of Directors ("Board"), approved introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019") through trust route, for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies. Based on the loan granted by the Company, the Trust held 47,10,457 equity shares as at March 31, 2021. During the year ended March 31, 2022, the Trust purchased additional 2,23,128 equity shares to back the grants made under the Scheme 2019. As on March 31, 2022, the Trust holds 46,54,072 equity shares. 2,79,513 equity shares were exercised during the year.

Accordingly, under the said Scheme 2019, vide its resolution dated December 2, 2019, the Committee commenced granting of options.

i) Details of the grants under Scheme 2019

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
No. of Options/ RSUs	33,42,876	1,16,360	14,17,684	11,18,385	32,161
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	December 02, 2019	December 28, 2020	January 21, 2021	December 02, 2019	December 28, 2020
Grant/ exercise price (₹ per share)	225.25	164.10	173.55	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80	BSE - 173.05 NSE - 173.85	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80
Method of settlement	Equity	Equity	Equity	Equity	Equity

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ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the year.

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	24,52,614	225.25	10,71,150	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(92,682)	225.25	-	-
Lapsed during the financial year	(2,29,902)	225.25	(1,04,320)	10.00
Outstanding at the end of the financial year	21,30,030	225.25	9,66,830	10.00
Unvested at the end of the financial year	14,67,262	225.25	9,58,790	10.00
Exercisable at the end of the financial year	6,62,768	225.25	8,040	10.00
Tranche 2				
Outstanding at the beginning of the financial year	1,16,360	164.10	32,161	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(3,636)	164.10	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	1,12,724	164.10	32,161	10.00
Unvested at the end of the financial year	87,270	164.10	-	-
Exercisable at the end of the financial year	25,454	164.10	-	-
Tranche 3				
Outstanding at the beginning of the financial year	14,08,593	173.55	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(1,83,195)	173.55	-	-
Lapsed during the financial year	(1,02,300)	173.55	-	-
Outstanding at the end of the financial year	11,23,098	173.55	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	11,23,098	173.55	-	-

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 283.16.

Further, the following table illustrates the number and weighted average exercise prices of and movements in Options and RSUs during the previous year:

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	33,28,332	225.25	11,08,335	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(8,75,718)	225.25	(37,185)	10.00
Outstanding at the end of the financial year	24,52,614	225.25	10,71,150	10.00
Unvested at the end of the financial year	24,52,614	225.25	10,71,150	10.00
Exercisable at the end of the financial year	-	-	-	-
Tranche 2				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	1,16,360	164.10	32,161	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	1,16,360	164.10	32,161	10.00
Unvested at the end of the financial year	1,16,360	164.10	32,161	10.00
Exercisable at the end of the financial year	-	-	-	-
Tranche 3				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	14,17,684	173.55	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(9,091)	173.55	-	-
Outstanding at the end of the financial year	14,08,593	173.55	-	-
Unvested at the end of the financial year	14,08,593	173.55	-	-
Exercisable at the end of the financial year	-	-	-	-

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2022 is 5 years (March 31, 2021: 6 years) and for RSUs outstanding as at March 31, 2022 is 6 years (March 31, 2021: 7 years).

iii) The following table lists the inputs to the model used for the Options and RSUs as on grant date:

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	32.88	36.16	36.02	32.88	36.16
Risk-free interest rate (%)	6.66	5.62	5.62	6.76	6.19
Weighted average fair value per Option/ RSU (₹)	112.00	84.39	76.78	216.18	158.10
Model used	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model

b. Stock Appreciation Rights (SARs)

The SAR compensation cost is amortised on a straight-line basis over the total vesting period of the SARs. Accordingly, ₹ 1.41 Crore (March 31, 2021: ₹ 0.03 Crore) has been taken to the Consolidated Statement of Profit and Loss.

I. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019

On February 04, 2019, the Nomination and Remuneration Committee and the Board of Directors of the Company, at their respective meetings had approved the "Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019" ("SARs Scheme 2019"), to grant SARs in the form of "Option SARs" and "RSU SARs", from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

i) The details of the Plan are as below:

	SARs			
	Option SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of SARs	61,226	17,92,686	Nil	2,04,546
Method of accounting	Fair value	Fair value	NA	Fair value
Vesting plan	May 16, 2019 and September 08, 2019	August 18, 2024	NA	Graded vesting - 33.33% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	NA	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	NA	November 03, 2021
Grant/ exercise price (₹ per share)	178.30	206.35	NA	288.10
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	NA	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	NA	Cash

	SARs			
	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of SARs	6,880	6,38,700	1,005	56,533
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	September 08, 2020	August 18, 2024	December 02, 2022	November 03, 2024
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	August 18, 2021	November 03, 2021
Grant/ exercise price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	BSE - 205.80 NSE - 205.90	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	Cash	Cash

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ii) Movement of SARs granted
The following table illustrates the number and weighted average exercise prices of, and movements in, SARs during the year:

	As at March 31, 2022		As at March 31, 2021	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 1				
Option SARs				
Outstanding at the beginning of the financial year	61,226	178.30	61,226	178.30
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(18,008)	178.30	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	43,218	178.30	61,226	178.30
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	43,218	178.30	61,226	178.30
RSU SARs				
Outstanding at the beginning of the financial year	6,880	10.00	6,880	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(2,024)	10.00	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	4,856	10.00	6,880	10.00
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	4,856	10.00	6,880	10.00
Tranche 2				
Option SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	17,92,686	206.35	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(75,447)	206.35	-	-
Outstanding at the end of the financial year	17,17,239	206.35	-	-
Unvested at the end of the financial year	17,17,239	206.35	-	-
Exercisable at the end of the financial year	-	-	-	-
RSU SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	6,38,700	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(28,393)	10.00	-	-
Outstanding at the end of the financial year	6,10,307	10.00	-	-
Unvested at the end of the financial year	6,10,307	10.00	-	-
Exercisable at the end of the	-	-	-	-
Tranche 3				
RSU SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	1,005	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	1,005	10.00	-	-
Unvested at the end of the financial year	1,005	10.00	-	-
Exercisable at the end of the	-	-	-	-
Tranche 4				
Option SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	2,04,546	288.10	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	2,04,546	288.10	-	-
Unvested at the end of the financial year	2,04,546	288.10	-	-
Exercisable at the end of the financial year	-	-	-	-
RSU SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	56,533	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	56,533	10.00	-	-
Unvested at the end of the financial year	56,533	10.00	-	-
Exercisable at the end of the financial year	-	-	-	-

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 281.87.
The weighted average remaining contractual life for SARs options outstanding as at March 31, 2022 is 4 years (March 31, 2021 : 2 years) and for RSUs outstanding as at March 31, 2022, is 6 years (March 31, 2021: 2 years).

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iii) The following table lists the inputs to the model used for SARs as on grant date:

	Option SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	32.53	36.00	NA	36.71
Risk-free interest rate (%)	5.88	5.74	NA	5.78
Weighted average fair value per SAR (₹)	27.42	72.15	NA	94.85
Model used	Binomial model	Binomial model	NA	Binomial model

	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	31.74	36.46	36.46	36.90
Risk-free interest rate (%)	6.24	6.16	6.16	6.08
Weighted average fair value per SAR (₹)	144.94	172.79	172.79	204.55
Model used	Binomial model	Binomial model	Binomial model	Binomial model

The expected life of the Share Options, RSUs and SARs is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Share Options, RSUs and SARs is indicative of future trends, which may not necessarily be the actual outcome.

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NOTE - 45
COMMITMENTS AND CONTINGENCIES

a) Leases

Lease commitments as lessee

The Group has entered into agreements for taking on lease certain residential/ office/ store premises, warehouses, property, plant and equipment on lease and licence basis. The lease term is for periods ranging from 3 to 21 years, with escalation clauses in the lease agreements. Consistent with Industry practice, the Group has contracts which have fixed rentals or variable rentals based on a percentage of sales in the stores, or a combination of both.

Expenses/ Income recognised in the Consolidated Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Other income		
Gain on retirement of right-of-use assets	14.85	21.74
Rent		
Expense relating to short-term leases	47.26	18.32
Expense relating to leases of low value assets	1.35	1.81
Variable rent*	563.79	332.20
Rent concession	(219.18)	(343.72)
Finance cost		
Interest expense on lease liabilities	214.27	224.91
Depreciation and amortisation expenses		
Depreciation on right-of-use assets	762.55	732.40
Other expenses		
Processing charges	20.99	15.52
Sublease payments received (not shown separately in the Consolidated Statement of Profit and Loss)	0.80	0.84

* The variable rent varies basis percentage of Net Sales Value (NSV) at the lease premises.

Contractual maturities of lease liabilities

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Within one year	946.89	870.05
After one year but not more than five years	2,093.93	1,846.17
More than five years	323.38	138.02
Total	**3,364.20**	**2,854.24**

The initial non-cancellable period of the lease agreement is upto 3 years, beyond which there is an option for the lessee to continue the lease, which the Group expects to continue for a period of 2 to 3 years after the initial non-cancellable period, accordingly 5 – 6 years has been considered as non-cancellable for the purpose of the above disclosure. Post such period, the Group has the option to exit the lease by giving a notice period and the Group assesses its intention to continue considering location and other economic factors associated with the lease arrangement.

Total cash outflow for leases for the year ended March 31, 2022 is ₹ 1,316.13 Crore (March 31, 2021 is ₹ 904.28 Crore).

The Group entered into a sale and leaseback transaction in respect of certain assets such as furniture and fixtures, office equipment etc., in line with its capital expenditure strategy. The assets were sold at fair values with no gains/ losses. Sale proceeds of ₹ Nil (March 31, 2021 : ₹ 28.65 Crore) were realised upon sale of such assets. The lease arrangement is for a period of 4-5 years. The same has been recorded as a right-of-use assets with corresponding lease liabilities.

Lease commitments for leases not considered in measurement of lease liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Lease commitment for short-term leases	4.02	8.51
Lease commitment for leases of low value assets	0.02	0.85
Total	**4.04**	**9.36**

Future Cash Outflows to which the Group is potentially exposed and not reflected in measurement of lease liabilities

₹ in Crore

Particulars	March 31, 2022		March 31, 2021	
Increase/ (decrease) in sales	**Increase by 5%**	**Decrease by 5%**	**Increase by 5%**	**Decrease by 5%**
Rent	28.19	(28.19)	16.61	(16.61)

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b) Capital commitments

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	98.76	21.19
Customs duty on capital goods and raw materials imported under advance licensing/ EPCG scheme, against which export obligation is to be fulfilled	0.03	0.07
Total	**98.79**	**21.26**

c) Other commitments

Refer Note 47 for commitments towards investment in Goodview Fashion Private Limited.

NOTE - 46
CONTINGENT LIABILITIES NOT PROVIDED FOR

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debts		
Commercial taxes	45.17	27.04
Excise duty	0.50	0.50
Customs duty	0.03	2.54
Bank Guarantees	37.43	2.41
Textile committee cess	0.75	0.75
Others*	17.15	16.29
Total	**101.03**	**49.53**

* Pertains to claims made by third parties, pending settlement which are considered not tenable.

The Group's pending litigations comprise of claims against the Group primarily for excise duty, comprising various cases demanding duty on reversal of CENVAT credit on sale of capital goods and for commercial taxes, comprising various cases in respect of short fall of Forms F, H, I and C, disallowance of input credit, etc.

The Group has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its financial statements where financial outflow is not probable. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Group has a provision of ₹ 66.75 Crore as at March 31, 2022 (March 31, 2021: ₹ 68.72 Crore) (Refer Note-25).

Bank Guarantee is given by Sabyasachi Calcutta LLP (a subsidiary of the Company) to foreign bank in respect of standby letter of credit (SBLC) facility of USD 50,00,000 (March 31, 2021: USD 3,00,000) to be availed by M/s Sabyasachi Inc. (a wholly owned subsidiary of Sabyasachi Calcutta LLP).

Finesse International Design Private Limited (a subsidiary of the Company) received assessment orders under Section 153A related to block assessment in Income Tax for the assessment years 2013-14 to 2018-19, the demand of which is ₹ 2.16 Crore. During the year, the Company has received a favourable order for the assessment years 2013-14 to 2016-17 and the Company has filed further appeal for the assessment years 2017-18 to 2018-19 against the tax demand of ₹ 1.02 crore and is confident that the outcome is unlikely to result in a claim against the Company. Further, the Company has recourse to indemnification provided by the promoters of the Company vide the Share Subscription and Purchase Agreement executed with the Company.

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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NOTE - 47a
BUSINESS COMBINATIONS/ INVESTMENTS

Acquisitions during the year ended March 31, 2021

(i). Acquisition of 51% stake in Sabyasachi Calcutta LLP

On January 27, 2021, the Board of Directors had approved the acquisition of 51% stake in Sabyasachi Calcutta LLP [formerly M/s. Sabyasachi Couture, a partnership firm ("Sabyasachi" or "the LLP")] by entering into a Framework Agreement. On February 24, 2021, post completion of the customary closing conditions under the Framework Agreement, the Company concluded the acquisition. Considering the terms of the Framework Agreement, the LLP is considered as a subsidiary of the Company.

On February 24, 2021, the partners of the LLP signed the LLP Agreement stipulating the capital of the partners and other terms and conditions in line with the aforesaid Framework Agreement as amended by the LLP Agreement and Framework Agreement on May 27, 2021.

	Fair value recognised on acquisition	
	₹ in Crore	₹ in Crore
Assets taken over		
Property, plant and equipment	25.27	
Capital work-in-progress	1.46	
Right-of-use assets	29.54	
Investment Property	1.92	
Other intangible assets (Brand)	606.50	
Inventories	91.32	
Security deposits	3.03	
Trade receivables	1.80	
Cash and cash equivalents	27.23	
Deferred tax asset	4.93	
Other assets	7.03	800.03
Liabilities taken over		
Borrowings	8.08	
Lease liabilities	30.79	
Deferred tax liabilities (Refer below)	211.94	
Trade payables	21.82	
Other payables	42.91	315.54
Total identifiable net assets at fair value as at February 24, 2021 (A)		**484.49**
Agreed capital contribution as on February 24, 2021 (B)		710.63
Goodwill recognised (B- A) (Refer below)		226.14

In accordance with the purchase price allocation conducted by the Company during the previous year ended March 31, 2021, the Company recorded all the identifiable assets and liabilities including the 'Sabyasachi' brand. As per the LLP Agreement, the agreed capital contribution as on February 24, 2021 is determined to be ₹ 710.63 Crore leading to a goodwill of ₹ 14.20 Crore. The Company invested ₹ 389.84 Crore in the LLP for its share of 51% and as per the LLP Agreement, existing partners (promoters) withdrew ₹ 277.00 Crore, post infusion of capital by the Company.

During February 2022, at the time of filing of the Income Tax return for the Financial year ended March 31, 2021, management based on expert advice determined that depreciation on the 'Sabyasachi' brand is not allowable as a deduction under the Income Tax Act, 1961. This resulted in a taxable temporary difference between the carrying amount of 'Sabyasachi' brand and its tax base. Ind AS 103, Business Combination, permits adjustments to the provisional amounts recorded at the time of initial recognition of a business combination within a period of 12 months by restating the balances for the comparative period. Accordingly, an additional deferred tax liability amounting to ₹ 211.94 crores has been recorded in respect of the aforesaid taxable temporary difference with a corresponding adjustment to the amount of goodwill by restating the comparative information for the prior year. Goodwill is allocated entirely to the Madura Fashion & Lifestyle Segment. Other intangible assets primarily comprise of the Brand and Trademarks ("Sabyasachi") which has been determined by management to have an indefinite life.

As per Framework Agreement, the Company has provided Mr. Sabyasachi Mukherjee, Put Option to sell his entire holding, i.e. 49% to the Company over a period of fourteen years starting from the end of five years from the aforesaid date and thereafter in three tranches, should an initial public offer of the organisation (after conversion to a company) does not take place. The Company has a Call option to purchase the entire holding of Mr. Sabyasachi Mukherjee in case the Put Option is not exercised at the end of fourteen years. In respect of the balance 49% held by promoter of Sabyasachi Calcutta LLP, the Company has accounted the same as non-current financial liability considering the put option. This qualifies as a liability under Ind AS since the Company does not have an unconditional right to not purchase the interest as per the terms of the Agreement. The Non-Controlling Interest has been recorded at the present value of the expected future cash outflows based on an independent valuation performed by the Company's appointed independent valuer. In accordance with Ind AS, the Group has elected an accounting policy choice to recognise the gross liability with a corresponding derecognition of non-controlling interest balance in its consolidated financial statements. Further, the Group has made an accounting policy choice to present any subsequent change in the fair value of gross liability in other equity.

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(ii). Investment in 80% equity stake in Indivinity Clothing Retail Private Limited

On February 24, 2021, the Board of Directors approved the investment of ₹ 63.00 Crore in 80% equity stake in Indivinity Clothing Retail Private Limited ["ICRPL"] by way of entering into 'Share Subscription and Shareholders Agreement' ["SSSA"]. On March 26, 2021, post completion of the customary closing conditions under the said SSSA, ICRPL became a subsidiary of the Company. The balance 20% equity is held by the promoter. ICRPL was incorporated on March 03, 2021 to carry-on the business of manufacture, and sale of apparel, jewellery and accessories.

NOTE - 47b
INTEREST IN JOINT VENTURE

On February 24, 2021, the Board of Directors approved the acquisition of 33.50% stake in Goodview Fashion Private Limited [formerly known as Goodview Properties Private Limited] ["GFPL"], by way of entering into a 'Share Purchase and Subscription agreement' ["SPSA"] along with a 'Shareholders Agreement'. On March 19, 2021, post completion of the customary closing conditions under the said SPSA, the Company concluded the acquisition. Considering the terms of the SPSA and Shareholders' Agreement, the investment in GFPL is considered as a Joint Venture.

Below is the joint venture of the Group which have been accounted as per equity method of accounting. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Goodview Fashion Private Limited [formerly known as Goodview Properties Private Limited] - Proportion of ownership interest 33.50%

(a) Summarised Balance Sheet	**₹ in Crore**
Particulars	**Acquisition Date**
Current assets, including cash and cash equivalents	24.89
Non-current assets	122.02
Current liabilities, including tax payable	(27.54)
Non-current liabilities, including deferred tax liabilities	(18.33)
Net Assets	**101.04**
Group Share in %	33.50%
Group Share before Call option	**33.85**
Purchase consideration paid by the Company	67.18
Less: Fair value of Call option (Tranche 2)	(4.28)
Net Purchase consideration paid by the Company towards acquistion of equity stake in business	**62.90**
Goodwill	**29.05**

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NOTE - 48
RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:

Name of related parties
Joint Venture
Goodview Fashion Private Limited - with effect from March 19, 2021

Other related parties in which directors are interested
Aditya Birla Fashion and Retail Jan Kalyan Trust
Grasim Premium Fabric Private Limited (formerly known as Soktas India Private Limited) upto June 20, 2021
Aditya Birla Management Corporation Private Limited
Indiginus Learning Private Limited - with effect from June 05, 2020

Post-employment benefit plans
Aditya Birla Fashion and Retail Limited - Employees Group Superannuation Scheme Trust
Aditya Birla Fashion and Retail Limited - Employees Group Gratuity Fund Trust

Key Management Personnel ("KMP")
Mr. Kumar Mangalam Birla - Chairman and Non-Executive Director with effect from February 24, 2021
Mr. Himanshu Kapania - Vice Chairman and Non-Executive Director
Mr. Ashish Dikshit - Managing Director
Mr. Vishak Kumar - Whole-time Director with effect from February 24, 2021
Ms. Sangeeta Pendurkar - Whole-time Director with effect from February 24, 2021
Mr. Arun Thiagarajan - Independent Director upto May 10, 2020
Mr. Nish Bhutani - Independent Director with effect from June 05, 2020
Ms. Preeti Vyas- Independent Director with effect from March 31, 2021
Mr. Sunirmal Talukdar - Independent Director
Mr. Sanjeeb Chaudhuri - Independent Director upto June 05, 2020
Ms. Sukanya Kripalu - Independent Director
Mr. Yogesh Chaudhary - Independent Director with effect from March 17, 2021
Mr. Arun Kumar Adhikari - Independent Director with effect from May 19, 2021
Mr. Sushil Agarwal - Non-Executive Director upto March 31, 2021
Mr. Vikram Rao - Non-Executive Director with effect from March 17, 2021
Mr Jagdish Bajaj - Chief Financial Officer
Ms. Geetika Anand - Company Secretary

Relative of Key Management Personnel ("KMP")
Ms. Karuna Rao upto March 31, 2021

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

₹ in Crore

	Year ended March 31, 2022			Year ended March 31, 2021		
	Joint Venture	KMP and Relative of KMP	Other related parties	Joint Venture	KMP and Relative of KMP	Other related parties
Purchase of goods	-	-	2.84	-	-	7.92
Reimbursement of expenses paid to	-	-	19.24	-	-	25.36
Consultancy services	-	-	-	-	-	0.10
Share in Profit after tax (including other comprehensive income) of Joint Venture	1.66	-	-	0.25	-	-
Contribution to trusts	-	-	4.37	-	-	10.18
Deposits given	-	-	-	-	-	3.48
Repayment of deposit	-	-	-	-	-	5.54
Investment made in Joint Venture	-	-	-	12.45	-	-
Remuneration paid to KMP*	-	33.77	-	-	9.85	-
Remuneration paid to relative of KMP	-	-	-	-	0.01	-

* Includes director sitting fees

Balances outstanding

₹ in Crore

	As at March 31, 2022		As at March 31, 2021	
	KMP and Relative of KMP	Other related parties	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	-	4.82	-	19.26
Deposits receivable	-	5.64	-	5.64

The above amounts are classified as security deposit receivable and trade payables (Refer Notes - 8 and 28 respectively).

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(b) Summarised statement of profit and loss

₹ in Crore

Particulars	Year ended March 31, 2022	Period ended March 31, 2021
Revenue from operations	63.49	1.27
Other income	0.34	0.04
Total Income	**63.83**	**1.31**
Cost of materials consumed	7.77	0.17
Changes in inventories of stock-in-trade	(3.37)	(0.44)
Employee benefits expense	11.33	0.40
Finance costs	2.03	0.09
Depreciation and amortisation expense	6.10	0.30
Other expenses	33.00	1.81
Total expenses	**56.86**	**2.33**
Profit/ (Loss) before tax for the Year/ Period	**6.97**	**(1.02)**
Income tax expense/(credit)	1.75	(0.26)
Profit/ (Loss) for the Year/ Period	**5.22**	**(0.76)**
Other comprehensive income for the period	(0.26)	0.02
Total comprehensive income for the Year/ period	**4.96**	**(0.74)**
Group's share of profit/(loss) after tax for the year/ period	**1.66**	**(0.25)**

The contingent liabilities of joint venture as at March 31, 2022 is Nil (March 31, 2021 : Nil) and capital commitments as at March 31, 2022 is amounting to ₹ 0.01 Crore (March 31, 2021 : ₹ 0.02 Crore)

On or after the expiry of 3 years from the Closing Date and till the expiry of 5 years from the Closing Date, the Company has right but not an obligation, to acquire all or such number of Promoter securities from the Promoter of Goodview Fashion Private Limited so as to increase the shareholding to 51%. This is referred to as the Tranche 2 call option. Tranche 2 call option will be exercised by acquiring the said equity shares at a value based on specific formula.

Also, the agreement stipulates a simultaneous call and put option (the Company holds the call options and has written the put options), whereby, after the expiry of 10 years, in certain specified time periods, the Company can acquire, if it exercises the call option it holds, and will also be required to acquire, if Promoter exercises the put options the Company has written, all or such number of equity shares so as to increase its shareholding to 100%. These call and put options are to be exercised by acquiring/selling the said equity shares at fair value. Accordingly, the fair value of the option is Nil.

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Disclosure as per Regulation 34 (3) and 53 (f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Disclosure of transactions with the entity belonging to the promoter/ promoter group holding 10% or more shareholding in the Company

Transactions during the financial year

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Grasim Industries Limited		
Reimbursement of expenses recovered from	1.95	1.53
Purchase of goods	22.87	0.84

Balances outstanding

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Grasim Industries Limited		
Amounts owed to entity	16.59	-
Amounts owed by entity	0.71	0.03

No amounts in respect of the related parties have been written off/ back during the year.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the year ended March 31, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key Managerial Personnel (KMP) of the Company

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	22.58	6.18
Post-employment benefits	1.41	0.46
Share-based payment	9.78	3.21
Total	**33.77**	**9.85**

Year ended March 31, 2022 KMP remuneration is not comparable with previous year as current year remuneration for whole time directors is for twelve months which was 36 days during the previous

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key managerial personnel.

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KMPs interests in the Employee Stock Options and RSUs

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2022 Number outstanding	As at March 31, 2021 Number outstanding
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
Options - Tranche 1	September 08, 2017*	September 07, 2026	178.30	4,87,709	5,76,248
Options - Tranche 3	February 2, 2018*	February 1, 2027	163.60	45,020	1,35,058
Options - Tranche 4	April 18, 2018	April 17, 2027	150.80	67,529	67,529
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
Options - Tranche 1	December 02, 2019*	December 01, 2028	225.25	7,30,456	8,05,911
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	4,03,274	5,28,250
Total				**17,33,988**	**21,12,996**
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
RSUs - Tranche 1	September 08, 2017	September 07, 2025	10.00	91,048	97,118
RSUs - Tranche 3	February 2, 2018*	February 1, 2026	10.00	-	60,698
RSUs - Tranche 4	April 18, 2018	April 17, 2026	10.00	30,349	30,349
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
RSUs - Tranche 1	December 02, 2019*	December 01, 2027	10.00	2,99,498	2,99,498
Total				**4,20,895**	**4,87,663**
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
Options - Tranche 3	August 18, 2021	August 17, 2027	206.35	3,36,369	-
Options - Tranche 4	November 03, 2021	November 03, 2027	288.10	2,04,546	
Total				**5,40,915**	-
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
RSUs - Tranche 3	August 18, 2021	August 17, 2027	10.00	92,964	-
RSUs - Tranche 4	November 03, 2021	November 03, 2027	10.00	56,533	
Total				**1,49,497**	-

* The above includes Options/RSU's granted to Mr. Vishak Kumar and Ms. Sangeeta Pendurkar who have been appointed as Whole-time Directors with effect from February 24, 2021.

NOTE - 49
GROUP INFORMATION

The consolidated financial statements of the Group include subsidiaries and joint venture listed in the table below:

Name of the entity	Relationship with Company	Country of incorporation	Principal Activities	Proportion of ownership interest and voting power held by Parent As at March 31, 2022	As at March 31, 2021
Jaypore E-Commerce Private Limited	Subsidiary	India	Retailing	100.00%	100.00%
TG Apparel & Decor Private Limited	Subsidiary	India	Retailing	100.00%	100.00%
Jaypore Inc. (dissolved on September 21, 2020)	Subsidiary	USA	Retailing	NA	NA
Finesse International Design Private Limited	Subsidiary	India	Manufacturing and retailing	58.69%	51.00%
Sabyasachi Calcutta LLP	Subsidiary	India	Manufacturing and retailing	51.00%	51.00%
Sabyasachi Inc.	Subsidiary	USA	Retailing	51.00%	51.00%
Indivinity Clothing Retail Private Limited	Subsidiary	India	Manufacturing and retailing	80.00%	80.00%
Goodview Fashion Private Limited	Joint Venture	India	Manufacturing and retailing	33.50%	33.50%

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Notes to the consolidated financial statements for the year ended March 31, 2022

NOTE - 50
SEGMENT INFORMATION

Based on the "management approach", as defined under Ind AS 108 - Operating segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates the resources based on the analysis of various performance indicators by business segments. Accordingly, the business of the Group is divided into two business segments, which are as follows:

Segments	Activities
Madura Fashion & Lifestyle	Manufacturing, distribution and retailing of branded fashion apparel and accessories
Pantaloons	Retailing of apparel and accessories

Jaypore, TG Apparel, Jaypore Inc., Finesse, Forever 21, Sabyasachi, Sabyasachi Inc. and Indivinity businesses have been included in Madura Fashion & Lifestyle segment, considering all of these deal into branded apparel and is viewed as branded business.

Prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended March 31, 2022

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Eliminations	Total
Revenue					
External customers	5,510.15	2,626.07	8,136.22		8,136.22
Inter-segment	182.62	-	182.62	(182.62)	-
Total revenue	5,692.77	2,626.07	8,318.84	(182.62)	8,136.22

Year ended March 31, 2022 and As at March 31, 2022

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Corporate and eliminations	Total
Expenses/ (income)					
Depreciation and amortisation expense	562.90	434.13	997.03	-	997.03
Segment profit/ (loss)	270.35	(66.43)	203.92	(348.85)	(144.93)
Total assets	7,386.07	3,973.09	11,359.16	1,047.40	12,406.56
Total liabilities	5,400.67	2,624.29	8,024.96	1,593.08	9,618.04
Other disclosures					
Capital expenditure	202.11	173.22	375.33	-	375.33

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Year ended March 31, 2021

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Eliminations	Total
Revenue					
External customers	3,390.34	1,858.58	**5,248.92**	-	**5,248.92**
Inter-segment	82.83	-	**82.83**	(82.83)	-
Total revenue	**3,473.17**	**1,858.58**	**5,331.75**	**(82.83)**	**5,248.92**

Year ended March 31, 2021 and As at March 31, 2021

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Corporate and eliminations	Total
Expenses/ (Income)					
Depreciation and amortisation expense	542.58	420.17	**962.75**	-	**962.75**
Segment profit/ (loss)	**(214.13)**	**(144.50)**	**(358.63)**	**(478.91)**	**(837.54)**
Total assets	**5,852.25**	**3,324.03**	**9,176.28**	**1,084.64**	**10,260.92**
Total liabilities	**4,004.86**	**2,016.07**	**6,020.93**	**1,563.72**	**7,584.65**
Other disclosures					
Capital expenditure	740.85	50.77	**791.62**	-	**791.62**

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Eliminations' column. All Eliminations are part of detailed reconciliations presented further below.

Corporate and eliminations

Finance income and costs are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Current taxes, deferred taxes and certain financial assets and liablities are not allocated to these segments as they are also managed on a Group basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets including assets from acquisition of subsidiaries.

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Notes to the consolidated financial statements for the year ended March 31, 2022

Reconciliation of amounts reflected in the consolidated financial statements:

Reconciliation of profit

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Segment profit/(loss)	203.92	(358.63)
Other unallocable (expenditure)/ income (net)	14.00	(0.48)
Finance costs (Refer Note - 36)	(350.71)	(502.60)
Inter-segment (loss)/ profit on sales (elimination)	(14.48)	24.51
Share in loss of Joint Venture	2.34	(0.34)
Loss before tax	**(144.93)**	**(837.54)**

Reconciliation of assets

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Segment operating assets	11,359.16	9,176.28
Cash and cash equivalents	64.78	93.65
Deferred tax assets (net) (Refer Note - 10)	380.46	333.92
Non-current tax assets (net)	22.81	24.89
Investment in Joint Venture (Refer Note - 6a)	68.57	66.93
Non-current investments (Refer Note - 6b)	7.32	6.66
Current Investments (Refer Note - 13)	537.42	299.53
Other corporate assets	98.56	383.59
Inter-segment eliminations	(132.52)	(124.53)
Total	**12,406.56**	**10,260.92**

Reconciliation of liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Segment operating liabilities	8,024.96	6,020.93
Current borrowings (Refer Note - 27)	1.88	4.00
Non-current borrowings (Refer Note - 23)	777.97	814.37
Current maturities of long-term borrowings (Refer Note - 27)	452.48	318.01
Interest accrued but not due on borrowings (Refer Note - 24 and 29)	133.41	152.76
Deferred tax liabilities (net) (Refer Note - 10)	211.94	212.25
Other corporate liabilities	98.99	152.15
Inter-segment eliminations	(83.59)	(89.82)
Total	**9,618.04**	**7,584.65**

Other information required by IND AS 108

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from customers outside India	197.61	113.59
Revenue from customers within India	7,938.61	5,135.33
Total	**8,136.22**	**5,248.92**

(i) Non current assets excluding Financial Instrument, Deferred tax assets, Investment accounted using equity method amounting to ₹ 6,265.33 Crore (March 31, 2021: ₹ 5,755.46 Crore) are held within India and ₹ 21.90 Crore (March 31, 2021: ₹ 5.86 Crore) are held outside India.

(ii) No single customer or customer group has accounted for more than 10% of the external revenues during the current and previous year.

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Notes to the consolidated financial statements for the year ended March 31, 2022

NOTE - 51
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 are as follows:

As at March 31, 2022

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 13)	608.14	7.32	-	615.46	608.14	-	7.32
Loans (Refer Notes - 7 and 14)	-	-	8.70	8.70	-	-	-
Security deposits (Refer Notes - 8 and 15)	-	-	442.54	442.54	-	-	-
Trade receivables (Refer Note - 16)	-	-	756.43	756.43	-	-	-
Cash and cash equivalents (Refer Note - 17)	-	-	118.22	118.22	-	-	-
Bank balance other than Cash and cash equivalents (Refer Note - 18)	-	-	2.31	2.31	-	-	-
Other financial assets (Refer Notes - 9 and 19)	-	-	46.88	46.88	-	-	-
Total	**608.14**	**7.32**	**1,375.08**	**1,990.54**	**608.14**	**-**	**7.32**
Financial liabilities							
Non-current borrowings (Refer Note - 23)	-	-	777.97	777.97	-	-	-
Current borrowings (Refer Note - 27)	-	-	454.36	454.36	-	-	-
Lease liabilities (Refer Note - 4b)	-	-	2,868.09	2,868.09	-	-	-
Deposits	-	-	380.98	380.98	-	-	-
Trade payables (Refer Note - 28)	-	-	3,410.56	3,410.56	-	-	-
Other financial liabilities (Refer Notes - 24 and 29)	-	-	334.47	334.47	-	-	-
Derivative contracts (Refer Note - 29)	3.20	-	-	3.20	3.20	-	-
Non-controlling interest put option (Refer Note - 24)	421.15	-	-	421.15	-	-	421.15
Total	**424.35**	**-**	**8,226.43**	**8,650.78**	**3.20**	**-**	**421.15**

As at March 31, 2021

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 13)	344.31	6.66	-	350.97	344.31	-	6.66
Loans (Refer Notes - 7 and 14)	-	-	9.13	9.13	-	-	-
Security deposits (Refer Notes - 8 and 15)	-	-	409.85	409.85	-	-	-
Trade receivables (Refer Note - 16)	-	-	607.97	607.97	-	-	-
Cash and cash equivalents (Refer Note - 17)	-	-	246.13	246.13	-	-	-
Bank balance other than Cash and cash equivalents (Refer Note - 18)	-	-	15.62	15.62	-	-	-
Other financial assets (Refer Notes - 9 and 19)	-	-	16.12	16.12	-	-	-
Total	**344.31**	**6.66**	**1,304.82**	**1,655.79**	**344.31**	**-**	**6.66**
Financial liabilities							
Non-current borrowings (Refer Note - 23)	-	-	814.37	814.37	-	-	-
Current borrowings (Refer Note - 27)	-	-	322.01	322.01	-	-	-
Lease liabilities (Refer note - 4b)	-	-	2,463.40	2,463.40	-	-	-
Deposits	-	-	298.01	298.01	-	-	-
Trade payables (Refer Note - 28)	-	-	2,152.42	2,152.42	-	-	-
Other financial liabilities (Refer Notes - 24 and 29)	-	-	269.31	269.31	-	-	-
Derivative contracts (Refer Note - 29)	3.29	-	-	3.29	3.29	-	-
Non-controlling interest put option (Refer Note - 24)	374.21	-	-	374.21	-	-	374.21
Total	**377.50**	**-**	**6,319.52**	**6,697.02**	**3.29**	**-**	**374.21**

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The carrying value of investment made in joint venture as at March 31, 2022 is ₹ 68.57 Crore (March 31, 2021: ₹ 66.93 Crore) and are measured at cost.

Key inputs for level 1 and 3 fair valuation techniques

a) Derivative contracts:

i) Forward contracts: Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Company (level 1)

b) Non-controlling interest put option :

i) Option contracts: Fair value of option contracts is determined basis valuation performed by independent valuer appointed by the Company (level 3)

c) Investment:

i) Unquoted equity instruments: Valuation has been done by considering the net worth of the company and price to book multiple to arrive at the fair value (level 3)

ii) Quoted investments: Valuation has been done based on market value of the investment i.e. fair value (level 1)

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

Financial instruments measured at fair value

₹ In Crore

Particulars	Fair Value as at March 31, 2022	Significant unobservable inputs	Fair Value as at March 31,2022		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Non-controlling interest put option	421.15	Risk adjusted discount rate	405.60	435.00	Increase in discount rate by 0.50% would decrease the fair value by ₹ 15.55 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 13.85 Crore.
		EBITDA margin projection	429.90	410.00	Increase in EBITDA margin by 0.50% would increase the fair value by ₹ 8.75 Crore and decrease in EBITDA margin by 0.50% would decrease the fair value by ₹ 11.15 Crore.
		Revenue projection	422.90	417.30	Increase in revenue by 0.50% would increase the fair value by ₹ 1.75 Crore and decrease in revenue by 0.50% would decrease the fair value by ₹ 3.85 Crore.

B. Risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

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i) Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2022, approximately 97% of the Group's borrowings are at a fixed rate of interest (March 31, 2021: 97%).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Group's profit/ (loss) before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2022		As at March 31, 2021	
Basis points (%)	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax ₹ in Crore	(0.18)	0.18	(0.16)	0.16

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

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities denominated in foreign currency.

The Group manages foreign currency risk by hedging its transactions using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months. As at March 31, 2022, the Group has hedged Nil (March 31, 2021: Nil) of its receivables in foreign currency and 91% (March 31, 2021: 88%) of its payables in foreign currency.

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

As at March 31, 2022	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	USD	4.61	349.93

As at March 31, 2021	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	USD	2.86	214.71

The details of unhedged foreign currency exposure as at the Consolidated Balance Sheet date are as follows:

As at March 31, 2022	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	USD	0.27	20.70
	EURO	0.07	5.76
	GBP	0.07	7.16
	HKD	0.03	0.28
Trade receivables	USD	0.29	22.00
	EURO	0.04	3.63
	HKD	0.16	1.57
	GBP	0.07	7.22
Bank balances	USD	0.00*	0.09
	CNY	0.02	0.20
	BDT	0.07	0.06

* The amount has been rounded off in Crore.

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As at March 31, 2021	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	USD	0.20	14.62
	EURO	0.02	1.89
	GBP	0.06	5.65
	HKD	0.62	5.79
Trade receivables	USD	0.16	12.03
	EURO	0.05	4.01
	HKD	0.04	0.38
	GBP	0.09	9.29
Bank balances	USD	0.00*	0.09
	CNY	0.01	0.07
	BDT	0.11	0.09

* The amount has been rounded off in Crore.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Group's loss before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Basis points (%)	As at March 31, 2022		As at March 31, 2021	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax ₹ in Crore	(0.10)	0.10	(0.08)	0.08

b) Credit risk

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

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

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

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

Trade receivables

Customer credit risk is managed by each business unit, subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2022, the Group has 16 customers (March 31, 2021: 20 customers) that owed the Group more than ₹ 5 Crore each and accounts for approximately 80% (March 31, 2021: 86%) of all the receivables outstanding. There are 177 customers (March 31, 2021: 87 customers) with balances greater than ₹ 0.50 Crore each and accounts for approximately 18% (March 31, 2021: 13%) of the total amounts receivable.

An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on losses from historical data.

The Group's maximum exposure to credit risk for the components of the Consolidated Balance Sheet as at March 31, 2022 and March 31, 2021, is the carrying amount as provided in Note - 16.

c) Liquidity risk

The Group monitors its risk of shortage of funds. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. Approximately, 37% of the Group's debt will mature in less than one year as at March 31, 2022 (March 31, 2021: 28%) based on the carrying value of borrowings reflected in the Consolidated financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to various sources of funding.

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

As at March 31, 2022

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	631.62	817.63	-	1,449.25
Cumulative redeemable preference shares	-	0.51	-	0.51
Lease liabilities	946.89	2,093.93	323.38	3,364.20
Other financial liabilities	336.90	0.77	421.15	758.82
Deposits	152.62	228.36	-	380.98
Trade payables	3,410.56	-	-	3,410.56
Total	5,478.59	3,141.20	744.53	9,364.32

As at March 31, 2021

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	476.84	979.95	-	1,456.79
Cumulative redeemable preference shares	-	0.51	-	0.51
Lease liabilities	870.05	1,846.17	138.02	2,854.24
Other financial liabilities	219.70	52.90	374.21	646.81
Deposits	130.73	167.28	-	298.01
Trade payables	2,152.42	-	-	2,152.42
Total	3,849.74	3,046.81	512.23	7,408.78

*Includes interest

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations, to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group is leader in apparels in the country and has a diversified portfolio of brands.

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NOTE - 52
CAPITAL MANAGEMENT

The Group's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Group is to borrow funds through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Group (debts excludes lease liabilities):

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Short-term debts (including current maturities of long-term borrowings)	454.36	322.01
Long-term debts	777.97	814.37
Total borrowings	1,232.33	1,136.38
Total - Equity (Including Non-controlling interest)	2,788.52	2,676.27

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

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

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Aditya Birla Fashion and Retail Limited
Notes to the consolidated financial statements for the year ended March 31, 2022

NOTE - 53
ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

Year ended March 31, 2022 and As at March 31, 2022

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Parent								
Aditya Birla Fashion and Retail Limited	103.36%	2,882.14	68.18%	(80.70)	130.96%	2.69	67.07%	(78.01)
Subsidiaries								
Jaypore E-Commerce Private Limited	2.62%	73.16	21.73%	(25.72)	6.33%	0.13	22.01%	(25.60)
TG Apparel & Decor Private Limited	-0.02%	(0.46)	0.18%	(0.21)	-	-	0.18%	(0.21)
Finesse International Design Private Limited	0.65%	18.09	6.37%	(7.54)	-6.82%	(0.14)	6.60%	(7.68)
Sabyasachi Calcutta LLP	28.55%	796.15	-23.42%	27.72	-27.30%	(0.56)	-23.36%	27.16
Indivinity Clothing Retail Private Limited	1.38%	38.62	25.84%	(30.59)	1.21%	0.02	26.28%	(30.57)
Adjustments arising out of consolidation	-36.54%	(1,019.18)	1.12%	(1.32)	-4.38%	(0.09)	1.20%	(1.40)
Total	**100.01%**	**2,788.52**	**100.00%**	**(118.36)**	**100.00%**	**2.05**	**100.00%**	**(116.31)**
Non-controlling interest in subsidiary		**15.20**		**(9.64)**		**0.06**		**(9.58)**
Finesse International Design Private Limited		7.48		(3.52)		0.06		(3.46)
Indivinity Clothing Retail Private Limited		7.72		(6.12)		-		(6.12)
Total		**2,773.32**		**(108.72)**		**1.99**		**(106.73)**

Year ended March 31, 2021 and As at March 31, 2021

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Parent								
Aditya Birla Fashion and Retail Limited	100.31%	2,684.58	88.27%	(649.64)	88.51%	1.60	88.27%	(648.04)
Subsidiaries								
Jaypore E-Commerce Private Limited	-0.98%	(26.14)	2.25%	(16.58)	-4.43%	(0.08)	2.27%	(16.66)
TG Apparel & Decor Private Limited	-0.01%	(0.25)	-0.27%	2.00	-	-	-0.27%	2.00
Finesse International Design Private Limited	0.22%	5.84	1.40%	(10.29)	13.83%	0.25	1.37%	(10.04)
Sabyasachi Calcutta LLP	28.73%	769.00	7.48%	(55.02)	2.08%	0.04	7.49%	(54.98)
Indivinity Clothing Retail Private Limited	2.59%	69.19	0.01%	(0.04)	-	-	0.01%	(0.04)
Adjustments arising out of consolidation	-30.86%	(825.95)	0.87%	(6.43)	-	-	0.88%	(6.43)
Total	**100.00%**	**2,676.27**	**100.00%**	**(736.00)**	**100.00%**	**1.81**	**100.00%**	**(734.19)**
Non-controlling interest in subsidiary		**32.48**		**(63.49)**		**0.14**		**(63.35)**
Finesse International Design Private Limited		13.58		(6.47)		0.12		(6.35)
Sabyasachi Calcutta LLP		5.06		(57.01)		0.02		(56.99)
Indivinity Clothing Retail Private Limited		13.84		(0.01)		-		(0.01)
Total		**2,643.79**		**(672.51)**		**1.67**		**(670.84)**

NOTE - 54
ACQUISTION OF REEBOK INDIA BUSINESS

On December 14, 2021 the Board approved acquiring exclusive online and offline rights to the global brand 'Reebok' for the Indian market and other ASEAN countries and purchase of certain assets of 'Reebok India Company' including inventory, currents assets/liabilities by way of entering into a Licensing Agreement and a Purchase Agreement, respectively. As part of the transfer of global ownership of 'Reebok', various agreements have been signed between the Authentic Brand Group, US and Adidas. The transaction will be effective upon signing of definitive agreement(s) and necessary statutory approvals, if any.

NOTE - 55
SETTING UP OF D2C SUBSIDIARY

On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C") business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means.

NOTE - 56
ACQUISITION OF MAJORITY STAKE IN 'HOUSE OF MASABA LIFESTYLE PRIVATE LIMITED' ("HMLPL")

On January 14, 2022, the Board of Directors approved the acquisition of majority stake in HMLPL by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. HMLPL houses apparel, non-apparel, beauty & personal care and accessories business under the brand 'Masaba'. The Board of Directors at its meeting held on May 18, 2022 have noted, completion of the said conditions and authorised officers of the Company to take necessary actions to close the acquisition by signing definitive agreements, post which the Company will hold 52.4% stake in HMLPL making it a subsidiary of the Company.

NOTE - 57
ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) DETAILS OF BENAMI PROPERTY HELD
No proceedings have been initiated on or are pending against the Group under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES
The Parent, Subsidiaries and a Joint Venture in India have complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES
The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) WILFUL DEFAULTER

The Parent, Subsidiaries and a Joint Venture in India have not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

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

(vi) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS), INTANGIBLE ASSETS AND INVESTMENT PROPERTY

The Group has not revalued its Property, Plant and Equipment (including Right-of-use assets),Intangible assets and Investment Property during the current or previous year.

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ADITYA BIRLA FASHION AND RETAIL LIMITED

NOTE - 58
PREVIOUS YEAR FIGURES

Consolidated Financial Statements for the year ended March 31, 2022 have been prepared in accordance with amended Division II of Schedule III to the Companies Act, 2013. Balances of certain assets and liabilities as at the previous year ended March 31, 2021 have been regrouped or reclassified, where necessary, to comply with the amended Division II of Schedule III. Such reclassifications did not have a material impact on the financial statements. During the year ended March 31, 2021, the Company acquired/invested in Sabyasachi Calcutta LLP, Sabyasachi Inc. and Indivinity Clothing Retail Private Limited which forms part of "Madura Fashion & Lifestyle" segment of the Group with effect from February 24, 2021 and March 26, 2021, respectively. Accordingly, the figures for the year ended March 31, 2022 are strictly not comparable to the previous year.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No. : 203637

Place: Mumbai
Date : May 18 2022

For and on behalf of the Board of Directors of
Aditya Birla Fashion and Retail Limited

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 18 2022

S. Pendurkar

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)
Place: Mumbai
Date : May 18 2022

J. Bajaj

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED

Price Waterhouse & Co Chartered Accountants LLP

Review Report

To
The Board of Directors
Aditya Birla Fashion and Retail Limited
Piramal Agastya Corporate Park, Building 'A'
4th and 5th Floor, Unit No. 401, 403, 501, 502
L.B.S Road, Kurla, Mumbai - 400070

1. We have reviewed the unaudited consolidated financial results of Aditya Birla Fashion and Retail Limited (the "Holding Company"), which includes the financial information of ABFRL Employee Welfare Trust, its subsidiaries (the Holding Company, trust and its subsidiaries together referred to as the "Group"), and its share of the net loss after tax and total comprehensive income of its associate company (refer paragraph 5 below) for the quarter ended September 30, 2024 and the year to date results for the period April 1, 2024 to September 30, 2024 which are included in the accompanying 'Statement of Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 2024', the 'Consolidated Statement of Assets and Liabilities as at September 30, 2024' and the 'Consolidated Statement of Cash Flows for six months ended September 30, 2024' together with notes thereon (together referred to as the "Consolidated Financial Results"). The Consolidated Financial Results is being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.

2. This Consolidated Financial Results, which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Financial Results based on our review.

3. We conducted our review of the Consolidated Financial Results in accordance with the Standard on Review Engagements ('SRE') 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Consolidated Financial Results is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Price Waterhouse & Co Chartered Accountants LLP
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Bengaluru

5. The Consolidated Financial Results includes the results of the following entities:

Holding Company
Aditya Birla Fashion and Retail Limited

Trust controlled by the Holding Company
ABFRL Employee Welfare Trust

Subsidiaries (including step-down subsidiaries)
Aditya Birla Lifestyle Brands Limited
Sabyasachi Calcutta LLP
Sabyasachi Inc., USA
Jaypore E-Commerce Private Limited
Jaypore Fashions Inc., USA
TG Apparel & Decor Private Limited
Indivinity Clothing Retail Private Limited
Finesse International Design Private Limited
Goodview Fashion Private Limited
Aditya Birla Digital Fashion Ventures Limited
Aditya Birla Garments Limited
House of Masaba Lifestyle Private Limited
Pratyaya E-Commerce Private Limited
Imperial Online Services Private Limited
Awesomefab Shopping Private Limited
Bewakoof Brands Private Limited
Next Tree Products Private Limited
Styleverse Lifestyle Private Limited

Associate
Wrogn Private Limited (formerly Universal Sportsbiz Private Limited)

6. Based on our review conducted and procedures performed as stated in paragraphs 3 and 4 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Consolidated Financial Results has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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7. The interim financial information of 8 subsidiaries (including step down subsidiaries) reflect total assets of Rs.1,623.49 crores and net assets of Rs.944.25 crores as at September 30, 2024 and total revenues of Rs.171.06 crores and Rs.325.58 crores, total net loss after tax of Rs. (25.98 crores) and Rs. (43.15 crores) and total comprehensive income of Rs. (26.43 crores) and Rs. (43.58 crores), for the quarter ended and for the period from April 1, 2024 to September 30, 2024, respectively, and cash outflows (net) of Rs.32.02 crores for the period from April 1, 2024 to September 30, 2024, as considered in the Consolidated Financial Results. These interim financial information have been reviewed by other auditors in accordance with SRE 2410 and their reports, vide which they have issued an unmodified conclusion, have been furnished to us by the Management or other auditors and our conclusion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the reports of the other auditors and the procedures performed by us as stated in paragraphs 3 and 4 above.

8. The Consolidated Financial Results also include the Group's share of net loss after tax of Rs. (3.23 crores) and Rs. (3.23 crores) and total comprehensive income of Rs. (3.23 crores) and Rs. (3.23 crores) for the quarter ended September 30, 2024 and for the period from April 1, 2024 to September 30, 2024, respectively, as considered in the Consolidated Financial Results, in respect of 1 associate based on their interim financial information, which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our conclusion on the Consolidated Financial Results is not modified in respect of the above matters described in paragraphs 7 and 8 above.

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

A.J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENO16255

Place: Mumbai
Date: November 7, 2024

ADITYA BIRLA
FASHION & RETAIL

Aditya Birla Fashion and Retail Limited

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2024

₹ in Crore

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2024 (Unaudited)	June 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	March 31, 2024 (Audited)
I	Revenue from operations	3,643.86	3,427.82	3,226.44	7,071.68	6,422.50	13,995.86
II	Other income	51.55	47.82	45.74	99.37	106.03	237.58
III	**Total income (I + II)**	**3,695.41**	**3,475.64**	**3,272.18**	**7,171.05**	**6,528.53**	**14,233.44**
IV	**Expenses**						
	(a) Cost of materials consumed	378.50	310.53	337.27	689.03	707.48	1,459.65
	(b) Purchases of stock-in-trade	1,408.78	885.29	1,508.96	2,294.07	2,506.21	4,627.23
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(201.12)	293.49	(342.52)	92.37	(263.96)	180.35
	(d) Employee benefits expense	518.90	468.83	423.10	987.73	860.65	1,826.25
	(e) Finance costs	250.03	219.51	208.36	469.54	395.67	876.61
	(f) Depreciation and amortisation expense	461.00	435.94	388.80	896.94	755.78	1,655.23
	(g) Rent expense	212.48	231.68	209.86	444.16	436.64	970.48
	(h) Other expenses	964.99	879.62	766.44	1,844.61	1,559.82	3,479.29
	Total expenses	**3,993.56**	**3,724.89**	**3,500.27**	**7,718.45**	**6,958.29**	**15,075.09**
V	Profit/ (loss) before Share in Profit/(loss) of Joint Venture, Exceptional items and Tax (III - IV)	(298.15)	(249.25)	(228.09)	(547.40)	(429.76)	(841.65)
VI	Exceptional items (Refer note - 10)	23.11	-	-	23.11	-	-
VII	Add : Share in Profit/ (loss) of Joint Venture and Associate	(3.23)	(0.31)	(0.46)	(3.54)	(0.09)	12.75
VIII	**Profit/ (loss) before tax (V+VI+VII)**	**(278.27)**	**(249.56)**	**(228.55)**	**(527.83)**	**(429.85)**	**(828.90)**
IX	**Income tax expense**						
	(a) Current tax	0.71	2.02	(0.09)	2.73	0.02	35.11
	(b) Current tax relating to earlier years	-	-	0.01	-	0.01	0.09
	(c) Deferred tax charge/ (credit)	(64.28)	(36.66)	(28.13)	(100.94)	(67.92)	(128.19)
X	**Net profit/ (loss) after tax (VIII - IX)**	**(214.70)**	**(214.92)**	**(200.34)**	**(429.62)**	**(361.96)**	**(735.91)**
XI	**Other comprehensive income**						
	Items that will not be reclassified to profit or loss						
	(a) Re-measurement gains/ (losses) on defined benefit plans	(2.34)	1.13	1.17	(1.21)	(2.63)	(6.78)
	Income tax effect on above	0.66	(0.27)	(0.24)	0.39	0.81	1.76
	(b) Fair value gains/ (losses) on equity instruments	3.34	-	3.62	3.34	3.62	3.62
	Income tax effect on above	(0.84)	-	(0.91)	(0.84)	(0.91)	(0.91)
	Items that will be reclassified to profit or loss						
	(a) Exchange differences on translation of foreign operations	0.10	0.03	0.24	0.13	0.20	0.29
	Income tax effect on above	-	-	-	-	-	-
	(b) Effective Portion of Cashflow Hedge	(0.36)	(0.08)	(0.02)	(0.44)	0.24	(0.12)
	Income tax effect on above	0.04	-	0.01	0.04	(0.08)	0.04
	Total other comprehensive income	**0.60**	**0.81**	**3.87**	**1.41**	**1.25**	**(2.10)**
XII	**Total comprehensive income (X + XI)**	**(214.10)**	**(214.11)**	**(196.47)**	**(428.21)**	**(360.71)**	**(738.01)**
XIII	**Profit/ (loss) attributable to**						
	- Owners of the Company	(185.90)	(161.45)	(179.15)	(347.35)	(320.58)	(628.02)
	- Non-controlling interest	(28.80)	(53.47)	(21.19)	(82.27)	(41.38)	(107.89)
		(214.70)	**(214.92)**	**(200.34)**	**(429.62)**	**(361.96)**	**(735.91)**
XIV	**Other comprehensive income attributable to**						
	- Owners of the Company	0.75	0.49	3.63	1.24	1.17	(1.59)
	- Non-controlling interest	(0.15)	0.32	0.24	0.17	0.08	(0.51)
		0.60	**0.81**	**3.87**	**1.41**	**1.25**	**(2.10)**
XV	**Total comprehensive income attributable to**						
	- Owners of the Company	(185.15)	(160.96)	(175.52)	(346.11)	(319.41)	(629.61)
	- Non-controlling interest	(28.95)	(53.15)	(20.95)	(82.10)	(41.30)	(108.40)
		(214.10)	**(214.11)**	**(196.47)**	**(428.21)**	**(360.71)**	**(738.01)**
XVI	**Paid-up equity share capital** (Face value of ₹ 10/- each)	1,071.16	1,015.02	949.17	1,071.16	949.17	1,015.01
XVII	Other equity (excluding share suspense)						3,018.75
XVIII	Earnings per equity share (of ₹ 10/- each) (not annualised for quarters) (including share suspense)						
	(a) Basic (₹)	(1.81)	(1.60)	(1.86)	(3.41)	(3.34)	(6.52)
	(b) Diluted (₹)	(1.81)	(1.60)	(1.86)	(3.41)	(3.34)	(6.51)

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Bengaluru

ADITYA BIRLA FASHION AND RETAIL LIMITED
MUMBAI

1 **UNAUDITED CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2024**

₹ in Crore

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2024 (Unaudited)	June 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	March 31, 2024 (Audited)
I	**Segment revenue**						
	Madura Fashion & Lifestyle	1,975.11	1,799.25	1,903.74	3,774.36	3,800.03	7,793.72
	Pantaloons	1,082.16	1,101.38	1,048.60	2,183.54	2,099.52	4,328.27
	Ethnic and Others	755.42	607.32	350.24	1,362.74	657.84	2,190.04
	Total segment revenue	**3,812.69**	**3,507.95**	**3,302.58**	**7,320.64**	**6,557.39**	**14,312.03**
	Less: Inter-segment revenue	168.83	80.13	76.14	248.96	134.89	316.17
	Revenue from operations	**3,643.86**	**3,427.82**	**3,226.44**	**7,071.68**	**6,422.50**	**13,995.86**
II	**Segment results (Profit/ (loss) before finance costs and tax)**						
	Madura Fashion & Lifestyle	33.34	43.96	73.50	77.30	105.71	591.73
	Pantaloons	(42.11)	(5.00)	(106.63)	(47.11)	(167.17)	(83.33)
	Ethnic and Others	(140.16)	(185.73)	(88.36)	(325.89)	(188.79)	(426.09)
	Total segment results	**(148.93)**	**(146.77)**	**(121.49)**	**(295.70)**	**(250.25)**	**82.31**
	(Less)/Add: Inter-segment results	(42.09)	4.59	(32.13)	(37.50)	(49.08)	(33.04)
	Net segment results before finance costs, tax and share in Profit/ (loss) of Joint Venture and Associate	**(191.02)**	**(142.18)**	**(153.62)**	**(333.20)**	**(299.33)**	**49.27**
	Less: i) Finance costs	111.11	102.00	83.81	213.11	153.60	876.61
	ii) Other unallocable expenditure/ (income) - net	(3.98)	5.07	(9.34)	1.09	(23.17)	14.31
	iii) Exceptional items	(23.11)	-	-	(23.11)	-	-
	Add: i) Share in Profit/ (loss) of Joint Venture and Associate	(3.23)	(0.31)	(0.46)	(3.54)	(0.09)	12.75
	Profit/ (loss) before tax	**(278.27)**	**(249.56)**	**(228.55)**	**(527.83)**	**(429.85)**	**(828.90)**
III	**Segment assets**	As at September 30, 2024 (Unaudited)	As at June 30, 2024 (Unaudited)	As at September 30, 2023 (Unaudited)	As at September 30, 2024 (Unaudited)	As at September 30, 2023 (Unaudited)	As at March 31, 2024 (Audited)
	Madura Fashion & Lifestyle	7,869.78	7,820.05	8,453.79	7,869.78	8,453.79	8,211.08
	Pantaloons	5,361.43	5,116.30	5,647.43	5,361.43	5,647.43	5,358.57
	Ethnic and Others	8,550.52	7,948.81	7,535.74	8,550.52	7,535.74	7,755.33
	Total segment assets	**21,781.73**	**20,885.16**	**21,636.96**	**21,781.73**	**21,636.96**	**21,324.98**
	Inter-Segment eliminations	(202.11)	(95.46)	(266.36)	(202.11)	(266.36)	(56.37)
	Investment in Joint Venture	-	82.76	73.52	-	73.52	83.09
	Unallocated corporate assets	1,097.07	1,110.62	857.43	1,097.07	857.43	1,059.36
	Total assets	**22,676.69**	**21,983.08**	**22,301.55**	**22,676.69**	**22,301.55**	**22,411.06**
IV	**Segment liabilities**	As at September 30, 2024 (Unaudited)	As at June 30, 2024 (Unaudited)	As at September 30, 2023 (Unaudited)	As at September 30, 2024 (Unaudited)	As at September 30, 2023 (Unaudited)	As at March 31, 2024 (Audited)
	Madura Fashion & Lifestyle	6,745.66	6,752.75	7,708.55	6,745.66	7,708.55	7,130.74
	Pantaloons	3,887.46	3,629.50	4,047.00	3,887.46	4,047.00	3,683.08
	Ethnic and Others	5,591.13	4,845.17	4,419.27	5,591.13	4,419.27	4,546.61
	Total segment liabilities	**16,224.25**	**15,227.42**	**16,174.82**	**16,224.25**	**16,174.82**	**15,360.43**
	Inter-segment eliminations	(475.79)	(308.20)	(431.88)	(475.79)	(431.88)	(313.57)
	Unallocated corporate liabilities (including borrowings)	2,826.51	2,559.01	2,886.32	2,826.51	2,886.32	2,643.19
	Total liabilities	**18,574.97**	**17,478.23**	**18,629.26**	**18,574.97**	**18,629.26**	**17,690.05**

Note :

During the year ended March 31,2024 , Management has reorganized and restructured its internal monitoring and operations review process, which resulted in a change in the operating and reportable segments. Pursuant to this, the business of the Group is divided into three business segments - Madura Fashion & Lifestyle, Pantaloons and Ethnic & Others. These segments are the basis for management decision and hence the basis for reporting. Management has restated the comparative previous period/ year amounts to reflect the new reportable segments.

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

ADITYA BIRLA FASHION AND RETAIL LIMITED
MUMBAI

2 **Consolidated Statement of Assets and Liabilities as at September 30, 2024**

₹ in Crore

	Particulars	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
A	**ASSETS**		
I	**Non-current assets**		
	(a) Property, plant and equipment	1,347.39	1,337.46
	(b) Capital work-in-progress	201.88	171.07
	(c) Right-of-use assets	4,472.80	4,306.76
	(d) Investment property	3.60	3.62
	(e) Goodwill	3,343.57	3,200.99
	(f) Other intangible assets	3,233.36	3,017.72
	(g) Intangible assets under development	0.22	-
	(h) Financial assets		
	(i) Investment in Joint Venture	-	83.09
	(ii) Other Investments	94.24	21.03
	(iii) Loans	0.30	0.45
	(iv) Security deposits	502.53	499.73
	(v) Other financial assets	316.14	323.10
	(i) Deferred tax assets	380.24	657.20
	(j) Non-current tax assets (net)	34.99	25.94
	(k) Other non-current assets	105.43	70.69
	Total - Non-current assets	**14,036.69**	**13,718.85**
II	**Current assets**		
	(a) Inventories	4,490.44	4,505.34
	(b) Financial assets		
	(i) Current Investments	512.66	880.71
	(ii) Loans	9.06	10.55
	(iii) Security deposits	170.20	137.95
	(iv) Trade receivables	1,706.41	1,278.81
	(v) Cash and cash equivalents	249.28	454.03
	(vi) Bank balance other than cash and cash equivalents	7.38	8.36
	(vii) Other financial assets	142.41	105.03
	(c) Other current assets	1,352.16	1,311.43
	Total - Current assets	**8,640.00**	**8,692.21**
	TOTAL - ASSETS	**22,676.69**	**22,411.06**
B	**EQUITY AND LIABILITIES**		
I	**Equity**		
	(a) Equity share capital	1,071.16	1,015.01
	(b) Other equity	3,030.83	3,018.77
	Equity attributable to owners of the Company	**4,101.99**	**4,033.78**
	(c) Non-controlling interest	(0.27)	687.23
	Total - Equity	**4,101.72**	**4,721.01**
II	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	3,226.11	2,511.56
	(ii) Lease liabilities	4,186.25	4,087.66
	(iii) Deposits	303.55	280.16
	(iv) Other financial liabilities	1,805.22	1,446.77
	(b) Deferred tax liabilities	361.50	660.93
	(c) Provisions	78.16	73.95
	(d) Other non-current liabilities	28.66	27.56
	Total - Non-current liabilities	**9,989.45**	**9,088.59**
III	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	1,302.12	1,693.62
	(ii) Lease liabilities	1,284.70	1,158.56
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	295.63	323.90
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,056.60	3,811.76
	(iv) Deposits	301.03	276.98
	(v) Other financial liabilities	272.96	374.38
	(b) Current tax (net)	2.22	3.21
	(c) Provisions	210.45	199.26
	(d) Other current liabilities	859.81	759.79
	Total - Current liabilities	**8,585.52**	**8,601.46**
	TOTAL - EQUITY AND LIABILITIES	**22,676.69**	**22,411.06**

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

ADITYA BIRLA FASHION AND RETAIL LIMITED MUMBAI

3 **Consolidated Statement of Cash Flows for six months ended September 30, 2024**

₹ in Crore

	Particulars	Six months ended September 30, 2024 (Unaudited)	Six months ended September 30, 2023 (Unaudited)
I	**Cash flows from operating activities**		
	Profit/ (Loss) before tax	**(527.83)**	**(429.85)**
	Adjustments for:		
	Depreciation and amortisation expense	979.76	755.78
	Finance costs	469.54	395.67
	Gain on retirement of right-of-use assets	(17.51)	(17.12)
	(Profit)/ Loss on sale/ discard of property, plant and equipment	(3.12)	2.55
	Share-based payment to employees	10.60	15.19
	Interest income	(8.34)	(18.31)
	Liabilities no longer required written back	(2.41)	(1.17)
	Net gain on sale of current investments	(22.41)	(20.79)
	Net unrealised exchange (gain)/ loss	12.77	8.10
	Expense/ (income) on financial assets/ liabilities that are designated as fair value through profit or loss	(40.72)	(19.42)
	Remeasurement of interest held in an erstwhile Joint Venture	(121.44)	-
	Provision for doubtful debts, deposits and advances	4.86	0.30
	Bad debts written off	0.42	-
	Share of (profit)/ loss of Joint Venture and Associate	3.54	0.09
	Operating profit before working capital changes	**737.71**	**671.02**
	Changes in working capital:		
	(Increase)/ decrease in trade receivables	(427.23)	(589.61)
	(Increase)/ decrease in inventories	33.99	(304.25)
	(Increase)/ decrease in other assets	(58.95)	(294.66)
	Increase/ (decrease) in trade payables	201.01	416.88
	Increase/ (decrease) in provisions	5.58	9.67
	Increase/ (decrease) in other liabilities	50.91	64.98
	Cash generated from/ (used) in operations	**543.02**	**(25.97)**
	Income taxes paid (net of refund)	(11.31)	(12.07)
	Net cash flow from/ (used) in operating activities	**531.71**	**(38.04)**
II	**Cash flows from investing activities**		
	Purchase of property, plant and equipment and intangible assets	(276.35)	(403.17)
	Consideration paid for acquisition of subsidiaries (net of cash acquired)	(127.42)	(1,608.52)
	Investment in Associate	(73.09)	-
	Purchase of current investments	(8,567.12)	(8,824.75)
	Proceeds from sale of property, plant and equipment and intangible assets	16.32	3.45
	Proceeds from sale/ maturity of current investments	8,968.87	8,798.15
	Interest received	8.28	18.30
	Net cash flow from/ (used) in investing activities	**(50.51)**	**(2,016.54)**
III	**Cash flows from financing activities**		
	Proceeds from issue of equity shares	7.65	6.04
	Proceeds from non-current borrowings (net off charges)	733.21	1,312.45
	Treasury shares issued/ (purchased) by ESOP Trust	4.93	2.73
	Proceeds/ (Repayment) from current borrowings (net)	14.70	1,448.99
	Repayment of non-current borrowings	(426.25)	(338.64)
	Repayment of lease liabilities	(560.26)	(455.61)
	Interest paid	(459.93)	(383.28)
	Net cash flow from/ (used) in financing activities	**(685.95)**	**1,592.68**
	Net (decrease)/ increase in cash and cash equivalents	**(204.75)**	**(461.90)**
	Cash and cash equivalents at the beginning of the year	454.03	692.69
	Cash and cash equivalents at the end of the period	**249.28**	**230.79**

Notes:

4 The above consolidated financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) - 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

5 The above consolidated financial results, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors at its meeting held on November 07, 2024.

6 The limited review as required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) has been completed by the Auditors and the related report is being submitted to the concerned Stock Exchanges.

7 ESOP Share Allotment: Pursuant to various Employees Stock Option Schemes, following Equity Shares of Rs. 10/- each were allotted /transferred to the option grantees :

Particulars	Quarter ended September 30, 2024	Six months ended September 30, 2024
Allotment (Non-Trust Route)	4,00,112	4,10,186
Allotment (by way of transfer from ESOP Trust)	1,07,655	2,21,849

8 Amalgamation of TCNS Clothing Co. Ltd. with the Company: The Board of Directors at its meeting held on May 5 2023, approved a draft Scheme of Amalgamation by way of merger by absorption ("Scheme") between TCNS Clothing Co. Limited (Transferor Company) and Aditya Birla Fashion and Retail Limited (Transferee Company) and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013.

The Scheme was sanctioned by the Hon'ble NCLT on August 2, 2024 and the certified copy of the order was received on August 16, 2024. The Transferor and Transferee Company have filed the certified copies of the order and the Scheme with the Registrar of Companies, Mumbai, on September 1, 2024 and accordingly, the Scheme has become effective from the September 1, 2024 ("Effective Date") and consequently TCNS stands amalgamated into and with ABFRL and dissolved without being wound up. In accordance with the Scheme, the Appointed Date is the same as the Effective Date i.e. September 1, 2024.

On September 5, 2024, the Company has allotted 5,57,43,053 fully paid-up equity shares of face value ₹10/- each, to the eligible shareholders of TCNS as on the record date i.e. September 3, 2024, in the share exchange ratio i.e. 11 fully paid-up equity shares of the Company of face value ₹10/- each for every 6 fully paid-up equity shares of TCNS of face value ₹2/- each, in terms of the Scheme.

Pursuant to the amalgamation, non controlling interest relating to TCNS has been derecognised. The amalgamation had no material impact on the consolidated financial results.

9 Acquisition of Goodview Fashion Private Limited ("GFPL"): a) The Company has raised its shareholding in GFPL from 33.5% to 51%, through secondary acquisition of 17.5% equity stake for an aggregate amount of ~₹127.42 crores from the other existing shareholder of GFPL, thereby making GFPL a subsidiary of the Company with effect from July 11, 2024.

b) Company is in the process of completing the purchase price allocation for the purpose of determining the fair values of assets and liabilities acquired pursuant to the acquisition. As per Ind AS 103, Business Combinations, the Company is permitted to complete the purchase price allocation within a period of 12 months from the date of transfer of control and retrospectively adjust the provisional amounts recorded for assets, liabilities and goodwill.

10 Exceptional item for the quarter and six months ended September 30, 2024 includes: a) Provision for impairment of goodwill, right-of-use assets, franchisee rights and Inventory Obsolescence amounting to ₹ 98.33 Crore pursuant to a decision of restructuring of operations of a business unit and b) Gain of ₹ 121.44 Crore on account of remeasurement of 33.5% of equity interest held by the holding company in GFPL upon GFPL becoming a subsidiary of the Group (Also, refer Note 9 above).

11 On June 18, 2024, Aditya Birla Digital Fashion Ventures Limited ("ABDFVL"), wholly owned subsidiary of the Company, had executed a Binding Offer Letter with Wrogn Private Limited ("Wrogn") (formerly known as Universal Sportbiz Private Limited) for a minority investment with an option for a path to majority stake acquisition in Wrogn. The said investment was subject to completion of due diligence, customary closing formalities and statutory & regulatory approvals, as applicable. Post its completion and subsequent corporate actions, ABDFVL holds 17.10 % stake on a fully diluted basis and is considered Associate.

12 Demerger of Madura Fashion & Lifestyle Business ("MFL Business"): The Board at its meeting held on April 19, 2024, has subject to necessary approvals, considered and approved demerger of MFL Business under a Scheme of Arrangement among Aditya Birla Fashion and Retail Limited ('Demerged Company') and Aditya Birla Lifestyle Brands Limited ('Resulting Company'), wholly owned subsidiary of the Company and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). The Scheme, inter alia, provides for demerger, transfer and vesting of the MFL Business from the Demerged Company into the Resulting Company on a going concern basis, and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof. The demerger will be implemented through an NCLT scheme of arrangement and upon its completion, all shareholders of ABFRL will have identical shareholdings in both the companies. The Scheme has been filed with the BSE and National Stock Exchange for their No Objection. The Scheme would become effective after receipt of all requisite approvals as mentioned in the Scheme. Pending receipt of necessary approvals, no effect of the Scheme has been given in the consolidated financial results for the quarter ended September 30, 2024.

The Company has received No Objection from BSE Limited and National Stock Exchange of India Limited vide letters dated October 30, 2024 and October 28, 2024 respectively for the Scheme.

13 Aditya Birla Digital Fashion Ventures Limited ("ABDFVL") acquired 51% stake in Styleverse Lifestyle Private Limited on October 30, 2023 for Rs 140 crores. The Management is in the process of completing the purchase price allocation for the purpose of determining the fair values of assets and liabilities acquired pursuant to the acquisition. As per Ind AS 103, Business Combinations, management is permitted to complete the purchase price allocation within a period of 12 months from the date of transfer of control and retrospectively adjust the provisional amounts recorded for assets, liabilities and goodwill which is expected to be given effect in the quarter ending December 31, 2024.

14 The consolidated financial results for the quarter ended September 30, 2024 is not comparable with previous quarters pursuant to amalgamation of TCNS Clothing Co. Ltd. and acquisition of Goodview Fashion Private Limited by the Group, during the current quarter.

Place : Mumbai
Date : November 07, 2024

Ashish Dikshit
Managing Director

ADITYA BIRLA FASHION AND RETAIL LIMITED MUMBAI

Aditya Birla Fashion and Retail Limited
Registered Office: Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor,
Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070
CIN: L18101MH2007PLC233901 E-mail: secretarial@abfrl.adityabirla.com
Tel: (+91) 86529 05000 | Fax: (+91) 86529 05400 Website: www.abfrl.com

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

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment pursuant to the Issue shall be made by the Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them in our Company is set forth below.

S. No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital^*#
1.	SBI LIFE INSURANCE COMPANY LIMITED	2.66
2.	AMANSA HOLDINGS PRIVATE LIMITED	1.68
3.	HDFC LIFE INSURANCE COMPANY LIMITED	1.05
4.	QUANT MUTUAL FUND - QUANT ACTIVE FUND	0.92
5.	BOFA SECURITIES EUROPE SA - ODI	0.56
6.	MAYBANK SECURITIES PTE LIMITED	0.42
7.	ABU DHABI INVESTMENT AUTHORITY - STABLE	0.42
8.	GOVERNMENT PENSION FUND GLOBAL	0.30
9.	QUANT MUTUAL FUND - QUANT MID CAP FUND	0.24
10.	ASHOKA WHITEOAK ICAV - ASHOKA WHITEOAK INDIA OPPORTUNITIES FUND	0.21
11.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE INDIA GENNEXT FUND	0.20
12.	PUBLIC SECTOR PENSION INVESTMENT BOARD - IIFL ASSET MANAGEMENT LIMITED	0.19
13.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE PURE VALUE FUND	0.18
14.	QUANT MUTUAL FUND - QUANT LARGE & MID CAP FUND	0.16
15.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND	0.13
16.	AL MEHWAR COMMERCIAL INVESTMENTS L.L.C. - (WANDA)	0.11
17.	TURNAROUND OPPORTUNITIES FUND	0.06
18.	360 ONE FLEXICAP FUND	0.05
19.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C - ADITYA BIRLA SUN LIFE CONGLOMERATE FUND	0.05
20.	360 ONE EQUITY OPPORTUNITY FUND	0.03
21.	360 ONE BALANCED HYBRID FUND	0.01
22.	360 ONE EQUITY OPPORTUNITY FUND - SERIES 4	Negligible

^ Based on beneficiary position as on January 17, 2025.
**Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in this Placement Document.*
#The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed on behalf of the Board of Directors:

____

Name: Ashish Dikshit
Designation: Managing Director
DIN: 01842066

Date: January 21, 2025
Place: Mumbai

DECLARATION

We, the Board of Directors of the Company certify that:

a) our Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

b) the compliance with the Companies Act, 2013 and the rules made thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

c) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

Name: Ashish Dikshit
Designation: Managing Director
DIN: 01842066

Date: January 21, 2025
Place: Mumbai

I am authorised by the Board of Directors of our Company, *vide* resolution dated January 15, 2025, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct, and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly, and legibly attached to this form.

Signed by:

____

Name: Ashish Dikshit
Designation: Managing Director
DIN: 01842066

Date: January 21, 2025
Place: Mumbai

ADITYA BIRLA FASHION AND RETAIL LIMITED

Registered and Corporate Office

Registered and Corporate Office: Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No.401, 403, 501,502, L.B.S, Road, Kurla, Mumbai 400 070, Maharashtra, India
Website: www.abfrl.com
Telephone: +91 86529 05000 **; E-mail:** secretarial@abfrl.adityabirla.com
CIN: L18101MH2007PLC233901

Company Secretary and Compliance Officer: Anil Kumar Malik
Piramal Agastya Corporate Park, Building 'A', 4^{th} and 5^{th}Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai 400 070, Maharashtra, India,
Telephone: +91 97020 80290
E-mail: secretarial@abfrl.adityabirla.com

BOOK RUNNING LEAD MANAGERS

Avendus Capital Private Limited
Platina Building, 9th Floor 901
Plot No C-59
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India.

Goldman Sachs (India) Securities Private Limited
951-A, Rational House
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Maharashtra, India

Jefferies India Private Limited
Level 16, Express Towers
Nariman Point, Mumbai 400 021
Maharashtra, India

STATUTORY AUDITOR OF OUR COMPANY

Price Waterhouse & Co Chartered Accountants LLP
252, Veer Savarkar Marg, Shivaji Park, Dadar (West)
Mumbai - 400 028, Maharashtra, India

LEGAL COUNSEL TO OUR COMPANY AS TO INDIAN LAW

AZB & Partners
AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS AS TO INDIAN LAW

Cyril Amarchand Mangaldas
5^{th} Floor, Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,

Mumbai 400 013, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore – 049321
Republic of Singapore

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is indicative and for illustrative purposes only, and no Bids in this Issue should be made through the sample Application Form. The Company, in consultation with the Book Running Lead Managers, shall identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form, and not on the basis of the indicative format below.)

ADITYA BIRLA FASHION AND RETAIL LIMITED (*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*) **Registered and Corporate Office:** Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No.401, 403, 501,502, L.B.S, Road, Kurla, Mumbai, Maharashtra 400 070, India | **Contact Person:** Anil Kumar Malik, Company Secretary and Compliance Officer | **Telephone:** +91 86529 05000 | **E-mail:** secretarial@abfrl.adityabirla.com | **Website:** www.abfrl.com | **CIN:** L18101MH2007PLC233901 | **ISIN:** INE647O01011 | **LEI:** 335800HSKHHOD8FD3O29	**APPLICATION FORM** Name of the Bidder: __________________ Form No: ________________________ Date: ____________________________

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO 6,85,83,059 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 271.30 PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ 261.30 PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO ₹ 1,860.66 CRORES IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER, BY ADITYA BIRLA FASHION AND RETAIL LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 271.28 PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT ON THE FLOOR PRICE OF NOT MORE THAN 5% OR SUCH PERCENTAGE AS PERMITTED UNDER THE SEBI ICDR REGULATIONS ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS ACCORDED THROUGH A SPECIAL RESOLUTION DATED SEPTEMBER 19, 2024

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (e) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"); can submit this Application Form. However, foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) are not permitted to participate in the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States, only to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; and (b) outside the United States, in offshore transactions in reliance upon Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" in the accompanying preliminary placement document dated January 16, 2025 (the "PPD").

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES"). ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Eligible Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others __________________

To,

The Board of Directors
ADITYA BIRLA FASHION AND RETAIL LIMITED
Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No.401, 403, 501,502, L.B.S, Road, Kurla, Mumbai 400 070, Maharashtra, India

			(Please specify)
Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD. ** Sponsor and Manager should be Indian owned and controlled.* ***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*			

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and: (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) hold a valid and existing registration under the applicable laws in India (as applicable); and (c) are not restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with the Promoter or persons related to Promoter of the Company, veto rights or right to appoint any nominee director on the Board of Directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Avendus Capital Private Limited, Goldman Sachs (India) Securities Private Limited and Jefferies India Private Limited (the "**BRLMs**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further understand, agree and consent that (i) our names, address, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and; (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the BSE Limited and National Stock Exchange of India Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "***Notice to Investors in Certain Other Jurisdictions***", "***Representations by Investors***", "***Issue Procedure***", "***Selling Restrictions***" and "***Purchaser Representations and Transfer Restrictions***" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment and in compliance with the restrictions included in the section "*Purchaser Representations and Transfer Restrictions*" in the PPD; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. We hereby represent that we are either (a) a "qualified institutional buyer" (as defined in Regulation 144A under the U.S. Securities Act) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, or (b) located outside the United States and purchasing the Equity Shares in an "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act and in accordance with the applicable laws of the jurisdictions where such offers and sales are made We confirm that we have read and agree with the representations, warranties and agreements contained in the sections entitled "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" of the PPD.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.			
EMAIL ID		**FAX.**	
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**		
FOR MFs	**SEBI MF Registration Number:**		
FOR AIFs***	**SEBI AIF Registration Number:**		
FOR VCFs***	**SEBI VCF Registration Number:**		
FOR SI-NBFC	**RBI Registration Details:**		
FOR INSURANCE COMPANIES	**IRDAI Registration Details:**		
FOR PENSION FUNDS	**PFRDA Registration Details:**		

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 3 p.m. (IST), January 21, 2025, being the Bid closing Date	
Name of the Account	ABFRL QIP ESCROW A/C
Name of the Bank	Axis Bank Limited
Address of the Branch of the Bank	Axis Bank Ltd - Gokhale Road Branch, Ground Floor, Sixth Sense Mall, At Junction of Gokhale Road, Elphinstone road & Sayani road, Parel, Mumbai 400025, Maharashtra, India
Account Type	Escrow account
Account Number	925020002781015
IFSC	UTIB0002478
Tel No.	022-24303113
E-mail	Gokhaleroad.Branchhead@axisbank.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "ABFRL QIP ESCROW A/C". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS			
Depository Name (Please ✓)	National Security Depository Limited		Central Depository Services (India) Limited

Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16 digit beneficiary account. No. to be mentioned above)

The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICEPER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)	(In words)		

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally) **	

ENCLOSURES ATTACHED

Attested/ certified true copy of the following:

- ☐ Copy of PAN Card or PAN allotment letter
- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
- ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
- ☐ Copy of notification as a public financial institution
- ☐ FIRC
- ☐ Copy of IRDAI registration certificate for IC
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of Power of Attorney
- ☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

****A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the Book Running Lead Managers either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.