



Aditya Birla Lifestyle Brands Limited

Aditya Birla Lifestyle Brands Limited (“Company” or “Resulting Company”) was incorporated as a public limited company under the Companies Act, 2013 and a certificate of incorporation dated April 9, 2024, was issued by the Registrar of Companies, Central Registration Centre. For details, please see the section titled “*History and Certain Corporate Matters*” on page 96 of this Information Memorandum.

Corporate Identity Number: U46410MH2024PLC423195

Registered Office: Piramal Agastya Corporate Park, Building ‘A’, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla, Mumbai – 400070.

Corporate Office: Kh No. 118/110/1, Building 2, Divyashree Technopolis, Yemalur Main Rd, off HAL Airport Road, Bengaluru- 560037.

Tel: +91 86529 05000

Contact Person: Mr. Rajeev Agrawal, Company Secretary and Compliance Officer.

Website: www.ablbi.in; **Email:** secretarial.ablbi@abfirl.adityabirla.com

INFORMATION MEMORANDUM FOR THE LISTING OF 1,22,02,94,773 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ALLOTTED BY OUR COMPANY PURSUANT TO THE SCHEME OF ARRANGEMENT

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

PROMOTERS OF OUR COMPANY: BIRLA GROUP HOLDINGS PRIVATE LIMITED

Information Memorandum for listing of 1,22,02,94,773 Equity Shares of ₹ 10 each fully paid up allotted by our Company pursuant to the scheme of arrangement among Aditya Birla Fashion and Retail Limited and the Company (the “Scheme”).

RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in Equity Shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares of our Company. For taking an investment decision, investors must rely on their own examination of our Company including the risks involved. The Equity Shares of our Company have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. Specific attention of investors is invited to the section “*Risk Factors*” on page 24 of this Information Memorandum.

ABSOLUTE RESPONSIBILITY OF OUR COMPANY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard our Company, which is material in the context of the listing of Equity Shares pursuant to the Scheme, that the information contained in this Information Memorandum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omissions of which would make this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. This Information Memorandum is filed pursuant to the Scheme, and is not an offer to the public at large.

LISTING

The Equity Shares of our Company are proposed to be listed on the BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (hereinafter collectively, referred to as the “Stock Exchanges”). For the purposes of listing of our Equity Shares pursuant to the Scheme, the BSE is the Designated Stock Exchange. Our Company has submitted this Information Memorandum with the BSE and the NSE, and the same is available on our Company’s website at www.ablbi.in. Our Company has received ‘in-principle’ approvals for listing of Equity Shares from the BSE and the NSE pursuant to their letters dated June 5, 2025 respectively. This Information Memorandum will also be made available on the websites of the BSE i.e. www.bseindia.com and the NSE i.e. www.nseindia.com. Further, our Company has been granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957, as amended, (“SCRR”) by SEBI by way of letter no. SEBI/HO/CFD/CFD-RAC-DCR-1/P/OW/2025/15984/1 dated June 13, 2025.

REGISTRAR AND SHARE TRANSFER AGENT TO THE COMPANY



MUFG Intime India Private Limited (Formerly as Link Intime India Private Limited)
C-101, Embassy, 247, LBS Marg, Vikhroli (West), Mumbai 400083.

Tel : +91 22 4918 6000

Fax: +91 22 4918 6060;

Website: <https://in.mpms.mufg.com/>

Investor grievance email: rnt.helpdesk@linkintime.co.in & <https://web.in.mpms.mufg.com/contact-us.html>

Contact Person: Mr. Pradeep Mokale

SEBI Registration No: INR000004058

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DEFINITIONS AND ABBREVIATIONS

This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings ascribed to such terms herein, and references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will include any amendments or re-enactments thereto, from time to time.

Company and Scheme Related Terms

Term	Description
ABLBL or the Company or Resulting Company	Aditya Birla Lifestyle Brands Limited, a company incorporated under the Companies Act, 2013, bearing Corporate Identity Number U46410MH2024PLC423195 and having its registered office situated at Piramal Agastya Corporate Park, Building 'A', 4 th and 5 th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla, Mumbai – 400070
We or us or our or our Company	Unless the context otherwise indicates or implies, our Company together with its Subsidiary(ies), on a consolidated basis, as applicable on the respective dates
ABFRL or Demerged Company	Aditya Birla Fashion and Retail Limited, a company incorporated under the Companies Act, 1956 and being a company within the meaning of the Companies Act, 2013, bearing Corporate Identity Number L18101MH2007PLC233901 and having its registered office situated at Piramal Agastya Corporate Park, Building A, 4 th and 5 th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla, Mumbai, Maharashtra 400070
ABFRL NCNCRPS	8% non- cumulative non- convertible redeemable preference shares issued by the Demerged Company of ₹ 10 each.
ABLBL NCNCRPS	8% non- cumulative non- convertible redeemable preference shares to be issued by the Resulting Company of ₹ 10 each.
Air Act	Air (Prevention and Control of Pollution) Act, 1981 along with relevant rules, clarifications and modifications made thereunder.
Articles of Association or Articles or AoA	The Articles of Association of our Company, as amended from time to time
Appointed Date	April 1, 2024
Appropriate Authority	Appropriate Authority means : (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof; (ii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, (<i>as defined in the Scheme</i>) importing, exporting or other governmental or quasi-governmental authority including without limitation, Regional Director, Ministry of Corporate Affairs, Registrar of Companies, SEBI, Official Liquidator and the Tribunal; and (iii) any Stock Exchange.
Audit Committee	Audit Committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page 100.
Board or Board of Directors	The board of directors of the Company or any duly constituted committee thereof, as the context may require.

Chief Financial Officer	Chief Financial Officer of our Company being Mr. Dharmendra Lodha
Chief Executive Officer	Chief Executive Officer of our Company being Mr. Vishak Kumar.
Companies Act, 1956	Erstwhile Companies Act, 1956, along with relevant rules, clarifications and modifications made thereunder.
Companies Act, 2013	The Companies Act, 2013, along with relevant rules, regulations, clarifications and modifications made thereunder
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company appointed in terms of Regulation 6(1) of the SEBI Listing Regulations, and Section 203 read with Section 2(51) of the Companies Act, 2013, being Mr. Rajeev Agrawal.
Committees	Committees of the Company formed in compliance with the corporate governance norms
Corporate Office	The corporate office of the Company situated at Kh No. 118/110/1, Building 2, Divyashree Technopolis Yemlur Main Road, Off HAL Airport Road, Bengaluru- 560037, Karnataka.
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of our Company constituted in terms of Section 135 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page 100
Demerged Liabilities	The liabilities as defined in clause 4.2.6 of the Scheme
Demerged Undertaking	<p>The undertaking of the Demerged Company pertaining to the MFL Business as on the Appointed Date and shall include (without limitation):</p> <p>(i) all assets and properties of the Demerged Company in relation to the MFL Business whether or not recorded in the books of accounts of the Demerged Company and rights thereto and all documents of title, wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, including all buildings, factory, civil works, foundations for civil works, communication facilities, installations, warehouses, stores, factory outlets, stores under progress, equipment, structures, furniture, offices, all lands (whether leased, licensed, right of way, tenancies or freehold), benefits of any rental agreements for use of premises, marketing offices, capital works in progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), stock-in-trade, stock-in-transit, merchandise (including raw materials), finished goods, supplies (including wrapping supplies), packaging items, tools, whether in transit or located at stores (including factory outlets) and warehouses, computers, vehicles, furniture, fixtures, office equipment, air conditioners, appliances, accessories, power lines, share of any joint assets, any finished goods and any facilities, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables in cash or kind or for value to be received, cash, cash equivalents and bank accounts (including bank balances), benefit of any deposits and accrued interest thereto, actionable claims, prepaid expenses, bills of exchange, promissory notes, financial assets, insurance policies, funds, provisions, and benefit of any bank guarantees, performance guarantees and letters of credit appertaining or relatable to the MFL Business;</p> <p>(ii) Demerged Liabilities;</p> <p>(iii) investments in subsidiaries and joint ventures engaged in the MFL</p>

	<p>Business including investments in Aditya Birla Garments Limited;</p> <p>(iv) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, income tax deducted at source, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation (<i>as defined in the Scheme</i>) statute pertaining to the MFL Business;</p> <p>(v) all Permits (<i>as defined in the Scheme</i>), quotas, incentives, powers, authorities, allotments, rights, benefits, advantages, bids, tenders, letters of intent, expressions of interest, subsidies, tenancies in relation to the office and/or residential properties for employees, benefit of any deposits, privileges, all other rights including sales tax deferrals and exemptions and other benefits, lease rights, receivables and liabilities related thereto, licenses, powers and facilities of every kind and nature and description whatsoever, rights to use and avail of telephones and installations, utilities, electricity and other services and all other interests in connection with or relating to the MFL Business;</p> <p>(vi) all contracts, agreements, business partnerships and collaborations including brand distribution agreements, service orders, operation and maintenance contracts, memoranda of understanding/ undertaking / agreements, bids, expressions of interests, equipment purchase agreement, letters of intent, lease arrangements, leave and license agreements, contracts pertaining to franchises, brand license, vendors, stores maintenance, housekeeping, security, contract workers, purchase and other agreements with supplier/ service providers, other arrangements, undertakings, deeds, bonds, schemes, powers of attorney, insurance covers and claims, and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise, as amended and restated from time to time and all rights, title, interest, assurances, claims and benefits thereunder related to or pertaining to the MFL Business;</p> <p>(vii) all earnest moneys and/or security deposits paid by the Demerged Company in connection with or relating to the MFL Business;</p> <p>(viii) all intellectual property and intellectual property rights, brands, logos, designs, labels, trade secrets, service marks, copyright, tradenames and trademarks of the Demerged Company in relation to the MFL Business (including any applications for the same) of any nature whatsoever (whether owned, licensed or otherwise and whether registered or unregistered);</p> <p>(ix) all books, records, files, papers, engineering and process information, computer programs, domain names, license for software and any other software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, catalogues, quotations, marketing authorisations, marketing intangibles, credit information, sales and advertising materials, lists of present and former customers, customer pricing information, and other records whether in physical or electronic form in connection with or pertaining to MFL Business;</p>
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	<p>(x) all legal or other proceedings of whatsoever nature that form part of the MFL Business which are capable of being continued by or against Resulting Company under Applicable Law (<i>as defined in the Scheme</i>);</p> <p>(xi) entire experience, credentials, past record, goodwill and market share of the Demerged Company pertaining to the MFL Business; and</p> <p>(xii) the Transferring Employees</p> <p>Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Demerged Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company.</p>
Demerged Company Stock Options Plans	Demerged Company Stock Option Plans means collectively, ABFRL ESOP Scheme 2017 (<i>as defined in the Scheme</i>), ABFRL ESOP Scheme 2019 (<i>as defined in the Scheme</i>), ABFRL SAR Scheme 2019 (<i>as defined in the Scheme</i>), TCNS ESOP Scheme (<i>as defined in the Scheme</i>) and New Stock Options Plans (<i>as defined in the Scheme</i>)
Demerged Company NCDs	Demerged Company NCD's means collectively NCD 1 (<i>as defined in the Scheme</i>), NCD 2(<i>as defined in the Scheme</i>) and NCD 3 (<i>as defined in the Scheme</i>).
Demerged Company Stock Options	Demerged Company Stock Options means ESOPs, RSUs and SARs, granted and/or vested by the Demerged Company under Demerged Company Stock Option Plans
Depository	A depository registered with the SEBI under the Depositories Act, 1996
Deputy Managing Director	Deputy Managing Director of our Company
Designated Stock Exchange	BSE Limited
Director(s)	The Directors on the Board of our Company.
Dividend Policy	'Dividend Distribution Policy' of the Company approved by our Board of Directors at its meeting held on May 23, 2025
Effective Date	May 1, 2025
Eligible Shareholders	Eligible holder(s) of the Equity Shares of Demerged Company as on the Record Date.
Environment Act	The Environment (Protection) Act, 1986 along with relevant rules, clarifications and modifications made thereunder
ESOP/Stock Options	Employee stock options
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Executive Director(s)	An executive director of our Company, unless otherwise specified.
Financial Year or Fiscal Year or F.Y.	Period of 12 months ended March 31 of that particular year

Fugitive Offender	Economic	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Group Company(ies)		In terms of SEBI ICDR Regulation, the term “group companies” includes companies (other than Promoter and Subsidiary(ies)) with which the Company had related party transactions, during the period for which financial information is disclosed in this Information Memorandum, as covered under the applicable Accounting Standards and any other company as considered material by the Board of the Company. For further details please see the section titled “ Group Companies ” on 129-127
Income Tax Act or IT Act		Income-tax Act, 1961, along with relevant rules, regulations, clarifications and modifications made thereunder
Independent Director(s)		The Independent Directors of our Company in terms of Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 (6) of the Companies Act, 2013.
Industry Reports or Wazir Reports		Industry Report titled “Industry Assessment of Indian Apparel Market” dated May 5, 2025, prepared and issued by Wazir Advisors
Information Memorandum		Information Memorandum dated June 19, 2025 of our Company for the listing of Equity Shares pursuant to the Scheme of Arrangement and filed with Stock Exchanges in accordance with applicable laws
Key Managerial Personnel or KMP		Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 203 read with section 2(51) of the Companies Act, 2013 as described in “ Our Management ” on page 100
Managing Director		Managing Director of our Company in terms of Section 196 of the Companies Act, 2013
MFL Business		The division of the Demerged 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, sports wear brand Reebok and the innerwear business under the Van Heusen brand
Materiality Policy on disclosures under SEBI ICDR Regulations		The criteria defined by our Board on May 23, 2025, for identification of material Group Companies, outstanding material litigation, and outstanding material dues to creditors, pursuant to the requirements under the SEBI ICDR Regulations for the purpose of the disclosure in this Information Memorandum
Memorandum of Association or MoA	of	Memorandum of Association of our Company, as amended from time to time
NCLT or Tribunal		Hon’ble National Company Law Tribunal, Mumbai Bench
Net Worth		Net worth of our Company in terms of Regulation 2(1)(hh) of the SEBI ICDR Regulations

Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page 100
New Equity Shares or Resulting Company New Equity Shares	Fully paid-up Equity Shares of the Company having face value of ₹ 10 each allotted by the Resulting Company as consideration in terms of clause 8.1 of the Scheme
Non- Executive Directors	The non- executive director of our Company, unless otherwise specified.
Promoter	The promoter of our Company, being Birla Group Holdings Private Limited, as described in “ <i>Promoter and Promoter Group</i> ” on page 120
Promoter Group	Persons and entities constituting promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in “ <i>Promoter and Promoter Group</i> ” on page 120
Record Date	May 22, 2025 being the date for the purpose of determining the shareholders of ABFRL for issue of the Resulting Company New Equity Shares.
Registered Office	Piramal Agastya Corporate Park, Building ‘A’, 4 th and 5 th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla, Mumbai – 400070
Registrar and Share Transfer Agent	MUFG Intime India Private Limited (<i>Formerly as Link Intime India Private Limited</i>)
Registrar of Companies or RoC	Registrar of Companies, Mumbai, Maharashtra
Remaining Business	All the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company other than the Demerged Undertaking
Remaining Employees	The employees of the Demerged Company other than Transferring Employees.
Resulting Company Stock Option Plans	Resulting Company Stock Option Plans means collectively, new employee stock option schemes of the Resulting Company formulated in accordance with the Demerged Company Stock Option Plans named as ABLBL ESOP Scheme 2017, ABLBL ESOP Scheme 2019, ABLBL SAR Scheme 2019, and ABLBL TCNS ESOP Scheme (as applicable), pursuant to Clause 5.6 of the Scheme.
Risk Management and Sustainability Committee	The Risk Management and Sustainability Committee of our Company constituted in accordance with Regulation 21 of the SEBI Listing Regulations, as described in “ <i>Our Management</i> ” on page 100
Resulting Company Stock Options	Resulting Company Stock Option means the ESOPs, RSUs and SARs granted and/or vested by the Resulting Company to the eligible Demerged Company Stock Option Plan holders after effectiveness of the Scheme in accordance with the Resulting Company Stock Option Plans.
Financial Statement	Financial Statement shall mean standalone financial statement and consolidated financial statement prepared in accordance with Ind AS since the year of incorporation duly audited and certified by the statutory auditor or Chartered Accountants who holds a valid certificate

	issued by the Peer Review Board of the Institute of Chartered Accountants of India
RSU	Restricted stock units
SAR	Stock appreciation rights which includes option stock appreciation right and restricted stock unit stock appreciation right
Sanction Order	Order of Hon'ble NCLT dated March 27, 2025 sanctioning the Scheme of Arrangement
Scheme of Arrangement or Scheme	Scheme of Arrangement among Aditya Birla Fashion and Retail Limited and Aditya Birla Lifestyle Brands Limited and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 as sanctioned by the NCLT on March 27, 2025
Share Entitlement Ratio	1 (one) fully paid-up equity share of the Resulting Company having face value of Rs 10 (Rupees Ten Only) each for every 1 (one) fully paid-up equity share of Rs 10 (Rupees Ten Only) each of the Demerged Company
Shareholders	Shareholders holding Equity Shares of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Company constituted in accordance with Regulation 20 of the SEBI Listing Regulations, as described in " <i>Our Management</i> " on page 100
SEBI Schemes Master Circular	Master Circular No. SEBI/HO/CFD/POD2/P/CIR/2023/93 dated June 20, 2023, issued by SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;
SEBI Debt Circular	Chapter XII of the operational circular No. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 issued by SEBI dated July 29, 2022, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
SEBI Regulations/SEBI Listing Regulations/SEBI LODR	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time

SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
Senior Management Personnel	Senior Management Personnel of our Company as described in “ <i>Our Management</i> ” on page 100
Statutory Auditors	Price Waterhouse & Co. Chartered Accountants LLP
Subsidiary(ies)	Aditya Birla Garments Limited
Transferring Employees	The employees of the Demerged Company engaged in or in relation to the Demerged Undertaking as on the Effective Date.
Transferring NCDs	Transferring NCDs means NCD 2 (as defined in the Scheme)
Water Act	Water (Prevention and Control of Pollution) Act, 1974 along with relevant rules, clarifications and modifications made thereunder.
Wilful Defaulter or Fraudulent Borrower	A person or an issuer who or which is categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India, in accordance with Regulation 2(1) (III) of the SEBI ICDR Regulations

Conventional and General Terms and Abbreviations

Terms	Description
₹ or Rs. or Rupees or INR	Indian Rupees
\$ or US\$ or USD or U.S. Dollars	US Dollars, the legal currency of the United States of America
AC	Audit Committee
AI	Artificial Intelligence
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AGM	Annual general meeting
AS or Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
AY	Assessment year
BRR	Business Responsibility Report
BSE	BSE Limited
BMCSPL	Birla Management Centre Services Private limited
Bn or bn Billion	Billion(s)
Capital or Share Capital	Share Capital of our Company
Cr or cr	Crore(s)
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
CAPEX	Capital expenditure

Companies Act, 1956	Erstwhile Companies Act, 1956, along with relevant rules, clarifications and modifications made thereunder.
Companies Act, 2013	The Companies Act, 2013, along with relevant rules, regulations, clarifications and modifications made thereunder
Central Government” or “Government” or “State Government” or “GoI”	The Government of India
CRISIL	Credit Rating Information Services of India Limited
CrPC	Code of Criminal Procedure, 1973
CPC	Civil Procedure Code, 1908
CSR	Corporate Social Responsibility Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
Debt to Equity Ratio	Total borrowings (excluding Preference Shares) reduced by cash and cash equivalents (excluding term deposits) divided by total equity.
Designated Stock Exchange	BSE Limited
Demat	Dematerialised
Depositories Act	Depositories Act, 1996
Depository or Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018 viz. CDSL & NSDL
Depository Participant or DP	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository participant’s identification
DIN	Director Identification Number
EBITDA	Earnings before interest, taxes, depreciation and amortization.
EBITDA margin	EBITDA divided by total income.
EGM	Extraordinary general meeting
EPF	Employees’ Provident Fund
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per Equity Share
ESG	Environmental, Social, and Governance
ESI	Employees State Insurance
ESI Act	The Employees State Insurance Act, 1948
ESOP/Stock Options	Employee Stock Options
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder, as amended from time to time
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended from time to time

FI	Financial Institutions
FIR	First information report
FPI	Foreign Portfolio Investor as defined under SEBI FPI regulations
FTP	Foreign Trade Policy
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 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GST	Goods and Service Tax
Gratuity Act	The Payment of Gratuity Act, 1972
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time
Indian GAAP	Generally accepted accounting principles in India
IFRS	International Financial Reporting Standards
ITAT	Income Tax Appellate Tribunal
ISIN	International Securities Identification Number allotted by the depository
IGST	Integrated GST
IT	Information Technology
ITA 2000	The Information Technology Act, 2000
MCA	Ministry of Corporate Affairs
MD	Managing Director
Mn or mn	Million(s)
MSMEs	Small scale enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as on March 31
NCLT	Hon'ble National Company Law Tribunal
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, 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.
NRI or Non- Resident Indian(s)	Non- Resident Indian, as defined under Foreign Exchange Management (Depository) Regulations, 2016.

NRC	Nomination and Remuneration Committee
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAT	Profit after tax
PBT	Profit before tax
p.a.	Per annum
P/E Ratio	Price Earnings Ratio
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Return on Capital Employed	Earnings before interest, tax, other income and exceptional items divided by capital employed
Return on net worth or RoNW	Net profit after tax divided by net worth
RMSC	Risk Management & Sustainability Committee
ROE	Return on Equity
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SGST	State Goods & Service Tax
SRC	Stakeholders Relationship Committee
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Supreme Court	Supreme Court of India
Total Borrowings	Aggregate of current borrowings, non-current borrowings and current maturities of long-term borrowings
TAN	Tax Deduction Account Number
UPI	Unified Payments Interface
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act	U.S. Securities Act of 1933, as amended
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, as amended from time to time
w.e.f.	With effect from
YoY	Year over year

Industry Related Terms

Terms	Description
CAGR	Compounded Annual Growth Rate
D2C	Direct -to- Consumer

EBO	Exclusive brand outlet
FCE	Final Consumption Expenditure
MBO	Multi- Brand Outlet
LFS	Large Format Stores
PFCE	Private Final Consumption Expenditure

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL INFORMATION, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Information Memorandum to ‘India’ are to the Republic of India and its territories and possessions and the references herein to ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable. Unless stated otherwise, all references to page numbers in this Information Memorandum are to the page numbers of this Information Memorandum.

Unless otherwise stated, references to “we”, “us”, “our” or “ABLBL Group” and similar terms are to Aditya Birla Lifestyle Brands Limited on a consolidated basis and references to “the Company” and “our Company” are to Aditya Birla Lifestyle Brands Limited on a standalone basis.

Financial Data

Unless stated otherwise, financial data pertaining to our Company in this Information Memorandum is derived from the audited Financial Statements which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Information Memorandum. Our Company publishes its financial statements in ₹ crore. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Information Memorandum should accordingly be limited.

Pursuant to a resolution dated May 23, 2025, our Board approved the audited Financial Statements for the year ended March 31, 2025. Our Company will hold its annual general meeting in due course and place the financial statements for the year ended March 31, 2025, before our shareholders.

Our Company’s Financial Year is a twelve-month period commencing on April 1 of a calendar year and ends on March 31 of the succeeding calendar year. Unless otherwise stated, references in this Information Memorandum to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended on March 31 of that calendar year.

In this Information Memorandum, any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Information Memorandum.

Currency Presentation

Unless otherwise specified or the context otherwise requires, all references to “Rupees”, “Rs.”, “INR”, “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “USD”, or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America and its territories and possessions. The amounts derived from financial statements included herein are represented in ₹ crore, as presented in the Audited Financial Statements. One crore represents ‘10 million’ or ‘100 lakhs’ or 1,00,00,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than crores, such figures appear in this Information Memorandum expressed in such denominations as provided in their respective sources.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “ten lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. Unless stated otherwise, throughout this Information Memorandum, all figures have been expressed in crore.

For additional definitions used in this Information Memorandum, please see the section titled ***“Definitions and Abbreviations”*** on page 1 of this Information Memorandum.

Market and Industry Data

Unless stated otherwise, industry and market data used in this Information Memorandum have been obtained or derived from the reports titled *“Industry Assessment of Indian Apparel Market”* dated May 5, 2025, which are exclusively prepared by Wazir Advisors for the purpose of listing of Equity Shares of our Company and are commissioned and paid for by our Company. The Industry Reports will be available on the website of our Company at www.ablbi.in. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. This Information Memorandum contains data and statistics from the Industry Reports.

Unless stated otherwise, market, industry and demographic data used in this Information Memorandum has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information and underlying assumptions are not guaranteed and their reliability cannot be assured. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by our Company or their respective affiliates and neither our Company or their respective affiliates make any representation as to the accuracy of that information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled ***“Risk Factors”*** beginning on page 24 of this Information Memorandum. Accordingly, investors should not place undue reliance on this information.

The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Further, the extent to which the industry and market data presented in this Information Memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Net asset value, Net debt, ratio of net debt and total equity, Inventory turnover days have been included in this Information Memorandum. These 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.

Wazir Advisors is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, Key Managerial Personnel or Senior Management Personnel.

Conversion rates for foreign currency:

The conversion rate for the following foreign currency is as follows:

Sr. No.	Name of the Currency ⁽¹⁾	As of March 31, 2024 (in ₹)	As of March 31, 2025 (in ₹)
1.	1 United States Dollar	83.37	85.58

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

(1) In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees (₹) at any particular rate, the rates stated above or at all.

FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain “forward-looking statements”. Certain statements contained in this Information Memorandum that are not statements of historical fact constitute forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “future”, “forecast”, “intend”, “likely to”, “may”, “objective”, “plan”, “potential”, “project”, “propose”, “pursue”, “seek to”, “shall”, “should”, “target”, “will”, “will continue”, “will pursue”, “would” or other words or phrases of similar import. Similarly, statements that describe our Company’s objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Information Memorandum that are not historical facts.

These forward-looking statements contained in this Information Memorandum (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 the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. This may be due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- Our Company was incorporated on April 9, 2024 and there may be certain uncertainties in the integration of the Demerged undertaking into a newly incorporated entity, such as our Company.
- 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.
- Our business depends on our ability to obtain and retain quality retail spaces;
- We may face the risk of our designs being out of trend;
- Current trend of discounting and pricing strategies may adversely affect the value of our brand and our sales;
- 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;
- The international brands distributed by us are not owned by us and are sold pursuant to long agreements with brand owners;

- 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;
- The requirements of being a listed company may strain our resources
- There is no prior trading history for the Equity Shares of our Company.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “**Risk Factors**” on page 24 of this Information Memorandum.

Given these uncertainties, investors are cautioned not to place undue reliance on such forward -looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Information Memorandum and are not a guarantee of future performance. These statements are based on the management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI/Stock Exchange requirements, our Company will ensure that investors are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF INFORMATION MEMORANDUM

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Information Memorandum, including the sections titled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and other Material Developments*”, “*Promoter and Promoter Group*”, “*Our Business*” and “*Main Provisions of the Articles of Association*”. For additional information and further details with respect to any of the information summarized below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.

SUMMARY OF OUR BUSINESS

Our Company is a public limited company that was incorporated on April 9, 2024, as a wholly- owned subsidiary of ABFRL under Companies Act 2013. Upon the Scheme becoming effective, the MFL business of the Demerged Company will be transferred to our Company.

Aditya Birla Lifestyle Brands shall comprise of lifestyle brands who primarily play in the western wear segment with brands such as Louis Philippe, Van Heusen, Allen Solly and Peter England. It also includes youth wear brands such as American Eagle, sportswear brand Reebok and the innerwear business under Van Heusen.

The portfolio of brands operate within a vast total addressable market. 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, benefiting from an established operating model. 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.

As of March 2025, with a retail space spanning over 4.6 million sq.ft. across India, ABLBL has a strong network of 3,253 brand stores and presence across 38,000+ multi-brand outlets and 7000+ shop in shop across departmental stores.

For further details, please see section titled “*Our Business*” on page 76 of this Information Memorandum.

SUMMARY OF THE INDUSTRY

India is largely a consumption-led economy with Private Final Consumption Expenditure (“PFCE”) as a share of GDP expected to increase from 59% in F.Y.19 to 61% in F.Y.25, according to MoSPI's estimates. The share of PFCE in GDP is expected to increase to 64% by F.Y.30 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.

The Indian apparel market is estimated to be ₹ 9.3 lakh crores in F.Y. 25 and has grown at a CAGR of 11% from F.Y.19 to F.Y. 25. The market is expected to grow at CAGR of 9% to reach value of over ₹14 lakh crores by F.Y. 30. 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.

The overall western wear market is valued at ₹ 6.8 lakh crores in F.Y.25. This segment is projected to grow at a 10% CAGR, reaching ₹ 10.9 lakh crores by F.Y. 30. Key drivers fuelling this growth are the

increased exposure to global fashion through social media, rapid urbanization, growing middle class and increasing disposable income.

For further details, please see section titled “*Industry Overview*” on page 64 of this Information Memorandum.

OUR PROMOTER

The Promoter of our Company is Birla Group Holdings Private Limited.

For more details, please see section titled “*Promoters and Promoters Group*” on page 120 of this Information Memorandum.

SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

The shareholding of the Promoter and members of Promoter Group of our Company as on the date of this Information Memorandum is set forth below:

Sr. No	Name(s)	No. of shares	% of total equity shares of the Company
Promoter			
1.	Birla Group Holdings Private Limited	23,66,19,965	19.39
Promoter Group			
2.	IGH Holdings Private Limited	13,64,72,680	11.18
3.	Grasim Industries Limited	9,75,93,931	8.00
4.	Hindalco Industries Limited	5,02,39,794	4.12
5.	Pilani Investment and Industries Corporation Limited	4,48,22,856	3.67
6.	Birla Industrial Finance (India) Limited	1,66,508	0.01
7.	Birla Consultants Limited	1,66,422	0.01
8.	ABNL Investment Limited	77,430	0.01
9.	Birla Industrial Investments (India) Limited	34,666	0.00
10.	ECE Industries Limited	-	0.00
11.	Rajashree Birla	8,63,696	0.07
12.	Kumar Mangalam Birla	12,51,589	0.10
13.	Neerja Birla	20,270	0.00
14.	Vasavadatta Bajaj	19,542	0.00
15.	Aditya Vikram Kumar Mangalam Birla HUF (Kumar Mangalam Birla)	1,780	0.00

SIZE OF ISSUE

This issue is for listing of fully paid - up 1,22,02,94,773 Equity Shares of ₹ 10 each by our Company, pursuant to the Scheme. Further no Equity shares are being sold or offered pursuant to this Information Memorandum.

OBJECT OF THE ISSUE

There is no other object except listing of the Equity Shares of our Company.

SELECTED FINANCIAL INFORMATION DERIVED FROM THE FINANCIAL STATEMENTS

The following information has been derived from the Financial Statements of our Company:

(₹ in Crore)

Particulars	For the period April 1, 2024 to March 31, 2025
Share Capital	0.05
Net worth	1,276.53
Revenue	7,829.96
Profit after Tax	59.60
Earnings per Equity Share (basic)	0.49
Earnings per Equity Share (diluted)	0.49
Net Asset Value (NAV) per equity share	10.46
Total borrowings	952.19

For more details, please see section titled “*Financial Statements*” on page 128 of this Information Memorandum.

AUDIT QUALIFICATIONS

There have been no qualifications or adverse remarks by the Statutory Auditors in the financial statements of our Company.

OUTSTANDING LITIGATIONS

The summary of outstanding litigation or proceedings involving our Company, our Directors, our Promoters, our Subsidiary and Group Companies as disclosed in the section titled “*Outstanding Litigation and Material Developments*” have been set out below:

(₹ in crores)

Category of individuals / entities	Criminal Proceedings	Tax Proceedings	Statutory or regulatory actions	Disciplinary actions by SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action	Material civil litigation	Aggregate amount involved*
Company						
By the Company	17**	Nil	Nil	N.A.	1	5.67
Against the Company	Nil	Nil	Nil	N.A.	3	8.64
Directors						
By the Directors	Nil	Nil	Nil	N.A.	Nil	Nil
Against the Directors	1	Nil	Nil	N.A.	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	N.A.	Nil	Nil
Against the Promoters	Nil	10	Nil	Nil	Nil	21.91
Subsidiary						
By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)						
By the KMP and SMP	Nil	Nil	Nil	Nil	Nil	Nil
Against the KMP and SMP	Nil	Nil	Nil	Nil	Nil	Nil

* To the extent quantifiable

**This includes 12 cases filed against various parties under Section 138 of the Negotiable Instruments Act, 1881. The aggregate amount involved in such proceedings is approximately ₹ 1.57 crores.

For more details, please see section titled “**Outstanding Litigation and Material Developments**” on page 305 of this Information Memorandum.

RISK FACTORS

For details of risk associated with our Company, please see the section titled “**Risk Factors**” on page 24 of this Information Memorandum.

CONTINGENT LIABILITIES

The details of the contingent liabilities as of March 31, 2025 (as per Ind AS 37 and Schedule III of the Companies Act, 2013) of our Company set forth below:

Particulars	Amount (₹ crore)
Claims against our Company not acknowledged as debts	
Commercial taxes	0.10
Excise duty	0.50
Customs duty	10.67
Bank Guarantees	
Textile committee cess	0.75
Income Tax	-
Others*	2.71
Total	14.73

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

For more details, please see note on contingent liabilities in the section titled “**Financial Statements**” on page 128 of this Information Memorandum.

SUMMARY OF RELATED PARTY TRANSACTIONS

The followings are the details of the related party transactions for financial year ended on March 31, 2025, as per Ind AS 24- Related Party Disclosures, derived from standalone audited financial statements:

S.No.	Related Party	Related Party Transactions	As at March 31, 2025 (₹ crore)
1.	Holding and Fellow Subsidiaries till March 26, 2025 and parties under common control w.e.f. March 27, 2025	Sale of goods	241.45
2.		Reimbursement of expenses recovered from	0.65
3.		Purchase of goods	69.57
4.		Reimbursement of expenses paid to	121.18
5.		Production services given	11.21
6.		Purchase of capital item	0.07
7.		Transfer of Post-employment liabilities	0.86

The followings are the details of the related party transactions for financial year ended on March 31, 2025, as per Ind AS 24- Related Party Disclosures, derived from consolidated audited financial statements:

S.No.	Related Party	Related Party Transactions	As at March 31, 2025 (₹ crore)
1.	Holding and Fellow Subsidiaries till March 26, 2025 and parties under common control w.e.f. March 27, 2025	Sale of goods	200.12
2.		Reimbursement of expenses recovered from	0.29
3.		Purchase of goods	2.65
4.		Reimbursement of expenses paid to	121.43
5.		Production services given	11.21
6.		Transfer of Post-employment liabilities	0.86

Please refer to note on related party transactions in the section titled “*Financial Statements*” on page 126 and 128 of this Information Memorandum.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter group, Directors of our Promoter or our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months immediately preceding the date of this Information Memorandum.

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY THE PROMOTER IN THE ONE YEAR PRECEDING THE DATE OF THIS INFORMATION MEMORANDUM

The weighted average price at which Equity Shares were acquired by the Promoter in the last one year is not applicable, as the Equity Shares were acquired by the Promoter pursuant to the Scheme.

PRICE AT WHICH EQUITY SHARES WERE ACQUIRED BY THE PROMOTERS, MEMBERS OF PROMOTER GROUP AND OTHER SHAREHOLDERS WITH RIGHT TO NOMINATE DIRECTORS OR ANY OTHER RIGHTS IN THE LAST THREE YEARS

The price at which Equity Shares were acquired by the Promoter, Promoter Group in the last three years preceding the date of this Information Memorandum is not applicable as the Equity Shares were acquired by our Promoter, and Promoter Group pursuant to the Scheme. Further there are no shareholders with the right to nominate directors or any other rights.

AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share acquired by our Promoter as on the date of this Information Memorandum is not applicable, as the Equity Shares were acquired by the Promoter pursuant to the Scheme.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE ONE YEAR PRECEDING THE DATE OF THIS INFORMATION MEMORANDUM

Other than the Equity Shares allotted pursuant to the Scheme, as disclosed in the section titled “*Capital Structure*” on page 39 of this Information Memorandum, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Information Memorandum.

SPLIT OR CONSOLIDATION

Our Company has not undertaken a split or consolidation of the Equity Shares during the one year immediately preceding the date of this Information Memorandum.

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has been granted an exemption from the application of Rule 19(2)(b) of the SCRR by the SEBI pursuant to the letter dated June 13, 2025 bearing reference number SEBI/HO/CFD/CFD-RAC-DCR-1/P/OW/2025/15984/1.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Information Memorandum including the risks and uncertainties described below, before making an investment in the Equity Shares. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of the Equity Shares and the loss of all or part of an investment in the Equity Shares. While we have described the risks and uncertainties that our management believes are material, the risk described below are not exhaustive and are not the only one 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 deem immaterial may also adversely affect our business, results of operations, and financial condition. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

*In order to obtain a complete understanding of our Company and the business of our Company, you should read this section in conjunction with the rest of this Information Memorandum, including the sections titled “**Our Business**”, “**Industry Overview**”, “**Key Regulations and Policies**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operation**” and “**Outstanding Litigation and Material Developments**” on page no. 76, 64, 89, 300 and 305 respectively, as well as other financial and statistical information contained in this Information Memorandum.*

*This Information Memorandum contains certain forward- looking statements that involves risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward - looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum. For more details, please see the section titled “**Forward Looking Statements**” on page 16 of this Information Memorandum. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer, including the merits and the risks involved. You should consult your tax, financial and legal advisors about particular consequences of investing in the Equity Shares of our Company.*

*Wherever used in this section the terms “we”, “us”, “our”, “our Company” shall refer to Aditya Birla Lifestyle Brands Limited, unless otherwise stated. Unless the context requires otherwise, all financial information included herein is derived from the Financial Statements included in the section titled “**Financial Statements**” on page 128 of this Information Memorandum.*

*Unless otherwise stated, industry and market data used in this Information Memorandum has been derived from the industry report titled “Industry Assessment of Indian Apparel Market” dated May 5, 2025 (the “**Wazir Report**”) prepared and issued by Wazir Advisors (“**Wazir**”) appointed by us and exclusively commissioned and paid for by us.*

Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. The financial information in this section is derived from our Financial Statements unless otherwise stated.

Internal Risks

- 1. Our Company was incorporated on April 9, 2024 and there may be certain uncertainties in the integration of the Demerged undertaking into a newly incorporated entity, such as our Company.***

Our Company was incorporated on April 9, 2024 and from the Effective Date of the Scheme, was vested with the Demerged Undertaking as a going concern, with Appointed Date of April 1, 2024. Accordingly, there may also be certain uncertainties in the integration of the Demerged Undertaking into our Company. While post the Effective Date, experienced personnel in the Demerged Undertaking have been transferred to the Company, our Company may be unable to effectively integrate the Demerged Undertaking, and efficiently operate the consequent business of our Company, thereby adversely impacting the results of our Company's operations and profitability of the business. Additionally, pursuant to the Scheme, *inter alia*, properties, approvals, employees, existing contracts and intellectual property of the Demerged Undertaking stands transferred to our Company. Inability to effectively integrate all such transfers in a timely manner may materially impact the ability of our Company to carry on and undertake business operations, in compliance with applicable laws.

2. *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. 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.

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.

3. *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	Fiscal
	2025
Number of stores owned and operated by our Company	986
Number of franchisee led stores	2,267

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 for a period which vary as per business requirements. 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.

4. *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.

5. *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.

6. *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 Fiscal 2025 was 96.96. 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.

7. *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.

8. *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 store 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. For more details, please, see the section titled “**Key Regulations and Policies**” on page 89 of this Information Memorandum.

9. *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 Personnel and Key Managerial Personnel have substantial experience and have contributed to the growth of our business. For more details, please, see the section titled “**Our Management**” on page 100 of this Information Memorandum. Our future performance would depend on the continued service of our Senior Management Personnel, 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.

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

Pursuant to the Scheme, all intellectual property is in the process of getting assigned in the name of our Company.

Post the above changes, all intellectual property will be owned by us and will be subject to appropriate measures around protecting their unauthorised usage by any third party. Any unauthorised 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. However, 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 also 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.

11. 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. 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.

12. 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.

13. 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.

14. 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.

Pursuant to the Scheme, certain contingent liabilities have been transferred to our Company. 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.

For more details, please see note on contingent liabilities in the section titled **“Financial Statements”** on page 128 of this Information Memorandum.

As of March 31, 2025, 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	0.10
Excise duty	0.50
Customs duty	10.67
Bank Guarantees	-
Textile committee cess	0.75
Income Tax	-
Others*	2.71
Total	14.73

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

15. 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	Fiscal 2025
Information technology expenses (₹ crore)	109.34
Information technology, as a percentage of total expenses (%)	1.42%

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.

16. *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, 2013 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. Although all related-party transactions that we may enter into will be subject to authorizations and approvals, as required under the Companies Act, 2013 and the SEBI Listing Regulations, there can be no guarantee that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of our operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. 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	Fiscal 2025
	(₹ crore, except percentages)
Sum of all Related Party Transactions	336.57
Revenue from Operations	7829.96
Sum of all Related Party Transactions as a Percentage of Revenue from Operations (%)	4.30%

17. *Industry information included in this Information Memorandum has been derived from an industry report commissioned by us, and paid for by us for such purpose.*

We have availed the services of an independent third-party research agency, Wazir Advisors, appointed by us, to prepare an industry report titled "Industry Assessment of Indian Apparel Market" dated May 5, 2025, for the purposes of inclusion of such information in this Information Memorandum to understand the industry in which we operate. The Wazir Report has been commissioned by our Company exclusively in connection with this Information Memorandum for a fee. The Wazir Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Further, the industry data mentioned in this Information Memorandum or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, shareholders should read the industry related disclosure in this Information Memorandum in this context.

External Risks

18. *The requirements of being a listed company may strain our resources.*

We are not a listed company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs by shareholders, regulators and the public at large associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience

any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations or cash flows as promptly as other listed companies. Further, as a listed company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

19. There is no prior trading history for the Equity Shares of the Company

Since the Equity Shares of the Company have not been previously traded, their market value is uncertain. Following admission, the market price of the Equity Shares may be volatile. Our Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. At the same time, market conditions may affect the price of our Company's Equity Shares regardless of the operating performance of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, natural calamities, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

20. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, across the multiple jurisdictions we operate in, may materially adversely affect our business and financial performance.

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our general businesses, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations.

The governmental and regulatory bodies may notify new regulations and/ or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently, or change the manner in which we conduct KYC or authenticate our customers. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/ or may require us to apply for additional approvals. 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 and prospects. 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.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If the tax costs associated with certain transactions because of a particular tax risk materializing are greater than anticipated, it could affect the profitability of such transactions.

21. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

GENERAL INFORMATION

Our Company was incorporated as a Public Limited Company under the Companies Act, 2013 with the name ‘Aditya Birla Lifestyle Brands Limited’ and a certification of incorporation dated April 09, 2024 was issued by the Registrar of Companies, Central Registration Centre. The demerged undertaking was part of ABFRL and has been transferred to our Company effective from May 1, 2025, pursuant to the Scheme. For more details, please see the section titled “*History and Certain Corporate Matters*” on page 96 of this Information Memorandum.

Registered Office of our Company

Registered Office: Piramal Agastya Corporate Park, Building ‘A’, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla, Mumbai – 400070.

Corporate Office of our Company

Corporate Office: Kh No. 118/110/1, Building 2, Divyashree Technopolis, Yemalur Main Rd, off HAL Airport Road, Bengaluru- 560037.

Corporate Identity Number

Corporate Identity Number: U46410MH2024PLC423195

Registration Number

Registration Number: 423195

Registrar of Companies

Registrar of Companies, Maharashtra at Mumbai

100, Everest, Marine Drive,
Mumbai – 400020, Maharashtra, India

Board of Directors of our Company

The following table sets out the brief details of the Board of our Company as on the date of this Information Memorandum:

Sr. No.	Name	DIN	Designation	Address
1	Ms. Ananyashree Birla	06625036	Non- Executive Director	Mangal Adityayan, 20 Carmichael Road, Behind Jaslok Hospital, Cumbala Hill, Mumbai 400 026, Maharashtra, India.
2	Mr. Aryaman Vikram Birla	08456879	Non- Executive Director	Mangal Adityayan, 20 Carmichael Road, Behind Jaslok Hospital, Cumbala Hill, Mumbai 400 026, Maharashtra, India.
3	Mr. Pankaj Sood	05185378	Non- Executive Director	C2106 Oberoi Exquisite, Opposite Oberoi Woods,

				Goregaon East, Mumbai 400 063, Maharashtra, India.
4	Mr. Ashish Dikshit	01842066	Managing Director	E-405, Raheja Residency, 8 th C Main Road, Koramangala, 3 rd Block, Bangalore- 560034, Karnataka, India.
5	Mr. Vishak Kumar	09078653	Deputy Managing Director	S H Subramanian, Flat No I 1205, Brigade Metropolis, Whitefield Main Road, Garudachar Palya, Bangalore North, Bengaluru 560 048, Karnataka, India
6	Mr. Arun Adhikari Kumar	00591057	Independent Director	903, A-Wing, Vivarea, Sane Guruji Marg, Mahalaxmi, Jacob Circle, Mumbai 400 011, Maharashtra, India.
7	Mr. Sunirmal Talukdar	00920608	Independent Director	Flat no 406, 12 Ashoka Road, Alipore H.O, Alipore, Kolkata 700 027, West Bengal, India.
8	Mr. Nish Bhutani	03035271	Independent Director	Flat 2, Sonmarg Building, 67-B Nepean Sea Road, Mumbai City, Mumbai 400 006, Maharashtra, India.
9	Ms. Preeti Vyas	02352395	Independent Director	Raheja Imperia 1, Flat no 5602, A Wing, 56 th Floor, 45, Shankar Rao Naram Path, Lower Parel West, Mumbai, Mumbai City 400 013, Maharashtra, India.
10	Mr. Yogesh Chaudhary	01040036	Independent Director	G-250, Mansarovar Industrial Area, Jaipur 302 020, Rajasthan, India.
11	Mr. Venkatesh Satyaraj Mysore	01401447	Independent Director	The Imperial, N 4305, B B Nakashe Marg, Near Tardeo A C Market, Tardeo, Tulsiwadi, Mumbai 400 034, Maharashtra, India.

For further details of our Board of Directors, please see the section titled “*Our Management*” on page 100 of this Information Memorandum.

Company Secretary and Compliance Officer

Name: Rajeev Agrawal
Address: Piramal Agastya, Building A, 401, 403, 501, 502, LBS Road, Kurla, Mumbai – 400070.
Tel: +91 - 86529 05000
Email: rajeev.agrawal@abfirl.adityabirla.com

Legal Counsel

Name: Cyril Amarchand Mangaldas
Address: 5th Floor, Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.
Tel: 022-2496 4455

Registrar and Share Transfer Agent

Name: MUFG Intime Private Limited (*Formerly as Link Intime India Private Limited*)
Address: C-101, Embassy, 247, LBS Marg, Vikhroli (West), Mumbai 400083.
Tel: 022 - 4918 6000
Investor Grievance Email: rnt.helpdesk@in.mpms.mufg.com &
<https://web.in.mpms.mufg.com/contact-us.html>
Website: <https://in.mpms.mufg.com/>
Contact Person: Mr. Pradeep Mokale
SEBI Registration Number : INR000004058

Statutory Auditors

Name: Price Waterhouse & Co Chartered Accountants LLP
Address: 5th Floor, Tower ‘D’, The Millenia, 1 & 2 Murphy Road, Ulsoor, Bengaluru, 560 008.
ICAI Firm Registration Number: 304026E/E-300009
Peer Review Certificate Number: 015947
Tel: +91 (80) 4079 5000
Email: abdul.majeed@pwandaffiliates.com

Change in Auditors During the Last Three Financial Years

There have been no changes in the Statutory Auditors of our Company since the date of incorporation till the date of this Information Memorandum.

Filing

A copy of this Information Memorandum has been submitted to BSE and NSE.

Authority for Listing

The NCLT, Mumbai, by way of its order dated March 27, 2025, (certified true copy of the order received on April 22, 2025) sanctioned the Scheme with respect to the transfer of the Demerged Undertaking of ABFRL to our Company. The Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on the Stock Exchanges. Such admission and listing of the Equity Shares

of our Company is not automatic and will be subject to fulfilment of the respective listing criteria of the BSE and the NSE by our Company and also subject to such other terms and conditions, including the conditions prescribed as part of the relaxation provided to the Company by SEBI under Rule 19(7) of the SCRR, as well as other conditions prescribed by the Stock Exchanges in their approvals for the listing of the Equity Shares.

Our Company has obtained in-principle listing approvals from BSE and NSE on June 5, 2025. Our Company shall make applications for final listing and trading approvals from BSE and NSE. Our Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of shares.

ELIGIBILITY CRITERIA

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations is not applicable. However, SEBI vide its letter no. SEBI/HO/CFD/CFD-RAC-DCR-1/P/OW/2025/15984/1 dated June 13, 2025, granted relaxation of Rule 19(2)(b) of the SCRR to our Company pursuant to an application made by our Company to SEBI under Rule 19 (7) of the SCRR as per the SEBI Schemes Master Circular. Our Company has submitted this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable, to BSE and NSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

This Information Memorandum has also been made available on our Company's website at www.ablbi.in. Our Company shall also publish an advertisement in the newspapers containing the details as required in accordance with sub-clause 5 of paragraph A of Part II of the SEBI Scheme Master Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on our Company's website.

GENERAL DISCLAIMER FROM THE COMPANY

Our Company, our Promoters and our Directors do not accept any responsibility for statements made otherwise than in this Information Memorandum, or otherwise than in the advertisement published by the Company in accordance with Part II (A) (5) of the SEBI Circular or any other material issued by or at the direction of our Company. Anyone placing reliance on any other source of information would be doing so at their own risk. All information shall be made available by our Company to the public and shareholders at large and no selective or additional information would be available for a section of the shareholders in any manner.

CAPITAL STRUCTURE

SHARE CAPITAL

Details of the share capital of our Company, as on the date of this Information Memorandum, are set forth below:

1. Share Capital of our Company prior to the Scheme

Particulars	Amount (in ₹)
Authorized Share Capital	
50,000 Equity Shares (of face value ₹ 10 each)	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up Capital	
50,000 Equity Shares (of face value ₹ 10 each) *	5,00,000
Total	5,00,000
Securities Premium Account	Nil

**Entire pre-scheme issued, subscribed and paid- up capital is directly and through its nominees is held by ABFRL. Prior to the scheme becoming effective, ABFRL was the promoter of our Company.*

2. Share Capital of our Company post Scheme coming into effect and as on date of filing of this Information Memorandum is set forth below:

Particulars	Amount (in ₹)
Authorized Share Capital	
2,00,00,00,000 Equity Shares (of face value ₹ 10 each)	20,00,00,00,000
5,55,000 Preference Shares (of face value ₹ 10 each)	55,50,000
Total	20,00,55,50,000
Issued Share Capital	
1,22,05,00,277 Equity Shares (of face value ₹ 10 each)	12,20,50,02,770
5,55,000 8% Non- Cumulative Non- Convertible Redeemable Preference Shares (of face value ₹ 10 each)	55,50,000
Total	12,21,05,52,770
Subscribed and Paid-Up Share Capital	
1,22,02,94,773 Equity Shares (of face value ₹ 10 each)	12,20,29,47,730
5,55,000 8% Non- Cumulative Non- Convertible Redeemable Preference Shares (of face value ₹ 10 each)	55,50,000
Total	12,20,84,97,730
Securities Premium Account	Nil

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History of our Company

(a) Equity Share Capital

The below table set out the history of the Equity Share capital of our Company:

Sr . N o.	Date of allotment	Details of allottees / shareholders	Nature of allotment	Number of Equity Shares allotted	Face Value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up Equity Share Capital (in ₹)
1.	April 9, 2024	Aditya Birla Fashion and Retail Limited (including shares held by nominees of ABFRL)	Initial Subscription to the MOA	50,000	10	10	Cash	50,000	5,00,000
Cancellation of 50,000 equity shares held by Aditya Birla Fashion and Retail Limited (including 6 (six) equity shares held by nominees of ABFRL) as on May 1, 2025, pursuant to the Scheme.									
2.	May 26, 2025	Allotment of Equity Shares to the eligible shareholders of ABFRL as on the Record date pursuant to the Scheme	Allotment of Equity Shares pursuant to the Scheme	1,22,02,94,773	10	N.A.	Consideration other than cash	1,22,02,94,773	12,20,29,47,730

(b) Preference Share Capital

The below table set out the history of the Preference Share capital of our Company:

Sr . N o.	Date of allotment	Details of allottees/ shareholders	Nature of allotment	Number of preference Shares allotted	Face Value per Preference Share (in ₹)	Issue price per Preference Share (in ₹)	Nature of consideration	Cumulative number of Preference shares	Cumulative paid-up Preference Share Capital
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1.	May 26, 2025	Birla Management Centre Services Private Limited	Allotment of preference shares pursuant to the Scheme	5,50,000 NCNC RPS	10	N.A.	Consideration other than cash	5,50,000	55,50,000
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2. Offer of shares for consideration other than cash or by way of bonus issue

Other than NCNC RPS and Equity Shares allotted by our Company pursuant to and in accordance with the Scheme, our Company has not issued Shares for consideration other than cash or by way of bonus issue on the date of this Information Memorandum.

3. Offer of shares out of revaluation of reserves.

Our Company has not issued any shares out of revaluation reserves since its incorporation.

4. Shares issued pursuant to the Scheme of Arrangement approved under Sections 230 to 234 of the Companies Act, 2013.

Except as disclosed in *“Share Capital History of our Company”* above, our Company has not issued or allotted any shares pursuant to any scheme of arrangement approved under Sections 230-234 of the Companies Act, 2013 or Sections 391-394 of the Companies Act, 1956. For more details, please see the section titled *“Scheme of Arrangement”* on page 51 of this Information Memorandum.

5. Issue of shares at a price lower than the issue price in the last one year

Not Applicable.

Further, except pursuant to the Scheme and as disclosed in *“Share Capital History of our Company”* above, our Company has not issued shares during a period of one year preceding the date of filing of this Information Memorandum.

6. Shareholding Pattern

(a) The table represents the shareholding pattern of our Company prior to allotment of Equity Shares, under the Scheme:

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 Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding (No. of shares) under		
								Class: Equity shares	Class Others: NA	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(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)		(XIV)	(XV)		
(A)	Promoter & Promoter Group	7*	50,000	-	-	50,000	100.00	50,000	-	50,000	100	-	100	-	-	-	-	50,000	-	-	-
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	7*	50,000	-	-	50,000	100	50,000	-	50,000	100	-	100	-	-	-	-	50,000	-	-	-

*in addition to Aditya Birla Fashion and Retail Limited, there are six nominees holding one Equity Share each on behalf of Aditya Birla Fashion and Retail Limited

Note: In order to comply with the requirement of minimum seven members in the Company under the Companies Act 2013, one equity share is held by six individual as nominee of Aditya Birla Fashion and Retail Limited.

(b) The table below represents the shareholding pattern of our Company post allotment of Equity Shares, under the Scheme, and as on the date of this Information Memorandum:

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 Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Shareholding (No. of shares) under		
								Class: Equity shares	Class Others: NA	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(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)		(XIV)	(XV)		
(A)	Promoter & Promoter Group	14	56,83,51,129	-	-	56,83,51,129	46.57	56,83,51,129	-	56,83,51,129	46.74	-	46.57	4,48,22,856	7.89	-	-	56,83,51,129	-	-	-
(B)	Public	2,98,726	64,76,32,655	-	-	64,76,32,655	53.08	64,76,32,655	-	64,76,32,655	53.26	-	53.07	3,96,09,127	6.12	NA	NA	64,76,32,655	6,58,00,866	17,85,80,724	-
(C)	Non-Promoter-Non Public	1	43,10,989	-	-	43,10,989	0.35	-	-	-	-	-	0.35	-	-	NA	NA	43,10,989	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	NA	-	-	-	-	-	-	-	-	NA	NA	-	-	-	-
(C2)	Shares Held By Employee Trust	1	43,10,989	-	-	43,10,989	0.35	-	-	-	-	-	0.35	-	-	NA	NA	43,10,989	-	-	-
	Total (A+B+C)	2,98,741	1,22,02,94,773	-	-	122,02,94,773	100	1,21,59,83,784	-	1,21,59,83,784	100	-	100	8,44,31,983	6.92	-	-	1,22,02,94,773	6,58,00,866	17,85,80,724	-

Note: Voting Rights under Category “Public” includes 27,68,679 equity shares which remain frozen in terms of various applicable laws.

7. Details of shareholding of the major shareholders of our Company:

- As on the date of this Information Memorandum, our Company has 2,98,741 equity shareholders.
- Set below are the details of Shareholders of our Company holding (i) 1% or more of the paid -up share capital of our Company (ii) aggregating 80% of the equity share capital as on the date of filing of this Information Memorandum:

Equity Shares

S. No.	Shareholders	Number of equity shares (of face value ₹ 10 each)	Percentage of the post-Scheme Equity Share Capital
1	Birla Group Holdings Private Limited	23,66,19,965	19.390
2	IGH Holdings Private Limited	13,64,72,680	11.184
3	Grasim Industries Ltd	9,75,93,931	7.998
4	Flipkart Investments Private Limited	7,31,70,731	5.996
5	Caladium Investment Pte. Ltd.	6,58,00,866	5.392
6	Quant Mutual Fund - Quant Mid Cap Fund	5,61,90,433	4.605
7	Hindalco Industries Limited	5,02,39,794	4.117
8	Pilani Investment and Industries Corporation Limited	4,48,22,856	3.673
9	SBI Life Insurance Co. Ltd	2,71,53,233	2.225
10	Fidelity Securities Fund: Fidelity Blue Chip Growth Fund	2,37,20,498	1.944
11	Amansa Holdings Private Limited	2,20,21,549	1.805
12	Samyaktva Construction LLP	1,74,79,754	1.432
13	Nippon Life India Trustee Ltd-A/C Nippon India Multi Cap Fund	1,27,75,906	1.047
14	HDFC Life Insurance Company Limited	1,23,36,109	1.011
15	Cresta Fund Ltd	97,33,098	0.798
16	Peance Commercial Pvt Limited	90,14,962	0.739
17	Vanguard Total International Stock Index Fund	82,51,754	0.676
18	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund	72,52,392	0.594
19	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	70,48,344	0.578
20	ICICI Prudential Life Insurance Company Limited	59,09,212	0.484
21	Fidelity Securities Fund Fidelity Blue Chip Growth K6 Fund	55,15,446	0.452
22	Onkar Singh Pasricha	52,57,408	0.431
23	Anant Kumar Daga	50,79,552	0.416
24	Abu Dhabi Investment Authority - Monsoon	44,48,725	0.365
25	Government Pension Fund Global	44,15,354	0.362
26	ABFRL Employee Welfare Trust	43,10,989	0.353
27	Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	42,88,714	0.351
28	UTI Conservative Hybrid Fund	41,68,330	0.342

29	Fidelity Group Trust For Employee Benefit Plans Fidelity Blue Chip Growth Commingled Pool	40,99,260	0.336
30	Sachin Bansal	40,94,000	0.335
31	Tata Indian Opportunities Fund	40,00,000	0.328
32	IShares Core MSCI Emerging Markets ETF	38,26,868	0.314
33	Fidelity Securities Fund Fidelity Series Blue Chip Growth Fund	37,73,640	0.309
34	Tata Large And Mid-Cap Fund	34,71,960	0.285
35	Arvinder Singh Pasricha	32,92,882	0.270
36	Aditya Birla Fashion and Retail Limited - Suspense Escrow Demat Account	27,72,139	0.227
37	HN Safal Aviation Pvt Ltd	25,01,000	0.205
38	FIAM Group Trust for Employee Benefit Plans FIAM Target Date Blue Chip Growth Commingled Pool	25,00,283	0.205
	Total	99,54,24,617	81.572

Note: The above table includes shareholding on a consolidated basis, as per the PAN details of the shareholders.

NCNRPS

Sr. No	Shareholder	Number of NCNRPS held (of face value ₹ 10 each)	Percentage of the post-Scheme Preference Share capital
1.	Birla Management Centre Services Private Limited	5,50,000	100
Total		5,50,000	100

- c. Set below are the details of Shareholders of our Company holding 1% or more of the paid -up share capital of our Company as of 10 days prior to the date of filing of this Information Memorandum*.

S. No.	Shareholders	Number of equity shares (of face value ₹ 10 each)	Percentage of the post-Scheme Equity Share Capital
1	Birla Group Holdings Private Limited	23,66,19,965	19.390
2	IGH Holdings Private Limited	13,64,72,680	11.184
3	Grasim Industries Ltd	9,75,93,931	7.998
4	Flipkart Investments Private Limited	7,31,70,731	5.996
5	Caladium Investment Pte. Ltd.	6,58,00,866	5.392
6	Quant Mutual Fund - Quant Mid Cap Fund	5,61,90,433	4.605
7	Hindalco Industries Limited	5,02,39,794	4.117

8	Pilani Investment and Industries Corporation Limited	4,48,22,856	3.673
9	SBI Life Insurance Co. Ltd	2,71,53,233	2.225
10	Fidelity Securities Fund: Fidelity Blue Chip Growth Fund	2,37,20,498	1.944
11	Amansa Holdings Private Limited	2,20,21,549	1.805
12	Samyaktva Construction LLP	1,74,79,754	1.432
13	Nippon Life India Trustee Ltd-A/C Nippon India Multi Cap Fund	1,27,75,906	1.047
14	HDFC Life Insurance Company Limited	1,23,36,109	1.011
	Total	87,63,98,305	71.819

* ABFRL is demerged into ABLBL pursuant to the order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench on March 27, 2025 in the matter of scheme of arrangement between Aditya Birla Fashion and Retail Limited (as the Demerged Company) and Aditya Birla Lifestyle Brands Limited (as the Resulting Company) and their respective shareholders and creditors. The shareholding is on the basis of Demerged Company as on Record Date i.e. May 22, 2025.

NCNRPS

Sr. No	Shareholder	Number of NCNRPS held (of face value ₹ 10 each)	Percentage of the post-Scheme Preference Share Capital
1.	Birla Management Centre Services Private Limited	5,50,000	100
	Total	5,50,000	100

- d. Set below are the details of Shareholders of our Company holding 1% or more of the paid -up equity share capital of our Company as on date one year prior to the date of filing of this Information Memorandum.

Sr. No	Shareholders	Number of equity shares (of face value ₹ 10 each)	Percentage of the Pre-Scheme Paid - up Equity Share capital
1.	Aditya Birla Fashion and Retail Limited*	50,000*	100
	Total	50,000*	100

*including 6 (six) equity shares held by nominees of ABFRL.

- e. As the Company was incorporated on April 9, 2024, and accordingly, there were no Shareholders holding 1% or more of the paid-up equity share capital of our Company as of two years prior to the date of this Information Memorandum.

8. History of the Equity Share Capital held by our Promoter

As on the date of this Information Memorandum, our Promoter holds 23,66,19,965 Equity Shares of our Company, representing 19.39% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoter's shareholding are set forth below.

a. Build-up of Promoter's equity shareholding in our Company

Set below is the build-up of our Promoter shareholding as on the date of filing of this Information Memorandum:

Date of allotment/acquisition of equity shares	Number of Equity Shares allotted/transferred	Face Value per equity share (in ₹)	Issue Price/Acquisition price per equity share (in ₹)	Nature of consideration	Nature of transaction
Birla Group Holdings Private Limited					
May 26, 2025	23,66,19,965	10	N.A.	Other than cash	Allotment pursuant to the Scheme

All the Equity Shares held by the Promoter were fully paid-up on the date of the allotment. Further, as on the date of this Information Memorandum, all Equity Shares by the Promoter are in dematerialized form and have not been pledged in any manner.

b. Shareholding of the Promoter and Promoter Group

Details of Equity Shares held by the Promoters and Promoter Group as on the date of filing of this Information Memorandum:

Name of Shareholders	Pre-Scheme		Post-Scheme	
	Number of Equity Shares	Percentage of pre-scheme equity capital	Number of Equity Shares	Percentage of post-scheme equity capital
Promoter				
Birla Group Holdings Private Limited	-	-	23,66,19,965	19.39
Promoter Group				
IGH Holdings Private Limited	-	-	13,64,72,680	11.18
Grasim Industries Limited	-	-	9,75,93,931	8.00
Hindalco Industries Limited	-	-	5,02,39,794	4.12
Pilani Investment and Industries Corporation Limited	-	-	4,48,22,856	3.67
Birla Industrial Finance (India) Limited	-	-	1,66,508	0.01
Birla Consultants Limited	-	-	1,66,422	0.01
ABNL Investment Limited	-	-	77,430	0.01
Birla Industrial Investments (India) Limited	-	-	34,666	0.00

Rajashree Birla	-	-	8,63,696	0.07
Kumar Mangalam Birla	-	-	12,51,589	0.10
Neerja Birla	-	-	20,270	0.00
Vasavadatta Bajaj	-	-	19,542	0.00
Aditya Vikram Kumarmangalam Birla HUF (Kumar Mangalam Birla)	-	-	1,780	0.00
ECE Industries Limited	-	-	-	-

c. Shareholding of Directors of our Promoter

Details of Equity Shares held by Directors of our Promoter as on the date of filing of this Information Memorandum

Name of Shareholders	Pre-Scheme		Post-Scheme	
	Number of Equity Shares	Percentage of pre-scheme equity share capital	Number of Equity Shares	Percentage of post-scheme equity share capital
Rajashree Birla	-	-	8,63,696	0.07
Kumar Mangalam Birla	-	-	12,51,589	0.10
Suresh Tapuriah	-	-	-	-
Pradeep Kumar Jajodia	-	-	-	-

9. Details of acquisition of Equity Shares by the Promoter Group through secondary transactions: Not Applicable
10. Except as provided in and pursuant to the Scheme, none of the members of the Promoter Group, the Promoters, the Directors of our Promoters, our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Information Memorandum.
11. There have been no financing arrangements whereby members of Promoter Group, Directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of Equity Shares of our Company, during a period of six months immediately preceding the date of this Information Memorandum.
12. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as of the date of this Information Memorandum.
13. Our Company, presently, does not intend nor does it propose to alter its capital structure for a period of 6 (six) months from the date of this Information Memorandum, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, for meeting growth capital requirements of our Company and/or its Subsidiary/Joint Venture Company or for acquisitions, joint ventures and other arrangements, our Company may, subject to necessary approvals, raise capital by further issue of Equity Shares and/or other securities through any mode available under the applicable laws.

14. There will be no further issue of Equity Shares of the Company, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Information Memorandum with the SEBI until the Equity Shares of the Company have been listed on the Stock Exchanges.
15. As on the date of this Information Memorandum, the total number of Shareholders of our Company is 2,98,741 (consolidated as per the PAN details of the Shareholders).
16. In accordance with sub-paragraph I of paragraph A of Part II of the SEBI Scheme Master Circular, the shareholding of Promoters and our shareholders is exempt from lock-in, since the shareholding of our Company, immediately upon issuance of the Equity Shares pursuant to the Scheme, was exactly similar to the shareholding pattern of Aditya Birla Fashion and Retail Limited as on Record Date.
17. The Equity Shares issued pursuant to the Scheme are fully paid up at the time of allotment and the Company does not have any partly paid up Equity Shares as on the date of this Information Memorandum.
18. No lead manager has been appointed in connection with listing of the Equity Shares of our Company. Therefore, the requirement to disclose the shareholding of the lead manager and their respective associates in our Company is not applicable.
19. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “***Our Management***” beginning on page 100 of this Information Memorandum.
20. Our Company has only one denomination of Equity Shares.
21. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
22. As on the date of this Information Memorandum, except for Stock Options that will be granted by the Company under the relevant Resulting Company Stock Option Plans to be formulated pursuant to the Scheme of Arrangement, there are no outstanding warrants or convertible securities, including any outstanding warrant or right to convert debentures, loans, or other instruments into Equity Shares.
23. Employee Stock Option Schemes of our Company

Our Company has not had an employee stock option scheme since incorporation. The Demerged Company has established the Demerged Company Stock Options Plans. From the Effective Date, Demerged Company Stock Options granted and / or vested by the Demerged Company pursuant to Demerged Company Stock Option Plans shall continue to be governed by the provisions of respective Demerged Company Stock Option Plans, subject to the modifications proposed under the Scheme. The Resulting Company shall formulate the Resulting Company Stock Option Plans in accordance with Clause 5.6 of the Scheme. With respect to the Demerged Company Stock Options granted and / or vested by the Demerged Company to the eligible employees of the Demerged Company (irrespective of whether they are Remaining Employees or Transferring Employees) under the Demerged Company Stock Option Plans and, for every 1 (one) Demerged Company Stock Options (as the case may be) outstanding as on the Record Date in the Demerged Company, such eligible Remaining Employee and Transferring Employee shall be granted and / or vested 1 (one) Resulting Company Stock Options under the relevant Resulting Company Stock Option Plans (as the case may be) on the terms and conditions which would be similar to the Demerged Company Stock ESOP Plans as applicable.

Subject to necessary approvals as may be required, our Company will grant ESOP to the eligible employees under the Resulting Company Stock Option Plans framed in terms of the Scheme. As on date, there are no outstanding Stock Options granted under the Resulting Company Stock Option Plans.

SCHEME OF ARRANGEMENT

DETAILS OF SCHEME

The Scheme of Arrangement ("*Scheme*") filed under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 involves: (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Aditya Birla Fashion and Retail Limited ("*Demerged Company/ABFRL*") into the Company ("*Resulting Company/ABLBL*") on a going concern basis, and in consideration, the consequent issuance of New Equity Shares by the Resulting Company to the equity shareholders of the Demerged Company, as per the share entitlement ratio (*as defined in the Scheme*) in consideration thereof, in accordance with the provisions of Section 2(19AA) of the Income Tax Act and (ii) various other matters consequential or otherwise integrally connected therewith including changes in share capital and reduction and cancellation of pre-scheme share capital of the Resulting Company.

RATIONALE FOR THE SCHEME

1. ABFRL runs a diverse portfolio of fashion brands and retail formats with key business segments comprising of Madura Fashion and Lifestyle and Pantaloons, Ethnic portfolio along with other new growth platforms.
2. The MFL Business (*as defined in the Scheme*) has built a leadership position over a long period of time and has a proven track record of delivering consistent revenue growth, profitability, strong free cash flows and high return on capital. The Remaining Business of ABFRL comprises portfolio of multiple businesses.
3. The Scheme is being proposed to separate MFL Business from the Remaining Business of ABFRL and demerge it into the Resulting Company. The proposed Scheme would be in the best interests of the ABFRL, the Resulting Company and, their respective shareholders, employees, creditors and other stakeholders for the below reasons:
 - a. The distinctive profile and established business model of the MFL Business makes it suitable to be housed in a separately listed entity, allowing sharper strategic focus in pursuit of its independent value creation trajectory;
 - b. Result in better and efficient control and management for the segregated businesses, operational rationalization, organization efficiency and optimum utilization of various resources;
 - c. The Scheme would unlock value for the overall-business portfolio through price discovery of the individual entities for existing shareholders;
 - d. ABFRL will house multiple growth platforms across value and masstige retail, branded ethnic business, super premium and luxury retail formats and portfolio of digital brands and will chart its own growth journey;
 - e. The Scheme could lead to the right operating architecture for both companies with sharper focus on their individual business strategies and clear capital allocation, in alignment with their respective value creation journeys; and
 - f. Separately listed companies to attract specific set of investors for their business profile, and consequently, encourage stronger capital market outcomes.

APPOINTED DATE AND EFFECTIVE DATE FOR THE SCHEME

In terms of the Scheme, April 1, 2024 is the Appointed Date of the Scheme. Further the Effective Date means May 1, 2025, i.e. the first day of the month following the month in which the Parties mutually acknowledge in writing that all the conditions and matters referred to in Clause 20.1 of the Scheme have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme;

The Scheme was sanctioned by the Hon'ble National Company Law Tribunal, Mumbai bench, by way of its order dated March 27, 2025, (certified true copy of the order received on April 22, 2025). Further, all the

conditions precedent in the connection with the Scheme were fulfilled, and the Scheme has been made effective from the Appointed Date but shall become operative from the Effective Date.

SALIENT FEATURES OF THE SCHEME

1. The salient features of the Scheme are, *inter-alia*, as stated below. The capitalized terms used herein shall have the same meaning as assigned in the Scheme:
 - (i) This Scheme is presented *inter alia* under Sections 230-232 and other applicable provisions of the Companies Act, 2013 amongst ABFRL and ABLBL and their respective shareholders and creditors.
 - (ii) The Scheme provides for the separation of the MFL Business from the Remaining Business (*as defined in the Scheme*) of the Demerged Company and demerge it into the Resulting Company, with effect from the Appointed Date, and also provides for various other matters consequential or otherwise integrally connected therewith including changes in share capital and reduction and cancellation of pre-scheme share capital of the Resulting Company.
 - (iii) The “Appointed Date” of the Scheme is April 1, 2024 or such other date as may be approved by the Boards of the Demerged Company and Resulting Company. The “Effective Date” of the Scheme means the date which will be the first day of the month following the month in which the Demerged Company and Resulting Company mutually acknowledge in writing that all the conditions and matters referred to in Clause 20.1 of the Scheme have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme.
 - (iv) Pursuant to the Scheme, 5,55,000 ABFRL NCNCRPS (*as defined in the Scheme*) out of total 11,10,000 ABFRL NCNCRPS shall automatically stand cancelled in the Demerged Company without any further application, act, instrument or deed and in lieu thereof BMCSPL (*as defined in the Scheme*) shall be issued and allotted 5,55,000 ABLBL NCNCRPS on the same terms and conditions as ABFRL NCNCRPS. The entire pre-scheme paid up share capital of the Resulting Company shall stand cancelled and reduced.
 - (v) In consideration of the demerger of the Demerged Undertaking into the Resulting Company, the Resulting Company shall without any further application, act, consent, instrument or deed, issue and allot the Resulting Company New Equity Share(s) to the equity shareholders of the Demerged Company who hold fully paid-up equity shares of the Demerged Company and whose names are recorded in the register of members and/ or records of the depository on the Record Date (*as defined in the Scheme*) in accordance with the share entitlement ratio of 1 equity share of the Resulting Company for every 1 equity share of the Demerged Company. Notwithstanding anything to the contrary contained in this Scheme, the Demerged Company shall be able to raise capital (by issue of shares on rights basis or preferential basis, issue of convertible instruments or otherwise) as they may deem fit for their business requirements from time to time during the period between the approval of the Scheme by the Board of the Demerged Company and the Board of the Resulting Company and the Effective Date. There shall be no change in the share entitlement ratio mentioned above on account of such capital raise.
 - (vi) With effect from Appointed Date, the Demerged Undertaking along with all its assets, Permits (*as defined in the Scheme*), contracts, liabilities, loan, duties and obligations, shall get transferred to and vest in or shall be deemed to have been transferred to and vested in the Resulting Company, as a going concern, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in the Scheme, and in accordance with Sections 230-232 of the Companies Act and applicable provisions of Income Tax Act, 1961.
 - (vii) The Resulting Company shall issue stock options to the holders of the Resulting Company Stock Options in accordance with the provisions of the Scheme.
 - (viii) There shall be no change in terms and conditions of the Demerged Company NCDs pursuant to this Scheme. Pursuant to the Scheme, the holders of Transferring NCDs (*as defined in the Scheme*) as on the

Effective Date will be transferred to the Resulting Company on same terms, including the coupon rate, tenure, redemption price, quantum, ranking nature of security, etc. Further, the holders of Retained NCDs (*as defined in the Scheme*) as on the Effective Date will continue to hold NCDs of the Demerged Company, without any interruption, on same terms, including the coupon rate, tenure, redemption price, quantum, ISIN and nature of security etc.

- (ix) During the period between the approval of the Scheme by the Boards of the Resulting Company and the Board of the Demerged Company and the Effective Date, the Demerged Company shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the manner as it had been doing hitherto.
- (x) Pursuant to the effectiveness of the Scheme, all Transferring Employees (*as defined in the Scheme*) shall be deemed to have become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service.
- (xi) The accumulated balances, if any, standing to the credit in favour of the Transferring Employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company.
- (xii) In addition to the above, in so far as existing employee benefit plans of the Demerged Company are concerned or in the event the Demerged Company approves or adopts any employee benefit plans including employee benefits plans for ESOPs, RSUs or SARs, after the approval of the Scheme by the Boards of the Parties but prior to the Effective Date (“New Stock Options Plans”), such New Stock Option Plans shall include appropriate provisions of the manner in which such benefits shall be available to the relevant employees.
- (xiii) Pursuant to the effectiveness of the Scheme all suits, actions, administrative proceedings, tribunal proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature (except proceedings under the Income Tax Act) by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in the Scheme and shall be continued and be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.
- (xiv) At any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the Income Tax Act), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to the Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company.

CONSIDERATION FOR THE DEMERGER OF THE DEMERGED UNDERTAKING

In the terms of the Scheme, as consideration for the demerger of the Demerged Undertaking of ABFRL, the Company has agreed to issue and allot to the shareholders of ABFRL as on the record date i.e. May 22, 2025, 1 (one) Fully Paid- Up Equity Share of the Company having face value of ₹ 10 (Rupees Ten Only) each for every 1(one) Fully Paid-Up Equity Share of ₹ 10 (Rupees Ten Only) each of ABFRL.

CANCELLATION OF THE PRE-SCHEME SHARE CAPITAL OF THE COMPANY

Upon allotment of the Company's New Equity Shares, the entire pre-scheme paid up share capital of the Company shall stand cancelled and reduced, without any consideration and without any further act, instrument or deed, which shall be regarded as reduction of share capital of the Company.

CONDITIONS PRECEDENT TO THE SCHEME

The Scheme is conditional upon and subject to the following conditions precedent:

1. The Stock Exchanges having issued their observation / no-objection letters as required under the SEBI Listing Regulations read with the SEBI Schemes Master Circular and the SEBI Debt Circular;
2. This Scheme being approved by the respective requisite majorities of the various classes of (a) creditors (where applicable) of the Demerged Company and the Demerged Company members; and (b) members and creditors (where applicable) of the Resulting Company, as required under the Act, subject to any dispensation of holding and convening meetings of members and creditors, that may be granted by the Tribunal;
3. The fulfilment, satisfaction or waiver (as the case may be) of any approvals or conditions mutually agreed by the Parties as required for completion of transactions contemplated under this Scheme;
4. Sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act and receipt of certified copy of the Sanction Order; and
5. The certified copy of the Sanction Order having been filed by the Parties with the RoC.

APPROVALS WITH RESPECT TO THE SCHEME OF ARRANGEMENT

In accordance with the Scheme, the Equity Shares of the Company, issued subject to applicable regulations, shall be listed and admitted to trading on the Stock Exchanges, in accordance with the in-principle and final approvals that are to be received from the Stock Exchanges, along with the approval of SEBI granted pursuant to Rule 19(7) of the SCRR, respectively. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by the Company seeking listing. The Equity Shares allotted by the Company pursuant to Clause 8.13 of the Scheme shall remain frozen in the systems of the Depositories till listing/ trading permission is given by the designated Stock Exchange.

For further details in relation to the Scheme, which forms part of the material documents for inspection made available by the Company at its Registered Office from the date of filing of this Information Memorandum with the Stock Exchanges until the listing of Equity Shares on the Stock Exchanges. The Scheme is also made available to public through the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

For details of the Shareholding of the Company's pursuant to the allotment in terms of the Scheme please see the section titled "***Capital Structure***" on page 39 of this Information Memorandum.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ADITYA BIRLA LIFESTYLE BRANDS LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX AND INDIRECT TAX LAWS IN INDIA.

The Board of Directors

Aditya Birla Lifestyle Brands Limited

Piramal Agastya Corporate Park, Building 'A',
4th and 5th Floor, Unit No. 401, 403, 501, 502,
L.B.S Road, Kurla, Mumbai – 400070.

Dear Sir/Madam,

Subject: **Proposed listing of Equity Shares of Aditya Birla Lifestyle Brands Limited (“ABLBL” or “the Company”) on BSE Limited and National Stock Exchange of India Limited pursuant to a Scheme of Arrangement.**

1. We have been requested by the Company to issue a report on the possible special tax benefits available to the Company and its shareholders attached for inclusion in the Information Memorandum in connection with the proposed listing of Equity Shares of Aditya Birla Lifestyle Brands Limited. We hereby confirm that the enclosed Annexure 1 and Annexure 2 (together, the “**Annexures**”), prepared by the Company provides the possible tax benefits available to the Company and to the shareholders of the Company are as under:
 - applicable direct taxation laws, under Income Tax Act, 1961 (“the **Act**”) and
 - the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and the applicable State/ Union Territory Goods and Services Tax Act, 2017 (“**GST Acts**”), as amended from time to time, the Customs Act, 1962 (“**Customs Act**”) and the Customs Tariff Act, 1975 (“**Tariff Act**”), as amended from time to time, rules, regulations, circulars and notifications issued thereunder Foreign Trade Policy 2015-20 as extended till 31.03.2023 vide Notification No 37/2015-20 dated 29.09.2022. The Foreign Trade Policy, 2023 has been notified Vide Notification No 01/2023 and is effective from 01 April 2023.

The Act, GST Acts, Custom Act and Tariff Act as defined above, are collectively referred to as the “**Relevant Acts**”

2. Several of other benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts read with rules, regulations, circulars and notifications thereto. Hence, the ability of the Company to derive the possible tax benefits is dependent upon their fulfilling of such conditions, which is based on the business imperatives the Company face in the future, the Company or its shareholders may or may not choose to fulfil.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company’s management. We are informed that these

Annexures are only intended to provide the general information to the shareholders 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 shareholder is advised to consult their own tax consultant with respect to the specific tax implications arising out of the Scheme particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which a shareholder can avail.

4. We do not express an opinion or provide any assurance as to whether:
 - a. The Company or its shareholders will continue to obtain these benefits in the future;
 - b. The conditions prescribed for availing the benefits, have been/would be met with and
 - c. The revenue authorities/court will concur with the views expressed herein.
5. The contents of this enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
6. Further we give no assurance that the revenue authorities/court will concur with our views expressed herein. Our views are based on the existing provisions of law 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. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.
7. We hereby give consent to include this Statement in the Information Memorandum and in any other material used in connection with the Proposed Listing of Equity Shares of the Company and submission of this Statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed and the Registrar of Companies of Maharashtra at Mumbai in connection with the Proposed Listing, as the case may be, and it is not to be used, referred to or distributed for any other purpose without our prior consent.

For Ankush Gupta & Associates
Chartered Accountants
Firm Registration No.: 149227W

SD/-

Ankush Gupta
Proprietor
Membership No. 120478
UDIN: 25124078BMIBL4920

Date: 28.05.2025
Place: Mumbai

Encl: Annexures

ANNEXURE 1

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO ADITYA BIRLA LIFESTYLE BRANDS LIMITED AND ITS SHAREHOLDERS

Under the Income-tax Act, 1961 ('the Act') (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2025 (hereinafter referred to as 'Indian Income Tax Regulations') relevant to the Assessment Year 2026-27 (together, the Indian Income Tax Regulations).

A. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO OUR COMPANY

a) Lower Corporate tax rate on income of domestic companies – Section 115BAA of the ITA

As per Section 2 of chapter II of Finance Act, 2025 (Rates of Income-tax), Income-tax shall be charged at the rates specified in Part III of the First Schedule. Our Company has opted for reduced tax rate at 22% under Section 115BAA of the Act. Such option once exercised shall apply to all subsequent assessment years. Where such an option is exercised, our Company will not be allowed to claim any of the following deductions/exemptions:

- (i) Deduction under Section 10AA of the Act (deduction for units in Special Economic Zone);
- (ii) Deduction under clause (iia) of sub-section (1) of Section 32 of the Act (Additional depreciation);
- (iii) Deduction under Section 32AD, Section 33AB, or Section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund);
- (iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or subsection (2AA) or sub-section (2AB) of Section 35 of the Act (Expenditure on scientific research);
- (v) Deduction under Section 35AD or Section 35CCC of the Act (Deduction for specified business, agricultural extension project);
- (vi) Deduction under Section 35CCD of the Act (Expenditure on skill development);
- (vii) Deduction under any provisions of Chapter VI-A other than of Section 80JJAA or Section 80M of the Act;
- (viii) Deduction under Section 80LA of the Act other than deduction applicable to a unit in the International Financial Services Centre, as referred to in sub-section (1A) of Section 80LA of the Act;
- (ix) No set-off of any losses; brought forward or unabsorbed depreciation from any earlier assessment year(s), if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (viii) above; and
- (x) No set-off of any loss or allowance for unabsorbed depreciation deemed so under Section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (viii) above.

Additionally, the provisions of Section 115JB of the Act i.e., Minimum Alternate Tax ('MAT') shall not apply to our Company once the option under Section 115BAA of the Act, as specified under subsection (5A) of Section 115JB of the Act. Further, our Company will not be allowed to carry forward and set off any credit under Section 115JAA of the Act, if any, commonly referred to as MAT credit. Our Company is also required to submit the prescribed Form 10-IC with the Income-tax authorities within the specified due date for filing Income-tax return.

b) Deduction in respect of employment of new employees – Section 80JJAA of the ITA

Under Section 80JJAA of the Act, our Company is entitled to a deduction of an amount equal to thirty percent in respect of additional employee cost (relating to specified category of employees) incurred during the previous year. Such deduction is available for a period of three assessment years effective from the year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of Section 80JJAA of the Act. In addition, our Company is required to submit the prescribed form with the Income-tax authorities within the specified due date.

c) Deduction with respect of inter-corporate dividends – Section 80M of the ITA

As per Section 80M of the Act, dividend received by our Company from any other domestic company, or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by our Company upto one month prior to the date of filing of its Income-tax return for the relevant year. Since our Company has investments in Indian subsidiaries and other companies, it can avail of the above-mentioned benefit under Section 80M of the Act.

d) Set-off of Unabsorbed Depreciation under section 32(2) of the ITA

As per the provision of Section 32(2) of the ITA, where a company does not have sufficient profits to cover the depreciation expense for that year, the unabsorbed depreciation shall be carried forward to subsequent assessment years for an indefinite period until it is fully absorbed and set off against future profits of subsequent assessment years. Our Company has carried forward unabsorbed depreciation to subsequent assessment year.

B. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There is no special direct tax benefit available to the shareholders of our Company for investing in the shares of our 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.

a) Dividend income

- (i) 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 Act could be availed on fulfilling the conditions as mentioned above.
- (ii) Separately, any dividend income received by the resident shareholders would be subject to tax deduction at source by our 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 our Company under section 195 of the Act @ 20% (plus applicable surcharge and cess).

- (iii) 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.

b) Tax on Capital gains

- (i) 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.

a. Long term capital gain:

As per Section 112A of the Act, 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 our 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.

b. Short term capital gain:

As per Section 111A of the Act, 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.

c) For shareholders who are Foreign Institutional Investors/ Portfolio Investors (FII/FPIs)

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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).

- (v) 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 Act.

d) For shareholders who are Investment Funds

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) Further, as per section 115UB(6) of the Act, 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.
- (v) Taxation of income of AIF Category III are governed by the other / normal provisions of the Act.
- (vi) 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.

e) 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:

- a) These special tax benefits are dependent on our Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of our Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, our Company or its shareholders may or may not choose to fulfil.
- b) The special tax benefits discussed in this 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. Given the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her tax consultant for the specific tax implications arising out of their participation in the issue.
- c) The Statement has been prepared on the basis that the shares of our Company are proposed to be listed on a recognized stock exchange in India and our Company will be issuing the equity shares.
- d) The Statement is prepared based on information available with the Management of our Company and there is no assurance that:
 - (i) our 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.
- e) This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- f) In respect of non-resident Shareholders, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreements(s), if any, between India and the country in which the non-resident has fiscal domicile.
- g) No assurance is provided that the revenue authorities /courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO ADITYA BIRLA LIFESTYLE BRANDS LIMITED AND ITS SHAREHOLDERS

Under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and the applicable State/ Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended from time to time, rules, regulations, circulars and notifications issued thereunder Foreign Trade Policy 2015-20 as extended till 31.03.2023 vide Notification No 37/2015-20 dated 29.09.2022. The Foreign Trade Policy; 2023 has been notified Vide Notification No 01/2023 and is effective from 01 April 2023.

A. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO OUR COMPANY**1. Special Tax Benefits available to the Company w.r.t. GST Acts:**

- a) Accumulated Input Tax Credit lying at GST registered States of Aditya Birla Fashion and Retail Limited would be transferred to Aditya Birla Lifestyle Brands Limited in respective States by way of filling form GST ITC- 02 in subsequent month as per applicable GST Provisions/ Rules.
- b) Any benefit arising out of any refund claim on account of exports or inverted rated supplies or deemed exports in terms of the GST provisions shall be passed on to Aditya Birla Lifestyle Brands immediately upon realization or conclusion of any related proceedings (if any).
- c) Adjustments in output tax liability owing to issuance of credit notes in relation to supplies made before demerger would also be transferred to Aditya Birla Lifestyle Brands Limited.
- d) Refund of any taxes paid/ pre-deposit made, upon realization and finalization of the proceedings, would also be transferred to Aditya Birla Lifestyle Brands Limited.

Apart from the above-mentioned events, no other benefits are likely to accrue to Aditya Birla Lifestyle Brands Limited.

2. Special Indirect Tax Benefits available to the Company w.r.t. Customs & Export Obligations

- a) Pursuant to the NCLT Order dated March 27, 2025 (certified true copy of the order received on April 22, 2025) demerging Madura Lifestyle business of Aditya Birla Fashion and Retail Limited to Aditya Birla Lifestyle Brands Limited effective from April 1, 2024, (being appointed date as per scheme), we shall be transferring benefits, if any, accrued to Aditya Birla Lifestyle Brands Limited under the following FTP schemes, upon realization:
 - (i) RODTEP benefits
 - (ii) Drawback benefits
 - (iii) ROSCTL benefits
- b) Further, we had discharged IGST on import transactions and same is eligible for availing as eligible Input Tax Credits and accumulated ITC Balances will be transferred to Aditya Birla Lifestyle Brands Limited in respective States by way of filling GST ITC-02 in subsequent month as per applicable GST Provisions / Rules
- c) Similarly, un-fulfilled export obligation pertains to Aditya Birla Fashion and Retail Limited (Madura Lifestyle business) is transferred to Aditya Birla Lifestyle Brands Limited by virtue of this scheme.

Apart from the above-mentioned events, no other benefits are likely to accrue to Aditya Birla Lifestyle Brands Limited.

B. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special indirect tax benefits available to shareholders of our Company by virtue of their investment in the Company.

Notes:

- a) These special tax benefits are dependent on our Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of our Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives; our Company or its shareholders may or may not choose to fulfil.
- b) The special tax benefits discussed in this 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. Given the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her tax consultant for the specific tax implications arising out of their participation in the issue.
- c) The Statement has been prepared on the basis that the shares of our Company are proposed to be listed on a recognized stock exchange in India and our Company will be issuing the equity shares.
- d) The Statement is prepared based on information available with the Management of our Company and there is no assurance that:
 - (i) our 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.
- e) This Annexure covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.
- f) No assurance is provided that the revenue authorities /courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of

Aditya Birla Lifestyle Brands Limited

SD/-

Name: Dharmendra Lodha

Designation: Chief Financial Officer

Place: Bangalore

Date: May 27, 2025

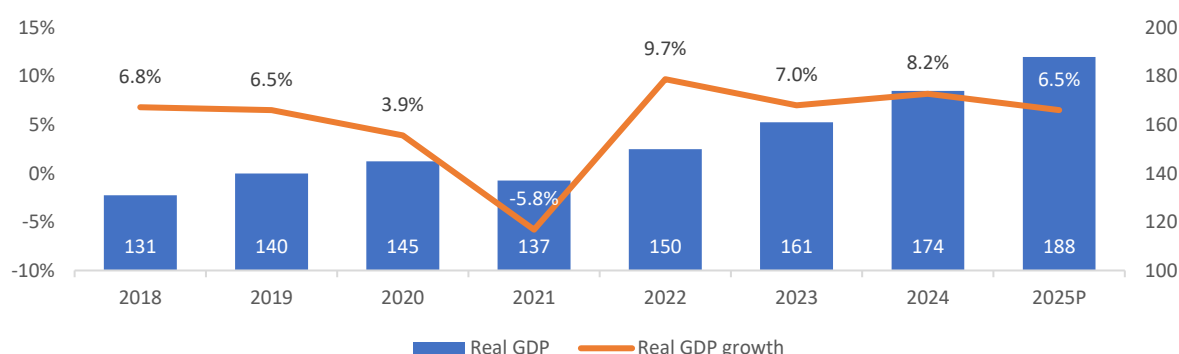
INDUSTRY OVERVIEW

You should read the following summary together with the section “**Risk Factors**” on page 24 and the more detailed information about us and our financial results included elsewhere in this Information Memorandum. 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 May 2025 (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. Any reliance on such information for making an investment decision in the Issue is subject to inherent risks. The following summary should be read with the section titled “**Certain Conventions, Presentation of Financial Information, Industry and Market Data**” on page 13 of this Information Memorandum.

Overview of Indian economy

India, the world’s fifth-largest economy, has demonstrated strong economic resilience, with a GDP of ₹174 lakh crores at constant prices in FY 2024. Real GDP is projected to reach ₹188 lakh crores in FY 2025, driven by robust domestic and external demand. Key sectors have sustained annual growth of over 7% for three consecutive years post-pandemic, positioning India to become the world’s third-largest economy by FY 2028.

India's Real GDP & GDP Growth

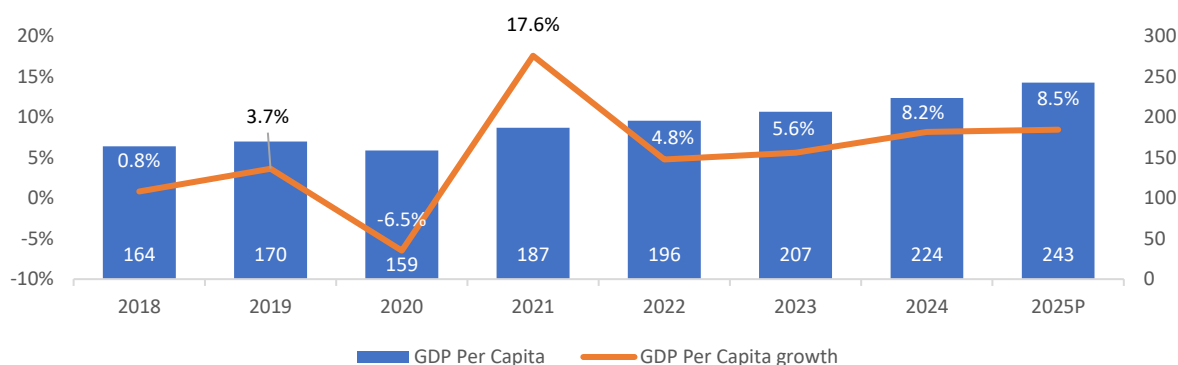


Source: RBI

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 8.2%. Looking ahead, projections for 2025 anticipate GDP per capita reaching ₹243 thousand per capita, with a year-on-year growth of 8.5%. 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



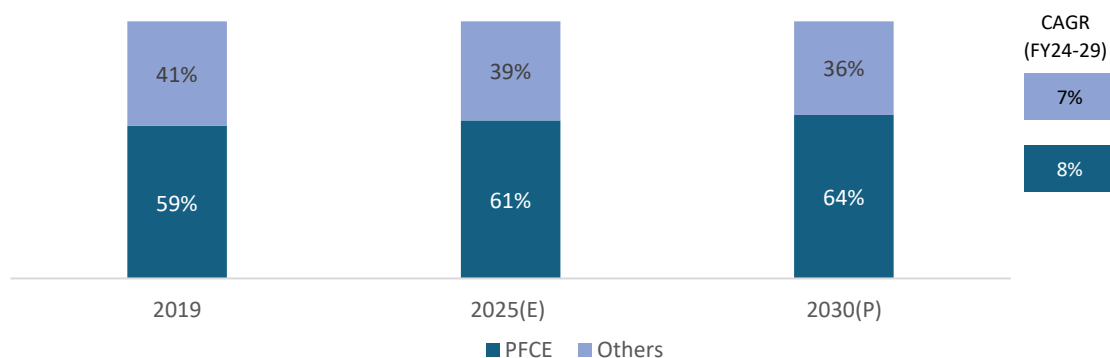
Source: IMF, RBI, PIB

Note: P: Projected Data; Data represents calendar year; GDP Per Capita in ₹ '000 per capita.

Private Final Consumption Expenditure (PFCE)

India is largely a consumption-led economy with Private Final Consumption Expenditure (“PFCE”) as a share of GDP expected to increase from 59% in FY19 to 61% in FY25, according to MoSPI’s estimates. The share of PFCE in GDP is expected to increase to 64% by FY30 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

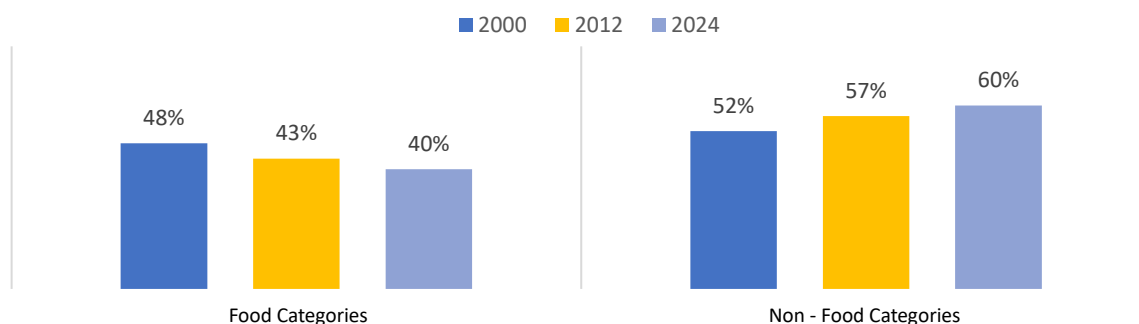


Source: MoSPI

Note: E: Estimated data; P: Projected data; Data represents 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 60% in 2024 and this trend is expected to continue.

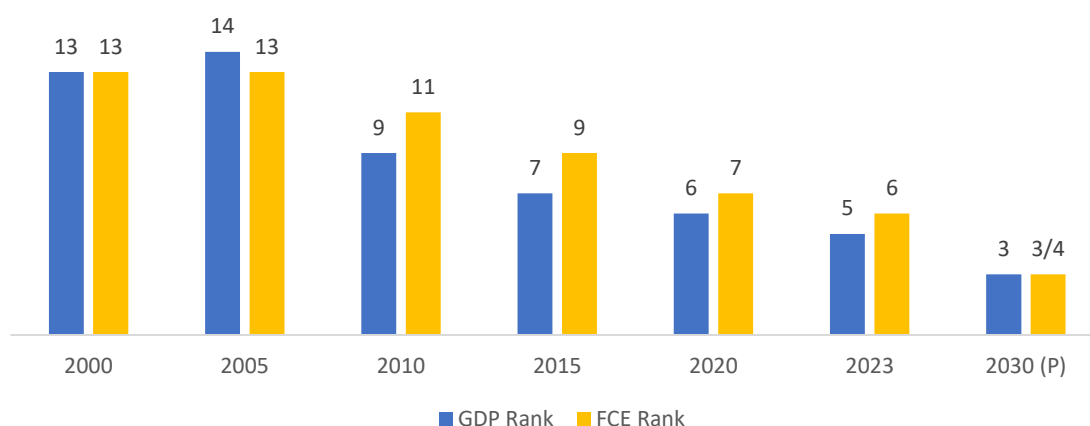
Consumption Split Between Food and Non-Food Categories in Urban Household



Source: National Sample Survey Office (NSSO), Ministry of Statistics & Programme Implementation, GOI

India has ascended to the position of the world's 5th largest economy by GDP in 2023, 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 2023. 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)



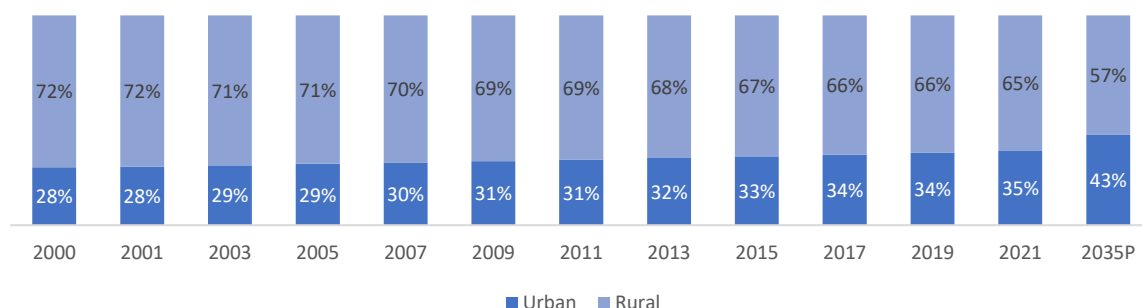
Source: IMF, World Bank, S&P Global

Note: Data represents calendar year, P: Projected Data, FCE: Final Consumption Expenditure, both FCE and GDP are at current US\$

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 (%)

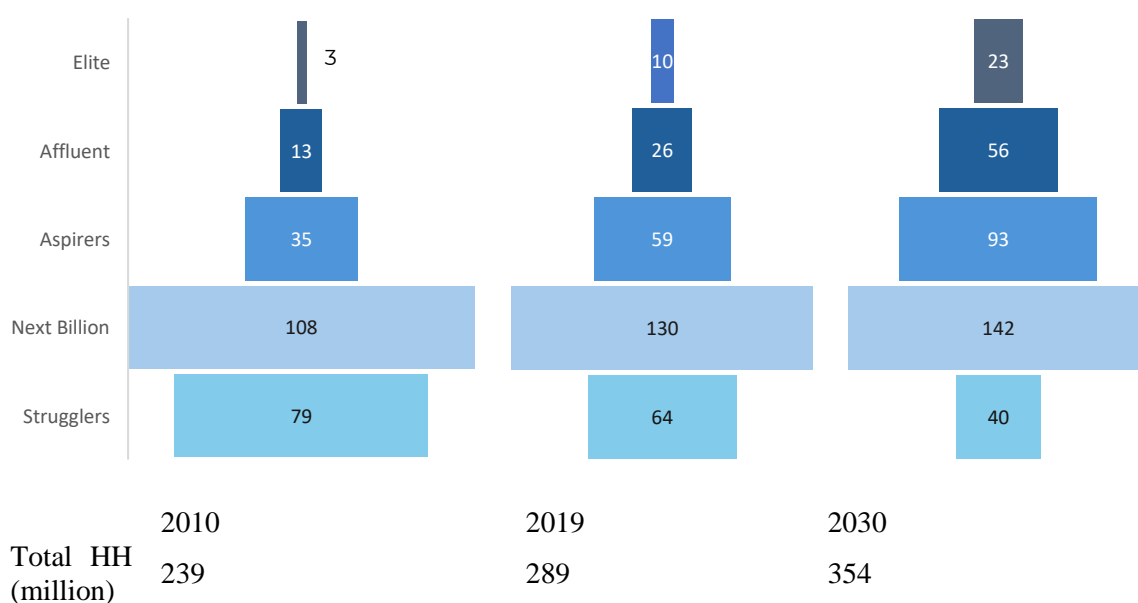


Source: UN, World Bank

Note: Data represents 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)



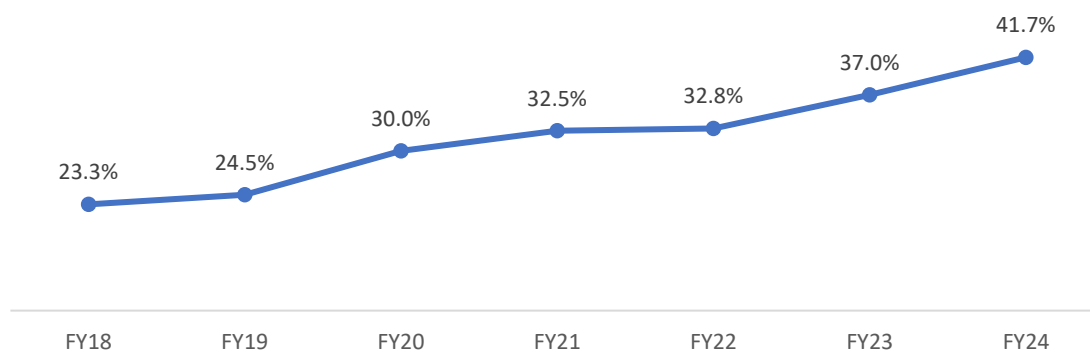
Source: BCG X Rai 2022, 1. Annual HH gross income based on 2019 prices, Bloomberg,

Note: Annual Gross HH income in INR Mn 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 FY18 to 41.7% in FY24. 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.

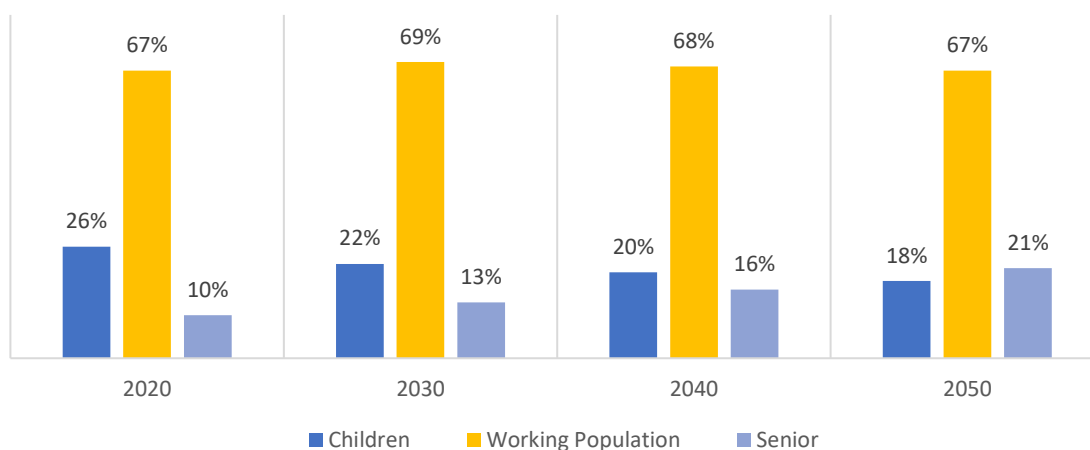
Female Workforce Participation Rate (15 Years and Above)



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)



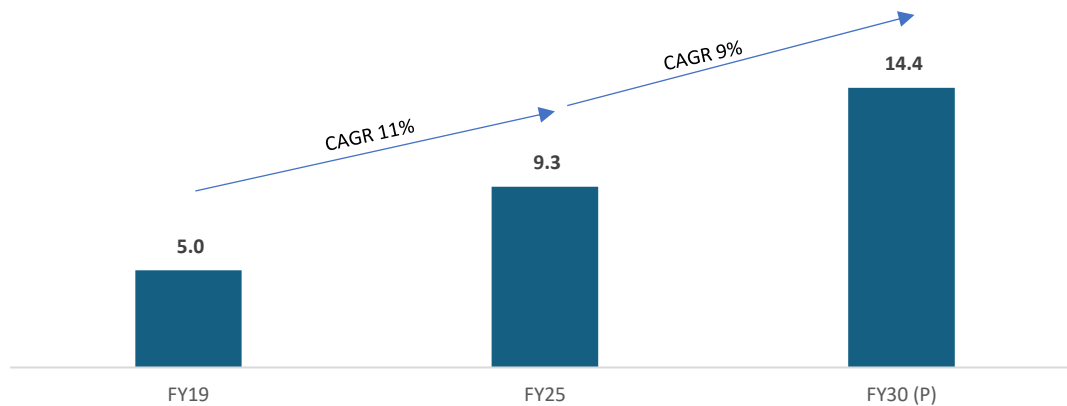
Source: World population prospects, UN

Note: Age Brackets: Children (0-14 years); Working Population (15-60 years); Senior (>60 years)

Indian Apparel Market

The Indian apparel market is estimated to be ₹9.3 lakh crores in FY25 and has grown at a CAGR of 11% from FY19 to FY25. The market is expected to grow at CAGR of 9% to reach value of over ₹14 lakh crores by FY30. 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.

Figure 1: Overall Domestic Apparel Market (₹ Lakh Crores)

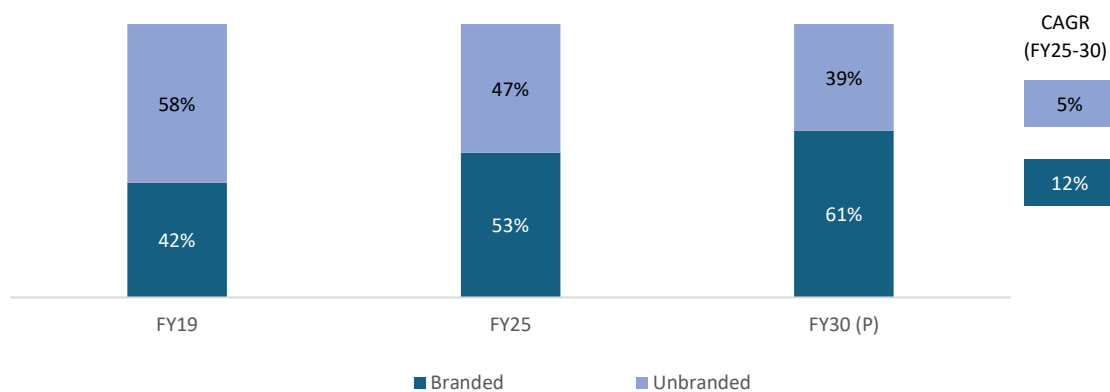


Source: Wazir Analysis

Market Segmentation by Branded & Unbranded

The branded market is estimated to be ₹4.9 lakh crores in FY25 and contributes to 53% of the overall apparel market. The market is expected to grow at CAGR of 12% to reach value of ₹8.8 lakh crores by FY30. 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.

Figure 2: 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

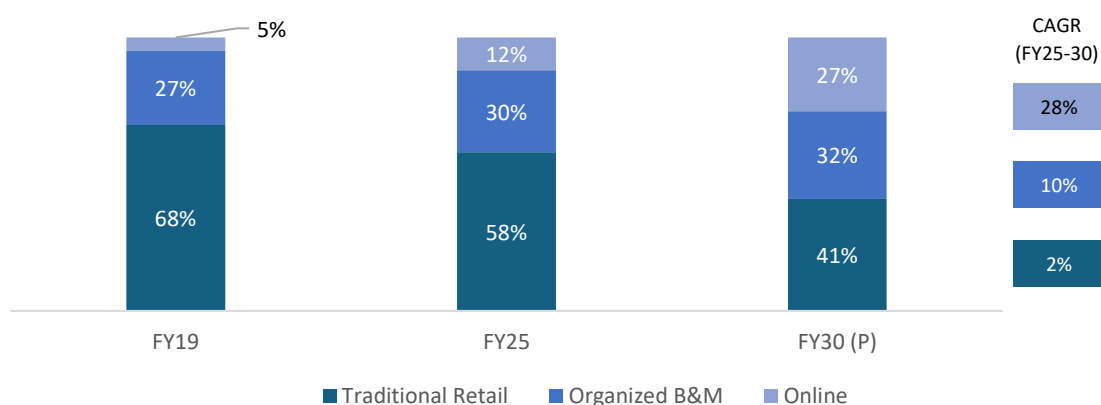
These forces combined to shape the following decade (2011–2020), where organized retail became the key enabler of growth in the branded fashion segment.

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 FY30. The traditional retail market is estimated to be ₹5.4 lakh crores in FY25 and contributes 58% of the overall apparel market. The market is expected to grow at the slowest CAGR of 2% to reach value of ₹5.9 lakh crores by FY30.

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 ₹1.1 lakh crores in FY25 and contributes 12% of the overall apparel market. The market is expected to grow at the fastest CAGR of 28% to reach value of ₹3.9 lakh crores by FY30 aided by growth of existing players, emergence of large digital first brands and new channels like quick commerce.

Channel Mix in Overall Apparel Market



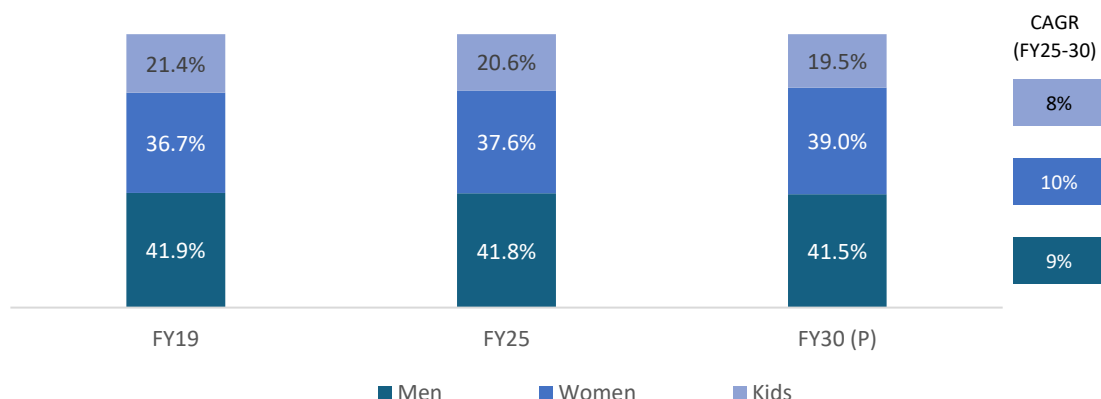
Source: Wazir Analysis

Note: Traditional retail comprises of general trade and mom-and-pop stores

Market Segmentation by Gender

Menswear market is estimated to be ₹3.9 lakh crores in FY25 and contributes to 41.8% of the overall apparel market. The segment is expected to grow at CAGR of 9% to reach value of ₹6.0 lakh crores by FY30. 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.

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 Premium Intl	Mid Premium National	Distribution Focused National	Private Label Format LFS	Multi Brand LFS	Online First	Value Retail
Key brands	GUCCI BOSS HACKETT DIESEL ck A X ARMANI EXCHANGE	TARUN TAHILIANI ANITA DONGRE SABYASACHI SHANTNU NIRMAL PERNIA'S POP-UP SHOP लक़्खो	ZARA UNIQLO H&M M&S FOREVER 21 Reebok	LOUIS PHILIPPE VAN HEUSEN Allen Solly ARROW fabindia ethnix BIBA aurelia PETER ENGLAND	KKO MUFTI JOCKEY	WESTSIDE max TRENDZ	pantaloon lifestyle SHOPPERS STOP TRENDZ	HRX WROGN SNITCH The Roadsters Life Co.	STYLE UP Zudio VISHAL V MART V2
Break-up of sales channels	95% 5%	95% 5%	90%-95% 5%-10%	40%-50% 30%-40% 5%-10% 5%-10%	40%-50% 10%-20% 30%-40% 8%-10%	100%	100%	95% 5%	5% 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

Source: Wazir Advisors

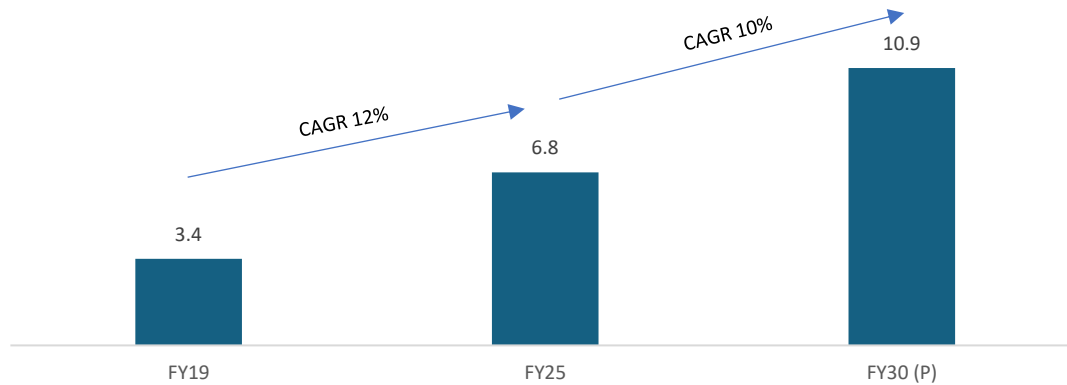
Note: Intl. - International

Western Wear Market

Market Size and Growth

The overall western wear market is valued at ₹6.8 lakh crores in FY25. This segment is projected to grow at a 10% CAGR, reaching ₹10.9 lakh crores by FY30. 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)



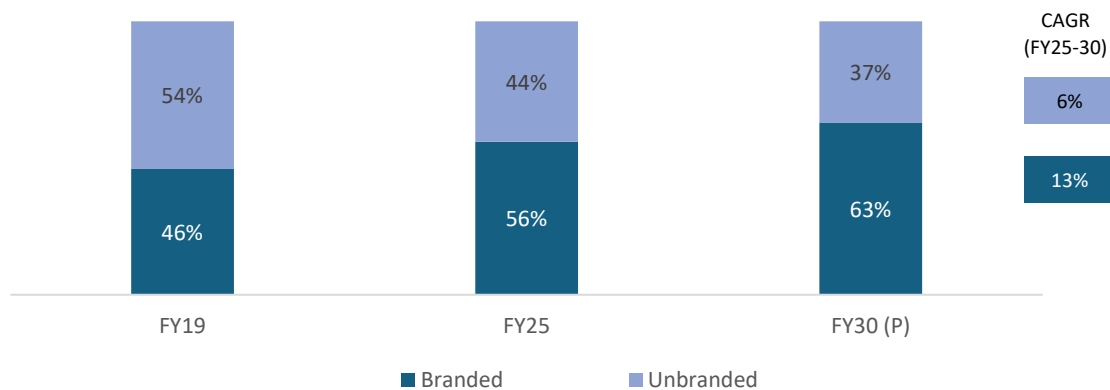
Source: Wazir Analysis

Note: Western Wear Market include Formal, Casual, Inner and Sports wear

Market Segmentation by Branded & Unbranded

The branded market is estimated to be ₹3.8 lakh crores in FY25 and contributes to 56% of the overall western wear market. The market is expected to grow at CAGR of 13% to reach value of ₹6.9 lakh crores by FY30.

Overall Western Wear Market Segmentation by Branded & Unbranded

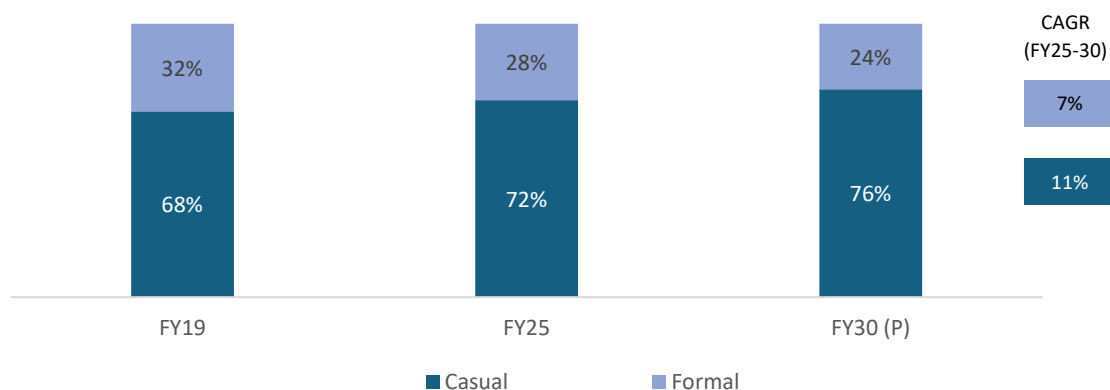


Source: Wazir Analysis

Market Segmentation by Formal and Casual Wear

Formal western wear apparel is estimated to be ₹1.9 lakh crores in FY25 and contributes to 28% of the overall western wear market. The segment is expected to grow at CAGR of 7% to reach value of ₹2.6 lakh crores by FY30. Casual western wear, comprising of t-shirts, denim, athleisure, etc. is estimated to be ₹4.9 lakh crores in FY25 and contributes to 72% of the overall western wear market. The segment is expected to grow at CAGR of 11% to reach value of ₹8.3 lakh crores by FY30.

Overall Western Wear Market Segmentation by Formal & 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.

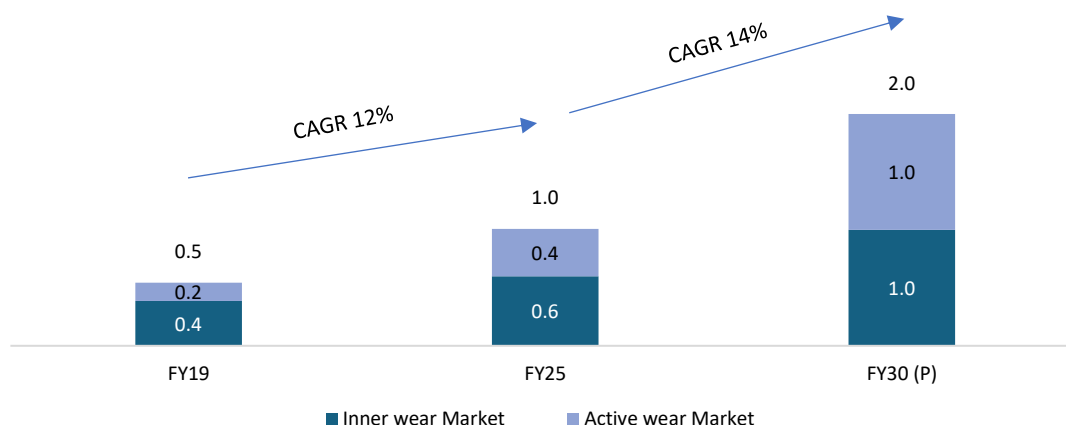
Inner Wear Market

Market Size and Growth

The overall active and inner wear market in India is valued at ₹1.0 lakh crores in FY25. This segment is projected to grow at a 14% CAGR, reaching ₹2.0 lakh crores by FY30.

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.

OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “**Forward Looking Statements**” on page 16 for a discussion of the risks and uncertainties related to such statements and also “**Risk Factors**” on page 24 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 order to obtain a complete understanding of our Company and the business of our Company, you should read this section in conjunction with the rest of this Information Memorandum including the sections titled “**Industry Overview**”, “**Key Regulations and Policies**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operation**” and “**Outstanding Litigation and Material Developments**” on pages 64, 89, 300 and 305 respectively, as well as other financial and statistical information contained in this Information Memorandum. You should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.*

The industry information contained in this section is derived from Industry Reports. Neither we, nor any of our affiliates or advisors, nor any other person connected with the Information Memorandum has independently verified this information.

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*In this section, unless the context otherwise requires, a reference to “our Company”, or to “we”, “us” and “our” shall mean Aditya Birla Lifestyle Brands Limited. The financial figures used in this section, unless otherwise stated have been derived from the Financial Statements included in the section titled “**Financial Statement**” on page 128 of this Information Memorandum.*

Overview

Our Company is a public limited company that was incorporated on April 9, 2024 as Aditya Birla Lifestyle Brands Limited (a wholly owned subsidiary of Aditya Birla Fashion and Retail Limited). We are registered with the Registrar of Companies, Maharashtra, Mumbai, under the Companies Act, 2013 and have our registered office at Piramal Agastya Corporate Park, Building ‘A’, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla, Mumbai – 400070.

Prior to the Scheme becoming effective, our Company was a wholly owned subsidiary of Aditya Birla Fashion and Retail Limited. Pursuant to the Scheme becoming effective, the Madura Fashion and Lifestyle business has been demerged and vested into our Company.

Aditya Birla Lifestyle Brands Limited (ABLBL) comprises of lifestyle brands who primarily play in the western wear segment with brands such as Louis Philippe, Van Heusen, Allen Solly and Peter England. It also includes youth wear brand such as American Eagle, sportswear brand Reebok and the innerwear business under Van Heusen.

Evolution of our business

During the initial years leading up to the 2000s, Louis Philippe, Van Heusen, Allen Solly and Peter England established a strong foothold in India’s formal and premium office wear segment. Each brand successfully carved out its niche, strategically catering to distinct consumer needs. In 1999, the Aditya Birla Group (ABG) acquired Madura, becoming the owner or licensee of all four brands. By 2004, the business

transitioned from a wholesale model to a retail-driven approach, rapidly growing its network of exclusive brand outlets.

Over time, the brands expanded beyond formal menswear, entering categories such as casual wear, sportswear, kids wear and women's apparel. Later, the business expanded into innerwear category with Van Heusen, building a trade led distribution model. To further diversify and reach broader consumer segments, business added global brands like American Eagle and sportswear business of Reebok to its portfolio.

The Board of Directors of ABFRL in its meeting held on April 19, 2024, respectively, approved the demerger of MFL business of ABFRL into ABLBL. This strategic restructuring aims to sharpen business focus, enhance the utilization of free cash flows towards high-growth initiatives, attract focused investors through a separate listing, and unlock greater value for ABLBL shareholders. Effective Date for demerger is May 1, 2025.

Business segments

The portfolio of brands operate within a vast addressable market. 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, benefiting from an established operating model. 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.

Pursuant to the effectiveness of the Scheme and as on March 31, 2025, ABLBL has a retail space spanning over 4.6 million sq.ft. across India, further a strong network of 3,253 brand stores and presence across 38,000+ multi-brand outlets and 7000+ shop in shop across departmental stores.

1. Lifestyle Brands

Lifestyle brands house India's largest apparel brands, namely, Louis Philippe, Van Heusen, Allen Solly and Peter England. The brands have consistently experienced steady growth over the years. We believe that this sustained success is attributable to focus on consumer-centric product innovation, which keeps the brands ahead of market trends. Additionally, we have strategically expanded into newer categories and geographies, continuously tapping into new growth opportunities.

The operational infrastructure further supports this growth. 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.

The 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.

The Lifestyle Brands are present across 2,903 stores (including value stores), as of March 31, 2025 with large part of the network being franchisee 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.

2. Other ABLBL Emerging brands

i) Van Heusen Innerwear

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 38,000+ multi-brand outlets including departmental stores and the exclusive brand outlets (“EBO”) network of over 100 stores, as of March 31, 2025. 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 digitization and refining its supply chain operations.

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.

ii) 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. The brand is currently expanding its store footprint to tap into newer markets within India. It has established itself as a ‘Premium Denim Brand’, growing both offline and online on the back of its brand and products.

American Eagle’s expanding retail footprint today includes 68 stores across more than 30 cities, complemented by a presence in over 200 departmental stores and other multi-brand counters, as of March 31, 2025. 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 the 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.

iii) Reebok

Reebok is an established global brand in the sporting goods industry with a rich sports legacy. Reebok develops products and technologies that connects with the consumers’ fitness priorities – whether it’s functional training, running, sports, walking, dance, yoga or aerobics.

Reebok’s India business was acquired in Fiscal 2022, to strengthen the sportswear portfolio. The Reebok business is under transformation as the brand 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 172 stores and over 850 points of sale across trade outlets, including prominent departmental stores, as of March 31, 2025.

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.

Our Competitive Strengths

- ***Comprehensive portfolio of established brands***

The portfolio spans across categories including apparel and accessories, catering to men, women and kids for various occasions—be it formal, casual, or occasions—and at multiple price points.

Partnerships with global brands and brand extensions have allowed the business to swiftly capitalize on emerging market opportunities and adapt to evolving consumer trends. Today, the portfolio comprises well-established lifestyle brands, sportswear, innerwear, youth-centric brands. The focus has not only been on establishing these brands but also on 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 across multiple price points, we can cater to a broader market, maximizing our ability to capitalize on industry opportunities. On the supply side, the application of deep market insights, efficient planning and execution, and integration gains across our portfolio results in a robust and scalable business model.

This blend of proven, profitable brands, coupled with high-growth potential brands, ensures that our company is well-positioned to drive sustained profitability and growth. Furthermore, the high recall value of our established brands strengthens our positioning, ensuring customer loyalty while continuously adapting to market needs. This strategic advantage puts us in a prime position to lead in the ever-evolving fashion and lifestyle market.

- ***Strong distribution network- online and digital with diversified geographical presence***

The distribution network is one of the most expansive in the Indian apparel market, with ~3,250 branded stores, over 38,000 multi-brand points of sale in trade outlets, and more than 7,000 shop-in-shops within department stores. As of March 31, 2025, this impressive retail network spans 4.6 million square feet across more than 700 cities and towns, making it one of the largest apparel retail footprints in India. This widespread presence allows the business to tap into various tier cities and towns, enabling it to leverage trends such as urbanization and the ongoing shift from the unorganized to organized retail sector. As far as exclusive outlets are concerned, a large part of it runs on a franchise-led, asset-light model allowing rapid scale-up and deeper market penetration.

The ability to serve customers across diverse geographies ensures a well-distributed consumer base, significantly reducing the risks associated with geographic concentration. The extensive reach also provides the business with insights into customer behaviour across regions, which enables it to make informed expansion decisions and better cater to evolving consumer needs.

In addition to our physical stores, the substantial digital presence across multiple E-com platforms and own app/websites further enhances business capabilities. The business continues to upgrade by merging physical and digital experiences. As of March 31, 2025, over 50% of our stores are fully omni-enabled,

allowing to offer a more integrated shopping experience where customers can enjoy the convenience of online and offline channels combined.

This places the business 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. The 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***

The business has strategically invested in assembling skilled teams that are experienced across key functions such as design, inventory planning, sourcing, manufacturing, business development, and marketing. The execution capabilities are underpinned by the investment in technology stack and data analytics, enabling the business to make timely decisions, optimize resources, and collect, analyse, and utilize customer data effectively. This not only enhances the operational efficiency but also allows to extend the business's 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 the 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, the business has 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 brand is empowered to execute its unique processes while simultaneously leveraging synergies across the organization, leading to improved cost efficiency, innovation, and collaboration.

Additionally, the 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 to build and sustain a competitive edge.

- ***Strong back-end capabilities***

With over 25 years of existence, Lifestyle Brands have developed a wide and integrated supply chain that is key to their competitive advantage. The sourcing strategies of the 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.

The brands 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, brands 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, business has 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 our company remains agile, competitive and positioned for long-term success.

- ***Evolving constantly with market trends***

The brands prioritize a deep understanding of both the existing and potential customers' demands, enabling them to stay relevant and adapt in an ever-evolving market. This focus allows brands to respond swiftly to shifts in demand, presenting with more opportunities to engage with the market more effectively. The investments in upgrading store environments, providing extensive training to employee and enhancing online shopping experiences have delivered positive results.

The customer-centric approach enables brands to gain valuable insights into the evolving fashion trends, allowing to delight customers with offerings that resonate with their preferences. For instance, the design team continuously innovates by creating trending designs, such as youth focused products and wedding wear options that blend tradition with modernity. At the heart of the business is product innovation and upgradation, which spans not only the emerging businesses in sportswear and innerwear but also the established brands. The brands also focus on enhancing the functionality, quality and preimmunises by incorporating high-quality fabrics and sustainable blends.

In addition, the rise of community building and social media platforms has further enabled the brands to connect closely with customers. Brands ensure that the marketing campaigns are strategically focused on reaching the target audience, while also integrating customer feedback into its strategy covering product development and customer experience. The 'Mission Happiness' program has been a crucial initiative in further deepening the customer relationships. This initiative, aimed at continually enhancing customer satisfaction, allows brands to receive direct feedback from shoppers. By consistently acting on this feedback, they ensure that the stores remain not only responsive but also highly attuned to the needs of the consumers. 'Mission Happiness' exemplifies the business's commitment to creating delightful shopping experiences, building loyalty, and fostering a culture of continuous improvement.

- ***Strong origin and corporate governance***

Our Company is part of the Aditya Birla Group, which is one of the largest business groups in India. 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 1,87,000+ employees belonging to 100 different nationalities. 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. Our operations are managed by a team of experienced professionals. Our leadership team comprises, inter alia, our Managing Director, Deputy Managing Director, brand heads 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.

Our 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.

- ***Build Powerful Brands 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 innerwear, sportswear and youth wear, where we have already established a meaningful presence via brands Van Heusen, Reebok and American Eagle.

Reebok will lead with rapid retail expansion, continuous innovation in high-performance products, a balanced focus on apparel and footwear to build a complete lifestyle brand, a strengthened omni-channel experience, and increased local sourcing to enhance speed-to-market and reduce costs.

American Eagle will focus on expanding its distribution through Exclusive Brand Outlets and Large Format Stores, launching trend-driven collections, enhancing local sourcing with deeper AE Global support, and building strong brand affinity in India through impactful marketing initiatives.

Van Heusen Innerwear will continue to grow its trade network, scale a profitable retail model, accelerate presence across e-commerce and quick-commerce platforms, drive consumer engagement through high-impact marketing, and emphasize product innovation and premiumization to reinforce its category leadership.

We are well-positioned to leverage the growing casualization trend through our diverse brand portfolio and strong partnerships with leading global brands.

- ***Expanding our distribution footprint***

The business boasts of an extensive distribution network, making it a dominant player in the country's fashion retail landscape. With around 3,250 stores and 45,000+ points of sales including departmental stores, the business has strategically positioned itself to cater to a vast customer base across regions.

We intend to increase the size of the existing stores to seamlessly accommodate the full range of offerings, ensuring a comprehensive and engaging customer experience. This expansion will allow to showcase the growing portfolio more effectively and improve accessibility for the customers. In parallel, brands are actively identifying white spaces within the current markets, particularly in emerging localities, to strengthen the presence and cater to evolving consumer needs in these developing catchments.

As we continue to enhance our presence in the current markets, we intend to pursue expansion into newer markets. Expanding the existing and emerging brands into untapped regions presents an exciting growth opportunity for the brands to broaden the customer base. The brands' reputation and customer loyalty cultivated in the 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 organized retail set to grow at a faster pace, tier II and III will be key drivers of growth. Peter England Red, Allen Solly Prime, Van Heusen Gold bring the essence of these established brands to smaller towns. 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 the 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, the social media strategy helps build a connected community, driving engagement and enhancing omni-channel integration.

Innovation is central to the efforts to provide a unique and consistent Phygital experience. The 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. This App/brand.com not only drive incremental sales supporting retail but also deepen customer engagement, strengthening brand affinity and enhancing customer lifetime value.

Stores such as the Peter England, Umbriya Ganapati Chowk Pune store and the Allen Solly, Banjara Hills Hyderabad store 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 aim at consolidating our leadership across multiple occasions.

- ***Continued product innovation & upgradation in established and emerging categories***

The brands remain deeply committed to continuous product innovation and upgradation, ensuring that their 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.

The Lifestyle Brands have embraced Indo-fusion designs, presenting a contemporary twist on traditional wedding wear. Peter England has ventured into sports-inspired collections, seamlessly blending athletic functionality with everyday fashion. Reebok, renowned for its performance-driven apparel, continues to push boundaries with innovative gear tailored for both fitness enthusiasts and casual wear. Van Heusen Innerwear's 'Air Series' emphasizes lightweight, breathable comfort. Across all our brands, there is a strong focus on youth-centric designs, ensuring they remain relevant and appealing to today's fashion-forward consumers.

From occasion wear to casual and formal apparel, every brand under ABLBL is committed to offering something unique and tailored to its target market, ensuring they maintain a leadership position across diverse fashion segments.

This holistic approach to innovation and product development positions ABLBL for exponential growth across all its business lines, strengthening the presence in both established and emerging markets.

- ***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 the retail and e-commerce platforms. By expanding the use of digital solutions such as 'Buy Online Ship-from-Store' and optimizing multi-warehouse fulfilment, brands aim to make our delivery processes faster, more reliable, and cost-effective. Further integration with logistics partners and enhancement of the 'Dropship' platform will enable seamless marketplace participation, boosting the 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, brands intend to invest further in their product lifecycle management systems, streamlining processes and minimizing inefficiencies. 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.

Business Description

- ***Manufacturing operations***

Established with the goal of ensuring timely, responsive, cost-effective and quality production, we have developed infrastructure comprising 11 manufacturing facilities, as of March 31, 2025. The following table sets forth certain details of our manufacturing facilities.

S. No.	Location	Major Products
1.	Fashion Craft Limited, Bengaluru, Karnataka, India	Formal shirts
2.	Europa Garments Limited, Bengaluru, Karnataka, India	Casual shirts, Womenswear
3.	Haritha Apparels, Bengaluru, Karnataka, India	Formal shirts
4.	English Apparel Limited, Bengaluru, Karnataka, India	Formal shirts
5.	Alpha Garments Limited, Bengaluru, Karnataka, India	Formal, casual shirts
6.	Mancheswar Apparel Limited, Bhubaneswar, Odisha, India	Formal shirts
7.	Little England Apparels, Krishnagiri District, Thally, Tamil Nadu, India	Casual, formal trousers
8.	Classical Menswear Limited, Dodda Begur, Bengaluru, Karnataka, India	Formal trousers
9.	Crafted Clothing Limited, Bengaluru, Karnataka, India	Formal trousers, jackets
10.	Aditree Apparel Limited, Arehalli Guddadahalli, Karnataka, India	Formal shirts, denim trouser
11.	Aditya Birla Garments Limited, Pulivendula, Andhra Pradesh, India	Formal trouser, jackets

These facilities produce finished garments that align with the specific requirements of the brands while being 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, our 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 our 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 ecommerce segment and omni-capabilities, 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 brands, including Louis Philippe, Van Heusen, Reebok, American Eagle, 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, brand like Peter England is more sub premium, affordable, and designed to cater to aspirational customers.
- Unique Brand Campaigns: By tailoring campaigns to the identity of each brand, ABLBL 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 of raw materials***

We have established strong partnerships with few international premium brands, such as American Eagle and Reebok. These collaborations are structured through long-term agreements such as memorandums of understanding, distribution agreements, and assignment agreements, ensuring sustained partnerships and market presence.

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, Vietnam, and other Southeast Asian countries, ensuring competitive pricing and quality.

In addition to our brand partnerships, we have cultivated strong 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 collaborations with research centres and academic institutions, 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 our 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.

▪ ***Employees***

Our Company has a diverse workforce of over 18,000+ permanent employees, as of March 31, 2025, 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. The core values for our Company 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.

▪ ***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. However, we believe owing to our presence across various cities in India, unique customer experience provided at the stores and the wide range of brands offered, we have a competitive advantage over the competition.

- ***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.

- ***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.

- ***Intellectual Property***

Pursuant to the Scheme, all intellectual property are in the process of getting assigned in the name of our Company.

- ***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 the other manufacturing facilities, retail stores and warehouses are on premises that are held on a leasehold basis.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India that are applicable to our business. The information detailed below has been obtained from various legislations, including rules, regulations and bylaws that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions

A. Laws regulating sale of apparel and accessories

The Legal Metrology Act, 2009 (“**Legal Metrology Act**”), received the assent of the President of India on January 13, 2010. The Legal Metrology Act governs the standards/ units/denominations used for weights and measures as well as for goods which are sold or distributed by weights, measure or number. It also states that any transaction/ contract relating to goods/ class of goods shall be as per the weight/ measurements/numbers prescribed by the Legal Metrology Act. Every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the Legal Metrology Act is an offence, as is tampering or altering any reference standard, secondary standard or working standard. Moreover, the Legal Metrology Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the Legal Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Legal Metrology Act also provides Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

Shops and Establishments Legislations

Establishments are required to be registered under the provisions of local shops and establishments legislations applicable in the states where such establishments are set up. Such legislations regulate the working and employment conditions of workers employed in such shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Shops and establishments have to be registered under the shops and establishments legislations of the respective states where they are located.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Sale of Goods Act, 1930

The Sale of Goods Act, 1930 (the “**Sale of Goods Act**”) governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the 120 buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

Consumer Protection Act, 2019

The Consumer Protection Act, 2019 (“**CP Act**”) provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The CP Act has, *inter alia*, introduced a Central Consumer Protection Council to promote, protect and enforce the rights of consumers executive agency to provide relief to a class of consumers.

Consumer Protection (E-Commerce) Rules, 2020

The Ministry of Consumer Affairs issued the Consumer Protection (E-Commerce) Rules, 2020 (“**E-Commerce Rules**”) under the CP Act on July 23, 2020. The E-Commerce Rules provide a framework to regulate the marketing, sale and purchase of goods and services online. These rules apply to (a) goods/services purchased or sold vide digital or electronic network, including digital products; (b) marketplace and inventory e-commerce entities; (c) all e-commerce retailing; and (d) forms of unfair trade practices across all e-commerce models. The E-Commerce Rules further requires the e-commerce entity to appoint grievance officer and provide for a grievance redressal mechanism. Any violation of these rules attracts penal action under the CP Act.

B. Intellectual Property Laws

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application, registration and assignment of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years, and can be renewed in accordance with the specified procedure. Application for the registration of trademarks has to be made to Controller- General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

The Trade Marks Rules, 2017

In March 2017, the Trade Mark Rules, 2017 (“**Trade Mark Rules**”) were notified, in supersession of the Trade Marks Rules, 2002. The Trade Mark Rules brought about changes in the application process, in terms of an increase in application fees and common formats for several kinds of applications. However, the e-filing process has been incentivized by providing for lower application fees. With the Trade Mark Rules, the definition of “Opposition” also saw a change to encompass a greater. Further, the Trade Mark Rules also allow for video conferencing for conducting hearings.

The Copyright Act, 1957 and the Copyright Rules, 2013 (the “Copyright Rules”)

The Copyright laws governs copyright protection in India. The Copyright Act protects literary and dramatic works, musical works, artistic works including photographs and audio-visual works (cinematograph films and video). The Copyright Act specifies that for the purposes of public performance of Indian or international music, a public performance license must be obtained. All those who play pre-recorded music in the form of gramophone records, music cassettes or compact discs in public places have to obtain permission for sound recordings. Whilst copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration

under the Copyright laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

C. Environmental Legislations:

Environment (Protection) Act, 1986 (“Environment Act”), Environment Protection Rules 1986 (“Environment Rules”) and the Environmental Impact Assessment Notification, 2006 (the “EIA Notification”)

The Environment Act has been enacted with the objective of protection and improvement of the environment. The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. Under the Environment Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The Environment Act also contains provisions with respect to furnishing information to authorities in certain cases, the establishment of environment laboratories and the appointment of government analysts. The Environment Act prescribes penalties in form of fine, imprisonment or both, in case of non-compliance with the Environment Act or the rules thereunder.

Further, pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 (“**Water Act**”) or Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”) or shall submit to the concerned Pollution Control Board (“**PCB**”) an environmental statement for that financial year in the prescribed form. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources

Plastic Waste Management Rules, 2016 (“Plastic Waste Rules”)

Under the Plastic Waste Management Rules, all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. Further, the Plastic Waste Rules seek to minimise and regulate of plastic and ensure proper collection and disposal of plastic waste.

D. Laws relating to Employment and Labour

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers’ rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- (i) The Child Labour (Prohibition and Regulation) Act, 1986;
- (ii) The Contract Labour (Regulation and Abolition) Act, 1970;
- (iii) The Employees’ Compensation Act, 1923;

- (iv) The Employees' State Insurance Act, 1948;
- (v) The Employee's Provident Fund and Miscellaneous Provisions Act, 1952;
- (vi) The Equal Remuneration Act, 1976;
- (vii) The Maternity Benefit Act, 1961; (viii) The Minimum Wages Act, 1948;
- (ix) The Payment of Gratuity Act, 1972;
- (x) The Payment of Bonus Act, 1965;
- (xi) The Payment of Wages Act, 1936;
- (xii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

The **Code on Wages, 2019** regulates and amalgamates laws relating to wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, among other things, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Certain provisions of this code pertaining to central advisory board have been brought into force by the Ministry of Labour and Employment through a notification dated December 18, 2020 and other provisions of this code will be brought into force on a date to be notified by the Government of India.

E. Laws relating to taxation

The tax related laws that are pertinent, include the Income Tax Act 1961, Income Tax Rules, 1962, Customs Tariff Act, 1975 and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations and the Integrated Goods and Services Tax Act, 2017.

F. Other Applicable Laws

Information Technology Act, 2000 (the “Information Technology Act”)

The Information Technology Act seeks to provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication and facilitate electronic filing of documents with the Government agencies. The Information Technology Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource which is owned, controlled or operated by it, but affords protection to intermediaries with respect to third party information liability. Additionally, the Information Technology Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information generated, transmitted, received or stored in any computer source in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology Act also provides for civil and criminal liability including compensation, fines and imprisonment for various offences. These include offences relating to unauthorized access to computer systems, damaging such systems or modifying their contents without authorization, unauthorized disclosure of the confidential information and

commission of fraudulent acts through computers. In April 2011, the Ministry of Electronics and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the “**IT Personal Data Protection Rules**”) under Section 43A of the IT Act and notified the Information Technology (Intermediaries Guidelines) Rules, 2011 (the “**IT Intermediaries Rules**”) under Section 79(2) of the Information Technology Act. The IT Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The IT Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules and to disable such information after obtaining knowledge of it.

The Digital Personal Data Protection Act, 2023 (“Data Protection Act”)

The Data Protection Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. The Data Protection Act provides for collection and processing of digital personal data by persons, including companies. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide a notice to data principals in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data.

The Data Protection Act further provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. Notice must be given before seeking consent. The notice should contain details about the personal data to be collected and the purpose of processing. Consent may be withdrawn at any point in time. An individual whose data is being processed (data principal), will have the right to: (i) obtain information about processing, (ii) seek correction and erasure of personal data, (iii) nominate another person to exercise rights in the event of death or incapacity, and (iv) grievance redressal. Data principals will have certain duties. They must not: (a) register a false or frivolous complaint, and (b) furnish any false particulars or impersonate another person in specified cases. According to Data Protection Act companies collecting and dealing in high volumes of personal data will be defined as significant data fiduciaries. These significant data fiduciaries will be required to fulfil certain additional obligations under the Data Protection Act including appointment of data protection officer who will be point of contact between such fiduciaries and individuals for grievance redressal. Further such data fiduciaries will also be required to appoint an independent data auditor who will evaluate their compliance with the Data Protection Act. The relevant rules for the enforcement of the Data Protection Act have not been published and notified

Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 (“Advertisement Guidelines”)

The Advertisement Guidelines provide for the prevention of false or misleading advertisements and making endorsements relating thereto. The Advertisement Guidelines apply *inter alia* to a manufacturer and to all advertisements regardless of form, format or medium. The Advertisement Guidelines lay down the conditions for non-misleading and valid advertisement and prohibit surrogate or indirect advertisements of goods or services whose advertising is prohibited or restricted by law, by portraying it to be an advertisement for other goods or services, the advertising of which is not prohibited or restricted by law. Further, the Advertisement Guidelines lay down duties of *inter alia* a manufacturer and provide *inter alia* that every manufacturer shall ensure that all descriptions, claims and comparisons in an advertisement which relate to matters of objectively ascertainable facts shall be capable of substantiation. The Advertisement Guidelines further provide that any endorsement in an advertisement must reflect the genuine, reasonably current opinion of the individual, group or organisation making such representation and must be based on adequate information about, or experience with, the identified goods, product or service and must not otherwise be deceptive.

The Indian Stamp Act, 1899

The Indian Stamp Act, 1899 (“**Stamp Act**”) consolidates stamp duty laws on transaction instruments. It prescribes duty rates, ensures document admissibility in courts, and empowers authorities to impound unstamped documents. The Stamp Act facilitates e-stamping, with periodic amendments by states, ensuring legal sanctity and contributing to government revenue.

The Registration Act, 1908

The Registration Act, 1908 ensures authenticity and fraud prevention in property transactions by mandating document registration. It specifies registrable documents, confers legal validity, and serves as public notice. The Registration Act, 1908 prescribes procedures, maintains public registers, and renders unregistered documents inadmissible in court, ensuring transaction legality.

Fire Safety Regulations in India (“Fire Safety Laws”)

Fire safety in India is governed by national guidelines, building codes, and state laws. The National Building Code of India, 2016, and Model Building Bye-Laws set minimum fire safety requirements. Key obligations include fire safety clearances, audits, detection systems, evacuation routes, and compliance with fire-resistant materials. State authorities enforce these norms.

The Cinematograph Act, 1952

The Cinematograph Act, 1952 regulates film certification and exhibition in India. The CBFC classifies films and can suggest cuts or refuse certification. The Act mandates prior certification for public exhibition, regulates cinema hall licensing, and imposes penalties for violations, including fines and imprisonment.

The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 provides a framework for resolving industrial disputes in India, covering employment terms, layoffs, strikes, and unfair practices. It establishes authorities like labour courts and tribunals for dispute resolution and prescribes penalties for illegal strikes, lockouts, and non-compliance.

The Bureau of Indian Standards Act, 2016 (“BIS Act”)

The BIS Act establishes BIS for standardization and certification. Manufacturers of notified goods must obtain BIS certification. Non-compliance penalties include fines, imprisonment, or both.

The Foreign Trade (Development and Regulation) Act, 1992 (“Import Export Act”)

The Import Export Act regulates foreign trade, requiring an Importer-Exporter Code (IEC). Government can impose trade restrictions. Penalties for violations include fines, imprisonment, and IEC cancellation.

The Customs Act, 1962

The Customs Act, 1962 regulates import/export of goods, prevents illegal trade, and ensures customs duty collection. Empowers authorities to monitor, inspect, and seize goods. Specifies procedures for clearance, warehousing, and transit. Addresses misdeclaration, smuggling, and fraud. Penalties include confiscation, fines, and imprisonment.

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”)

The MSME Act promotes micro, small, and medium enterprises through schemes, financial support, and easier credit access. Classifies enterprises by investment and turnover. Mandates timely payments within 45 days, with interest on delays. Encourages government procurement from MSMEs, ensuring their growth and competitiveness.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")

The POSH Act protects women from workplace sexual harassment, applicable to all sectors. Defines harassment broadly, mandates Internal Complaints Committees (ICC) for workplaces with 10+ employees. Provides complaint procedures, interim reliefs, and confidentiality. Penalties include fines up to Rs. 50,000 and business license cancellation for non-compliance. Promotes awareness through workshops and sensitisation programs.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as a public limited company under the Companies Act, 2013 with the name ‘Aditya Birla Lifestyle Brands Limited’ and a certificate of incorporation dated April 9, 2024 was issued by the Registrar of Companies, Central Registration Centre.

Pursuant to the effectiveness of the Scheme the Demerged Company comprising MFL business of Aditya Birla Fashion and Retail Limited was demerged from Aditya Birla Fashion and Retail Limited into our Company on a going concern basis and in consideration, our Company issued New Equity Shares to the shareholders of Aditya Birla Fashion and Retail Limited, in accordance with the provisions of the Scheme and on the basis of the share entitlement ratio set out therein.

Change in the Registered Office of our Company

The registered 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 – 400070. . There has been no change in the registered office of our Company since incorporation.

Change in the Name of our Company

There has been no change in the name of our Company since incorporation.

Main Objects of our Company

The main objects clause as contained in clause III(A) of our Memorandum of Association are as follows:

1. “To carry on India and elsewhere in any place or places in the world the trade or the business of manufacturers, exporters, importers, traders, dealers, merchants, shippers, indentors, distributors, wholesalers, retailers, shopkeepers, hirers, commission agents, muccadums, brokers, stockists, mercantile agents, forwarding agents, warehousemen, in all types of fabrics, cotton, knitted, dyed, processed wool, jute, hemp, silk, nylon and allied materials and articles, textile of all kinds, ready to wear garments, non wearables, and made up of all kinds, makers and tailors of all kinds of industrial/domestic wearing/non-wearing apparels, linen, carpets and rugs, strapess, tapes, ribbon, elastic braids and labels and as ginnerers, pressers, packers, calendars, spinners, weavers, bleachers, dyers, combers and traders of cotton, wool, silk, nylon, synthetic, man-made fibre, flax, hemp, jute and other fibrous substances whether textile, felted, netted or looped and of waste materials and cotton seeds and to run spinning, weaving, pressing, ginning and processing or manufacturing mills, dyeing, printing and bleaching factories and carry on all the above business in all or any of their respective branches.
2. To manufacture, buy, sell, import, export, refine, manipulate or otherwise deal in textiles and piece-goods of all kinds, yam, threads, *silks* and art silks, cotton, woolens, nylon, synthetic, man-made and allied materials, rayons and fabrics of all kinds, woven/non-woven cloths, industrial cloth, oil-cloth, leather cloths, Hessians, jute cloths, man-made fibres including regenerated cellulose-rayons, nylon and the like, textile auxiliaries, and sizing materials including starch.
3. To offer one stop solution for sale, purchase, export, import, and the like, of Garments, fashion clothes, fashion products, life style products, apparels, general merchandise, etc.”

AMENDMENT TO THE MEMORANDUM OF ASSOCIATION

There has been no change in the Memorandum of Association since incorporation except in Clause V, as set out below:

Date	Particulars
May 1, 2025	Amendment to Clause V of the Memorandum of Association – <i>Pursuant to the effectiveness of the Scheme: “The Authorised Share Capital of the Company is ₹ 20,00,55,50,000/- (Rupees Two Thousand Crores and Fifty Five Lakhs Fifty Thousand only) consisting of 2,00,00,00,000 (Two Hundred Crore) equity shares of ₹ 10/- (Rupees Ten only) each and 5,55,000 (Five Lakh Fifty Five Thousand) preference shares of Rs. 10/- each, with a power to increase or reduce the capital of the Company in accordance with the provisions of the Companies Act, 2013 and to classify or reclassify the share capital.”</i>

MAJOR EVENTS AND MILESTONES OF THE COMPANY

The table below sets forth the major events and milestones in the Company’s history since its incorporation:

Year	Events
2024	Incorporation of the Company
2025*	Demerger, transfer and vesting of the Demerged Undertaking from Aditya Birla Fashion and Retail Limited into the Company on a going concern basis pursuant to the Scheme.

**The Scheme was approved by NCLT vide its order dated March 27, 2025 (certified true copy of the order received on April 22, 2025).*

HOLDING COMPANY/ SUBSIDIARY AND JOINT VENTURES

Our Company does not have any holding company or joint venture as on the date of this Information Memorandum.

Pursuant to the Scheme becoming effective, our Company has a wholly- owned subsidiary named “Aditya Birla Garments Limited”.

Details of our Subsidiary

As on the date of this Information Memorandum, our Company has the following Subsidiary:

Aditya Birla Garments Limited

Corporate Information

Aditya Birla Garments Limited (“ABGL”) was incorporated as a public limited company under the Companies Act, 2013, and a certificate of incorporation dated June 19, 2022, was issued by the Registrar of Companies, Central Registration Centre, having Corporate Identity Number U18100MH2022PLC384566. Its registered office is situated at Piramal Agastya, Building A, 401, 403, 501, 502, LBS Road, Kurla, Mumbai – 400070.

Nature of business

ABGL is in the business of manufacturing of garments, fashion clothes, fashion products, lifestyle products, apparels and general merchandise etc.

Capital Structure

The authorised share capital of ABGL is ₹ 40,00,00,000 divided into 4,00,00,000 Equity Shares of ₹ 10 each. The issued, subscribed and paid-up share capital of ABGL is ₹ 35,00,00,000 divided into 3,50,00,000 equity shares of ₹ 10 each.

Shareholding Pattern

The Shareholding Pattern as on the date of this Information Memorandum is set below:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid- up share capital (%)
Aditya Birla Lifestyle Brands Limited	3,50,00,000*	100
Total	3,50,00,000*	100

*Including 6 (six) equity shares held by nominees of Aditya Birla Lifestyle Brands Limited.

Accumulated Profit and Losses

Upon the Scheme becoming effective, ABGL became a wholly-owned subsidiary of our Company, accordingly, the accumulated losses of ABGL have not been accounted for by our Company.

COMMON PURSUITS WITH OUR SUBSIDIARY

Our subsidiary, ABGL is in the business of manufacturing of garments, fashion clothes, fashion products, lifestyle products, apparels and general merchandise etc. and it supplies to our Company, acting as captive manufacturing for our Company, for onward sales of these products to customers through multiple channels run by the Company. The subsidiary does not directly sell to any end customer and hence there is no conflict of interest between ABGL and our Company.

KEY AWARDS, ACCREDITATIONS OR RECOGNITIONS

The Company has not received any awards, accreditation or recognitions.

SIGNIFICANT FINANCIAL AND STRATEGIC PARTNERSHIPS

Our Company does not have any significant financial or strategic partnerships as on the date of this Information Memorandum.

TIME/COST OVERRUN IN SETTING UP PROJECTS

As on the date of this Information Memorandum, there are no time and cost overruns pertaining to our Company's business operations.

CAPACITY/FACILITY CREATION, LOCATION OF PLANTS

As on the date of this Information Memorandum, this is not applicable to our Company.

LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS

As on the date of this Information Memorandum, our Company has not launched any key products or services, entered into new geographies or exited from existing markets.

DEFAULTS OR RESCHEDULING/ RESTRUCTURING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS

There are no instances of defaults, restructuring or rescheduling of borrowings availed by our Company from any financial institutions or banks.

DETAILS REGARDING MATERIAL ACQUISITIONS OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS / MERGERS AND AMALGAMATIONS, ANY REVALUATION OF ASSETS IN THE LAST TEN YEARS.

Except pursuant to the Scheme, our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years. For more details, please see the section titled “*Scheme of Arrangement*” on page 51 of this Information Memorandum.

MATERIAL AGREEMENTS

Details of subsisting shareholder’s agreement

As on the date of this Information Memorandum, there are no subsisting shareholders’ agreements amongst our shareholders with respect to our Company.

Other material agreements

Our Company has not entered into any material agreement, including with any strategic partners or joint venture partners or financial partners, which is subsisting as on the date of this Information Memorandum, other than in the ordinary course of business. For more details, please see the section titled “*Material Contracts and Documents for Inspection*” on page 380 of this Information Memorandum.

Other Agreements

Further, there is no agreement entered into by any Key Managerial Personnel or Senior Management Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.

GUARANTEES GIVEN BY OUR PROMOTER

Our Promoter is not offering any Equity Shares and accordingly the confirmation pertaining to guarantees extended in favour of third parties is not applicable.

OUR MANAGEMENT

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 number of Directors on our Board shall not be less than 3 (three) and shall not be more than 15 (fifteen).

As on the date of this Information Memorandum, our Company has 11 (eleven) Directors comprising of 1 (one) Managing Director, 1 (one) Deputy Managing Director, 3 (three) Non-Executive Directors and 6 (six) Independent Directors (including one-woman Independent Director). The composition of the Board of Directors is in compliance with the provisions of Section 149 of the Companies Act, 2013 and Regulations 17 of the SEBI Listing Regulations.

BOARD OF DIRECTORS

The following table sets forth details regarding our Board of Directors as on the date of this Information Memorandum:

Sr. No	Name, designation, address, occupation, date of birth, term, current period of directorship, and DIN	Age (Years)	Directorship in other companies
1.	Ms. Ananyashree Birla DIN: 06625036 Date of Birth: July 17, 1994 Designation: Non- Executive Director Occupation: Professional Current Term: Liable to retire by rotation Period of Directorship: Appointed w.e.f. May 20, 2025 Nationality: Indian Address: Mangal Adityayan, 20 Carmichael Road, Behind Jaslok Hospital, Cumbala Hill, Mumbai 400 026, Maharashtra, India.	31	Indian Companies 1. Aditya Birla Fashion and Retail Limited 2. Grasim Industries Limited 3. Hindalco Industries Limited 4. Svatantra Micro Housing Finance Corporation Limited 5. Svatantra Microfin Private Limited 6. Svatantra Online Services Private Limited 7. Antimatter Media Private Limited 8. Talk and Cheese Private Limited 9. Aditya Birla New Age Hospitality Private Limited 10. Ananya Birla Foundation 11. Chaitanya India Fin Credit Private Limited 12. Aditya Birla Management Corporation Private Limited. 13. Birla Cosmetics Private Limited Foreign Companies

			1. Aditya Birla Global Trading (Singapore) Pte. Limited.
2.	Mr. Aryaman Vikram Birla DIN: 08456879 Date of Birth: July 9, 1997 Designation: Non- Executive Director Occupation: Business Current Term: Liable to retire by rotation Period of Directorship: Appointed w.e.f. May 20, 2025. Nationality: Indian Address: Mangal Adityayan, 20 Carmichael Road, Behind Jaslok Hospital, Cumbala Hill, Mumbai 400 026, Maharashtra, India.	28	Indian Companies 1. Aditya Birla Fashion and Retail Limited 2. Grasim Industries Limited 3. Hindalco Industries Limited 4. Aditya Birla New Age Hospitality Private Limited. 5. Aditya Birla New Age Restaurants and Cafe Private Limited. 6. Aditya Birla Digital Fashion Ventures Limited. 7. Aditya Birla Management Corporation Private Limited. 8. KA Hospitality Private Limited Foreign Companies 1. Aditya Birla Global Trading (Singapore) Pte. Limited.
3.	Mr. Pankaj Sood DIN: 05185378 Date of Birth: July 11, 1976 Designation: Non- Executive Director Occupation: Service Current Term: Appointed as a Non-Executive Director w.e.f. May 23, 2025, liable to retire by rotation Period of Directorship: Appointed w.e.f. May 23, 2025 Nationality: Indian Address: C2106 Oberoi Exquisite, Goregaon East, Mumbai 400063, Maharashtra, India	49	Indian Companies 1. Mphasis Limited 2. Aditya Birla Fashion and Retail Limited 3. Bandhan Financial Holdings Limited 4. Bandhan Financial Services Limited 5. Ather Energy Private Limited 6. Singapore InvestCorp (India) Private Limited 7. SPORE Investment Management (India) Private Limited Foreign Companies Nil
4.	Mr. Ashish Dikshit DIN: 01842066 Date of Birth: July 15, 1969 Designation: Managing Director Occupation: Service	56	Indian Companies 1. Jaypore E-Commerce Private Limited. 2. Goodview Fashion Private Limited

	<p>Current Term: Appointed as a Managing Director for a period of 5 years w.e.f. May 1, 2025, not-liable to retire by rotation</p> <p>Period of Directorship: Appointed w.e.f. April 9, 2024</p> <p>Nationality: Indian</p> <p>Address: E-405, Raheja Residency, 8th C Main Road, Koramangala, 3rd Block, Bangalore-560034, Karnataka, India.</p>		<p>3. Indivinity Clothing Retail Private Limited</p> <p>4. Finesse International Design Private Limited</p> <p>5. Retailers Association of India</p> <p>6. Aditya Birla Digital Fashion Ventures Limited</p> <p>7. House of Masaba Lifestyle Private Limited</p> <p>8. Novel Jewels Limited</p> <p>9. Footwear Design and Development Institute</p> <p>10. CLI Footwear and Accessories Private Limited.</p> <p>11. Aditya Birla Fashion and Retail Limited.</p> <p>12. Aditya Birla Management Corporation Private Limited</p> <p>Foreign Companies Nil</p>
5.	<p>Mr. Vishak Kumar DIN: 09078653 Date of Birth: June 23, 1972 Designation: Deputy Managing Director and Chief Executive Officer Occupation: Service Current Term: Appointed as a Deputy Managing Director and Chief Executive Officer for a period of 5 years w.e.f. May 1, 2025, liable to retire by rotation. Period of Directorship: Appointed w.e.f. May 1, 2025. Nationality: Indian Address: S H Subramanian, Flat No I 1205, Brigade Metropolis, Whitefield Main Road, Garudachar Palya, Bangalore North, Bengaluru 560 048, Karnataka, India</p>	53	<p>Indian Companies Nil Foreign Companies Nil</p>
6.	<p>Mr. Arun Adhikari Kumar DIN: 00591057 Date of Birth: January 20, 1954 Designation: Independent Director Occupation: Retired Current Term: Appointed as an Independent Director w.e.f. May 20, 2025 till January 19, 2029, not-liable to retire by rotation Period of Directorship: Appointed w.e.f. May 20, 2025. Nationality: Indian</p>	71	<p>Indian Companies</p> <ol style="list-style-type: none"> Aditya Birla Fashion and Retail Limited Aditya Birla Capital Limited Hindalco Industries Limited Voltas Limited Aditya Birla Sun Life Insurance Company Limited

	Address: 903, A-Wing, Vivarea, Sane Guruji Marg, Mahalaxmi, Jacob Circle, Mumbai 400 011, Maharashtra, India.		6. Voltbek Home Appliances Private Limited Foreign Companies Nil
7.	Mr. Sunirmal Talukdar DIN: 00920608 Date of Birth: December 6, 1951 Designation: Independent Director Occupation: Retired Current Term: Appointed as an Independent Director w.e.f. May 20, 2025 till December 5, 2026, not-liable to retire by rotation. Period of Directorship: Appointed w.e.f. May 20, 2025. Nationality: Indian Address: Flat no 406, 12 Ashoka Road, Alipore H.O, Alipore, Kolkata 700 027, West Bengal, India.	74	Indian Companies 1. Aditya Birla Fashion and Retail Limited 2. Heubach Colorants India Limited 3. Sasken Technologies Limited 4. Aditya Birla Real Estate Limited 5. Vodafone Idea Limited 6. Innvol Medical India Limited 7. Indivinity Clothing Retail Private Limited 8. Assam Carbon Products Limited Foreign Companies Nil
8.	Mr. Nish Bhutani DIN: 03035271 Date of Birth: March 7, 1967 Designation: Independent Director Occupation: Business Current Term: Appointed as an Independent Director for a period of 5 years w.e.f. 20, 2025, not-liable to retire by rotation. Period of Directorship: Appointed w.e.f. May 20, 2025. Nationality: USA Address: Flat 2, Sonmarg Building, 67-B Nepean Sea Road, Mumbai City, Mumbai 400 006, Maharashtra, India.	58	Indian Companies 1. Aditya Birla Fashion and Retail Limited 2. Indiginus Learning Private Limited Foreign Companies 1. Indiginus Inc.
9.	Ms. Preeti Vyas DIN: 02352395 Date of Birth: November 26, 1956 Designation: Independent Director Occupation: Business Current Term: Appointed as an Independent Director for a period of 5 years w.e.f. May 20, 2025, not-liable to retire by rotation. Period of Directorship: Appointed w.e.f. May 20, 2025. Nationality: Indian Address: Raheja Imperia 1, Flat no 5602, A Wing, 56 th Floor, 45, Shankar Rao Naram	69	Indian Companies 1. Aditya Birla Fashion and Retail Limited 2. Aditya Birla Real Estate Limited. 3. Birla Estates Private Limited 4. Novel Jewels Limited 5. Goodview Fashion Private Limited 6. Indivinity Clothing Retail Private Limited Foreign Companies

	Path, Lower Parel West, Mumbai, Mumbai City 400 013, Maharashtra, India.		Nil
10.	Mr. Yogesh Chaudhary DIN: 01040036 Date of Birth: October 9, 1986 Designation: Independent Director Occupation: Carpet Business Current Term: Appointed as an Independent Director for a period of 5 years w.e.f. May 20, 2025, not-liable to retire by rotation. Period of Directorship: Appointed w.e.f. May 20, 2025. Nationality: Indian Address: G-250, Mansarovar Industrial Area, Jaipur 302 020, Rajasthan, India.	39	Indian Companies 1. Aditya Birla Fashion and Retail Limited. 2. Infurnia Holdings Limited 3. Goodview Fashion Private Limited 4. Tech Designworks Private Limited 5. Shyam Ahuja Private Limited 6. Marie-Anne Jaipur Private Limited 7. Jaipur Rugs Company Private Limited Foreign Companies Nil
11.	Mr. Venkatesh Satyaraj Mysore DIN: 01401447 Date of Birth: December 30, 1958 Designation: Independent Director Occupation: Professional Current Term: Appointed as an Independent Director for a period of 5 years w.e.f. May 20, 2025, not-liable to retire by rotation. Period of Directorship: Appointed w.e.f. May 20, 2025. Nationality: USA Address: The Imperial, N 4305, B B Nakashe Marg, Near Tardeo A C Market, Tardeo, Tulsiwadi, Mumbai 400 034, Maharashtra, India.	67	Indian Companies 1. Aditya Birla Fashion and Retail Limited 2. Meer Foundation Foreign Companies 1. TransAfrica Assurance Co Ltd – Kampala 2. TKR (St. Lucia) Ltd 3. TKR Trinidad Ltd 4. Knight Riders Sports USA Inc. 5. Knight Riders Sports Middle East–Sole Proprietorship LLC

BRIEF PROFILE OF DIRECTORS OF THE COMPANY

Ms. Ananyashree Birla is a Non-Executive Director on the Board of our Company. She is a graduate from the University of Oxford with a bachelor's degree. She is a distinguished businesswoman and a platinum selling artist with significant contributions across diverse business sectors. She's the founder at Svatantra Microfin, the fastest growing, highly rated, second-largest microfinance organization in the country. As founder at Birla Cosmetics Private Limited, she oversees the company's foray into colour cosmetics as part of its long-term vision to build a dynamic beauty portfolio. Ms. Birla serves as the global ambassador for NAMI, advocating the need for mental wellness. She is also the founder of the Ananya Birla Foundation that does pioneering research in mental health and social impact.

Mr. Aryaman Vikram Birla is a Non-Executive Director on the Board of our Company. He holds an MSc. Degree in Global Finance from Bayes Business School, London. He comes with diverse experiences including entrepreneurship, VC investing, and professional sport. He is closely involved with several businesses of the Aditya Birla Group. Aryaman has founded and is spearheading, Aditya Birla New Age Hospitality, the Group's growing hospitality business as well as the venture capital fund, Aditya Birla Ventures, that invests in high-growth start-ups.

Mr. Pankaj Sood is a Non-Executive Director on the Board of our Company. He is a post-graduate from Indian Institute of Management Calcutta (1999). He has a Bachelor's degree in Chemical Engineering from Indian Institute of Technology Kharagpur (1996). Mr. Sood heads the Private Equity (Direct Investments) business of GIC Singapore in India and Africa. He has over 26 years of experience in private equity and M&A transactions in India. Prior to GIC, he was an investment banker in India in Kotak Investment Bank, Ernst & Young and SBI Capital Markets

Mr. Ashish Dikshit is the Managing Director of our Company. He is also the managing director of Aditya Birla Fashion and Retail Limited. He holds a bachelor's degree in electrical engineering from Indian Institute of Technology, Madras and a master's degree in business administration from Indian Institute of Management, Bangalore. Mr. Dikshit has over 30 years of experience in diverse roles across industries and functions. He started his career at Asian Paints before moving to Madura Fashion and Lifestyle (MFL) Division of the Company, where he worked in its various functions ranging from Sales, Brand Management, Supply Chain and Sourcing over 15 years. He also served as the Principal Executive Assistant to the Chairman of Aditya Birla Group. He was appointed as President of MFL Division in 2007 and went on to become its CEO in 2012. He took over as the managing director of Aditya Birla Fashion and Retail Limited in February 2018.

Mr. Vishak Kumar is the Deputy Managing Director and Chief Executive Officer on the Board of our Company. He holds a bachelor's degree in computer engineering from BIT Ranchi and a master's degree in business administration from the Indian Institute of Management, Bangalore. He has 30 years of experience. He joined the Madura business in 1995 as a Management Trainee. During his 30 year long stint, he has worked across functions and occupied various roles in sales, marketing and retail. Prior to his stint as CEO of Madura, he was the CEO of Aditya Birla Retail Limited, where he was instrumental in transforming the "More" Supermarket and Hypermarket business.

Mr. Arun Kumar Adhikari is an Independent Director on the Board of our Company. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Kanpur, and a master's degree in business administration from Indian Institute of Management, Calcutta. Mr. Adhikari joined Hindustan Unilever Limited as Management Trainee in 1977 and was with Unilever through his full career. He retired from Unilever in January 2014 as Senior Vice-President for Unilever Laundry Category across Asia and Africa (Singapore). He has also worked with McKinsey & Company in India as Senior Advisor from May 2014 for 4 years.

Mr. Sunirmal Talukdar is an Independent Director on the Board of our Company. He is a chartered accountant from the Institute of Chartered Accountants of India. He holds a bachelor's degree in science from St. Xavier's College, Calcutta University. Mr. Talukdar has over 3 decades of rich & comprehensive experience backed by benchmark competencies in the areas of Strategic & Tactical Planning, Mergers & Acquisitions, Risk Management, Public Reporting, Regulatory Compliance and Corporate Governance etc. He retired as Group Executive President and Chief Financial Officer of Hindalco Industries Limited in 2012. Afterwards he worked with Haldia Petrochemicals Limited as Head-F&A, EVP, and CFO from November 2016 to November 2018.

Mr. Nish Bhutani is an Independent Director on the Board of our Company. He holds a bachelor's and master's of science degree in engineering from Stanford University and a master's degree in business administration from Harvard University. He has over 33 years of experience with digital and technology companies in Silicon Valley, the UK, and India. He is a founder & CEO of Indiginus Learning Pvt. Ltd. and he also a founder of Indiginus Inc.

Ms. Preeti Vyas is an Independent Director on the Board of our Company. She is a Graduate from of National Institute of Design. Ms. Vyas is an independent entrepreneur and has steered Vyas Giannetti Creative to a top position in India as an independent Design and Communication Consultancy. She has been counted among 50 most influential women in India by Impact and Verve magazines, ranked as

one of the top creative minds by the Economic Times and named one of the 25 most Powerful Women in Indian business by Business Today. She is also a member of Indian Design Council.

Mr. Yogesh Chaudhary is an Independent Director on the Board of our Company. He was a Management student from Boston College, USA. Mr. Chaudhary has immense entrepreneurial abilities and deep knowledge in the manufacturing business, leading Jaipur Rugs increase its global presence to 65 plus nations, from just two a decade ago. He is also a vital part of many prestigious associations such as Rajasthan Angel Investors network, Intelicap Impact Investment Network and Entrepreneurs Organization, to name a few.

Mr. Venkatesh Satyaraj Mysore is an Independent Director on the Board of our Company. He holds a bachelor's degree in marketing and finance and a master's degree in business administration from the University of Madras. Mr. Mysore holds extensive experience in sports management, entertainment, and financial services. He is the CEO of The Knight Riders Group & Red Chillies Entertainment since 2010, leading the global expansion of the Knight Riders franchise in T20 cricket across multiple leagues. He played a key role in establishing MetLife India as its first CEO/MD and securing its license through collaboration with IRDA.

TERMS OF APPOINTMENT OF OUR EXECUTIVE DIRECTORS

Mr. Ashish Dikshit was appointed as the Managing Director of our Company pursuant to a resolution passed by our Board of Directors on May 1, 2025, and a special resolution passed by our Shareholders on May 24, 2025, for a period of 5 years with effect from May 1, 2025. The details of the remuneration, benefits and perquisites that he is entitled to during the term of his office is enumerated below:

Basic Salary	₹ 1,88,78,000/- (Rupees One Crore Eighty-Eight Lakh Seventy-Eight Thousand Only) per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2,50,00,000 /- (Rupees Two Crore Fifty Lakh Only) per annum.
Special allowance	₹ 1,96,71,773/- (Rupees One Crore Ninety-Six Lakh Seventy-One Thousand Seven Hundred and Seventy-Three Only) per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2,50,00,000 /- (Rupees Two Crore Fifty Lakh Only) per annum. This allowance, however, will not be taken into account for the calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave encashment.
Other allowances, benefits and perquisites	Annual Incentive Pay: Linked to the achievement of targets, as may be decided by the Board from time to time, subject to a maximum of ₹ 12,00,00,000/- (Rupees Twelve Crore Only) per annum. Long-term Incentive Compensation including Employee Stock Option, Restricted Stock Units, Stock Appreciation Rights, Phantom Restricted Stock Units as per the Scheme applicable to the Executive Directors and/or Senior Executives of the Company and/or its Subsidiaries and/or any other Incentives applicable to Senior Executives of the Company/ Aditya Birla Group, in such manner and with such provisions as may be decided by the Board of the Company and/or its Subsidiaries, considering the above.

Mr. Vishak Kumar was appointed as the Deputy Managing Director and Chief Executive Officer of our Company pursuant to a resolution passed by our Board of Directors on May 1, 2025, and a special resolution passed by our Shareholders on May 24, 2025, for a period of 5 years with effect from May

1, 2025. The details of the remuneration that he is presently entitled to, and the other terms of his employment are enumerated below:

Basic Salary	Basic Salary: ₹ 1,60,59,000/- (Rupees One Crore Sixty Lakh Fifty-Nine Only) per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 2,04,00,000/- (Rupees Two Crore Four Lakh Only) per annum.
Special allowance	Special Allowance: ₹ 2,32,36,170/- (Rupees Two Crore Thirty-Two Lakh Thirty-Six Thousand One Hundred and Seventy Only) per annum with such increments as the Board may decide from time to time, subject however to a ceiling of ₹ 3,24,00,000/- (Rupees Three Crore Twenty-Four Lakh Only) per annum. This allowance, however, will not be taken into account for the calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave encashment.
Other allowances, benefits and perquisites	<p>Annual Incentive Pay: Linked to the achievement of targets, as may be decided by the Board from time to time, subject to a maximum of ₹ 4,50,00,000/- (Rupees Four Crore Fifty Lakh only) per annum.</p> <p>Long-term Incentive Compensation (LTIC) including Employee Stock Option, Restricted Stock Units, Performance Stock Units, Stock Appreciation Rights, Phantom Restricted Stock Units as per the Scheme applicable to the Executive Directors and/or Senior Executives of the Company and/or its Subsidiaries and/or any other Incentives applicable to Senior Executives of the Company/ Aditya Birla Group, in such manner and with such provisions as may be decided by the Board of the Company and/or its Subsidiaries considering the above.</p>

Further, the Company did not have any Executive Directors on its Board during the F.Y. 2024-25, hence the remuneration payable to Executive Director is not applicable.

TERMS OF APPOINTMENT AND REMUNERATION TO NON-EXECUTIVE DIRECTORS INCLUDING INDEPENDENT DIRECTORS BY OUR COMPANY

The Board of Directors in its Meeting held on May 20, 2025 approved the payment of the sitting fees to Non-Executive Directors (including Independent Directors) for attending Board meetings and meetings of the committees of our Board in the following manner:

Sr. No	Board/Committee	Sitting Fees (in ₹)
1.	Board	₹ 75,000 per meeting
2.	Audit Committee	₹ 50,000 per meeting
3.	Nomination and Remuneration Committee	₹ 40,000 per meeting
4.	Risk Management and Sustainability Committee	₹ 40,000 per meeting
5.	Stakeholders Relationship Committee	₹ 40,000 per meeting
6.	Independent Directors Meeting	₹ 50,000 per meeting

The Company did not pay any remuneration to the Non-Executive Directors during the F.Y. 2024-25. Further the Company did not have any Independent Director on its Board during the F.Y. 2024-25, hence the remuneration payable to the Independent Directors is not applicable.

DETAILS OF DIRECTORSHIP IN COMPANIES SUSPENDED OR DELISTED

None of our Directors is, or was, a director of any listed company whose shares were suspended from being traded on any stock exchange during the term of their directorship in such company, in the five years prior to the date of this Information Memorandum.

None of our Directors is, or was, a director of any listed company which was delisted from any stock exchange, during the term of their directorship in such company.

RELATIONSHIP BETWEEN THE DIRECTORS AND KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL OF THE COMPANY

Except for Aryaman Vikram Birla and Ananyashree Birla, who are related to each other, none of the Directors, Key Managerial Personnel and Senior Management Personnel of our Company are related to each other.

ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

None of our Directors or member of senior management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

SERVICE CONTRACTS WITH DIRECTORS

There are no service contracts entered into between any of our Directors and our Company for the provision of any benefits upon retirement/termination of employment. Except statutory benefits upon termination of their employment in the Company or superannuation, no Key Managerial Personnel or Senior Management Personnel, is entitled to any benefit upon termination of employment or superannuation.

BORROWING POWERS

The Company has not and shall not at any time exceed the limits prescribed under Section 180(1)(c) of the Companies Act 2013, without seeking shareholder approval.

PAYMENT OR BENEFIT TO DIRECTORS (non-salary related)

Our Company has not entered into any contract appointing or fixing the remuneration of any Director in the preceding two Fiscal years, further no amount or benefits in kind has been paid or granted or is intended to be paid or granted to any of the Directors, other than in the ordinary course of their employment or engagement with our Company.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO THE DIRECTORS OF THE COMPANY

There is no contingent or deferred compensation payable to any of our Directors.

REMUNERATION PAID OR PAYABLE BY SUBSIDIARIES AND ASSOCIATE COMPANIES

None of our Directors are entitled to or have received any remuneration from our Subsidiary company, including contingent or deferred compensation.

BONUS OR PROFIT SHARING PLAN FOR THE DIRECTORS

Our Company does not have a bonus (excluding performance linked incentive which is part of their remuneration) or profit sharing plan with our Directors.

SHAREHOLDING OF OUR DIRECTORS

Our Articles of Association does not require our Directors to hold qualification shares.

Further by virtue of their respective shareholding in Aditya Birla Fashion and Retail Limited as on the Record Date, the following Directors have been allotted Equity Shares by our Company.

Name of Director	Number of equity shares allotted
Mr. Ashish Dikshit	3,54,685
Mr. Vishak Kumar	3,53,871

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.

The Directors may also be interested to the extent of Equity Shares of our Company and to the extent of any dividend payable to them, if any, held by them or by their relatives, and/ or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives.

For further details regarding the shareholding of the Directors, please see the section titled ***“Capital Structure- Details of Equity Shares held by the Promoters, member of Promoter Group and Directors of Promoters”*** on page 47 of this Information Memorandum.

None of the Directors are interested in any property acquired by the Company or proposed to be acquired by the Company or in any transaction in the acquisition of land, construction of building and supply of machinery, etc. in relation to our Company.

None of the Directors have any interest in promotion or formation of our Company (in terms of the SEBI ICDR Regulations) as on the date of this Information Memorandum.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of the Directors of the Company, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of the Company.

No loan has been availed by our Directors from our Company and our Subsidiary.

None of our Directors have any interest in any entity that is involved in activities similar to those conducted by our Company except Mr. Ashish Dikshit, Managing Director of our Company, who is also the managing director of ABFRL and non-executive director of our Group Companies.

Except as provided below, none of our Directors are interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners.

Except Mr. Ashish Dikshit, Managing Director of our Company, who is also the managing director of ABFRL and non-executive director of our Group Companies, may deemed to have interest in any of the entities that are involved in activities similar to those conducted by our Company.

CHANGES IN THE BOARD DURING THE LAST THREE YEARS

Details of the changes in our Board in the three years preceding the date of this Information Memorandum are set forth below:

Name of Directors	Date of event	Designation	Reason
Mr. Ashish Dikshit	April 9, 2024	Non-Executive Director	Appointment as First Director
Mr. Jagdish Bajaj	April 9, 2024	Non-Executive Director	Appointment as First Director
Mr. Anil Kumar Malik	April 9, 2024	Non-Executive Director	Appointment as First Director
Mr. Ashish Dikshit*	May 1, 2025	Managing Director	Change in designation
Mr. Vishak Kumar*	May 1, 2025	Deputy Managing Director & CEO	Appointment
Ms. Ananyashree Birla*	May 20, 2025	Non- Executive Director	Appointment
Mr. Aryaman Birla*	May 20, 2025	Non- Executive Director	Appointment
Mr. Arun Adhikari*	May 20, 2025	Independent Director	Appointment
Mr. Sunirmal Talukdar*	May 20, 2025	Independent Director	Appointment
Mr. Nish Bhutani*	May 20, 2025	Independent Director	Appointment
Ms. Preeti Vyas*	May 20, 2025	Independent Director	Appointment
Mr. Yogesh Chaudhary*	May 20, 2025	Independent Director	Appointment
Mr. Jagdish Bajaj	May 20, 2025	Non-Executive Director	Cessation
Mr. Anil Kumar Malik	May 20, 2025	Non-Executive Director	Cessation
Mr. Pankaj Sood*	May 23, 2025	Non- Executive Director	Appointment

* regularised pursuant to a resolution passed by the shareholders of the Company on May 24, 2025

CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to the Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the rules framed thereunder, in respect of corporate governance including constitution of our Board and Committees thereof, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. The Board functions either as a full Board or through various Committees constituted to oversee specific functions. The scope and function of our Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management & Sustainability Committee are in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as amended from time to time.

The Board of Directors presently consist of 10 Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors consists of one Managing Director, one Deputy Managing Director, two Non- Executive Directors and Six Independent Directors (including one Woman Independent Director) in compliance with the SEBI Listing Regulations and the Companies Act, 2013.

The following Committees have been formed in compliance with the corporate governance norms:

1. AUDIT COMMITTEE

The Audit Committee was constituted by a resolution of the Board of Directors dated May 20, 2025. The composition and terms of reference of the Audit Committee are in compliance with Section 177 and other applicable provisions of the Companies Act, 2013 and Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations. The Audit Committee currently comprises:

Composition:

Sr. No	Name	Designation	Position in Committee
1.	Mr. Sunirmal Talukdar	Independent Director	Chairperson
2.	Mr. Nish Bhutani	Independent Director	Member
3.	Mr. Arun Adhikari	Independent Director	Member

Scope and Terms of Reference:

- (a) Reviewing management discussion and analysis of financial condition and results of operations;
- (b) Recommending the terms of appointment/ re-appointment, remuneration and any other terms and conditions pertaining to the appointment/ re-appointment, if required, replacement or removal of auditors, fixation of statutory audit fees and approval of payment for any other services rendered by the statutory auditors, as permitted under applicable laws;
- (c) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (d) Reviewing the adequacy of internal audit function and internal control systems including internal financial controls;
- (e) Evaluating of internal financial controls, risk management systems of the Company;
- (f) Discussing with the internal auditors of any significant findings and follow-up thereon;
- (g) Reviewing significant audit findings, if any, from the statutory and internal audits;
- (h) Reviewing the adequacy and operational effectiveness of internal control systems in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015;
- (i) Overseeing the Company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- (j) Reviewing with the management, the quarterly unaudited financial statements and annual audited financial statements alongwith limited review report/ auditor's report thereon before submission to the Board for the approval;
- (k) Reviewing of annual financial statements inter alia including reviewing changes in accounting policies, if any, major accounting entries involving estimates, significant adjustments made in financial statements, qualifications in draft audit report, if any etc;
- (l) Reviewing with the management, the statement of uses/ application of funds raised through the issue and reporting the same to the Board;
- (m) Scrutinising the inter-corporate loans and investments;
- (n) Reviewing the utilization of loans and/ or advances from/investment by the Company in the Subsidiary, if any;

- (o) Reviewing the functioning of vigil/ whistle blower mechanism;
- (p) Approving appointment of Chief Financial Officer of the Company;
- (q) Independent Directors of the Audit Committee to approve all related party transactions and any subsequent modifications to the same and
- (r) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted by a resolution of the Board of Directors dated May 20, 2025. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

Composition:

Sr. No	Name	Designation	Position in Committee
1.	Mr. Arun Adhikari	Independent Director	Chairperson
2.	Mr. Nish Bhutani	Independent Director	Member
3.	Mr. Sunirmal Talukdar	Independent Director	Member

Scope and Terms of Reference:

- (a) Recommending the remuneration/ revision in remuneration of Managing Director and Executive Directors to the Board;
- (b) Formulating criteria for evaluation of Board, its Committees and each Director and reviewing its implementation and compliance;
- (c) Recommending to the Board, all remuneration, in whatever form, payable to Senior Management Personnel;
- (d) Identifying persons who are qualified to become Directors and who may be appointed at senior management positions in accordance with the criteria laid down and recommending to the Board their appointment and removal;
- (e) Formulating criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy relating to the remuneration for the Directors, KMP, Senior Management Personnel and other employees;
- (f) For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description;
- (g) Devising a policy on Board diversity and

- (h) Recommending to the Board the extension or continuation of term of appointment of the Independent Director, on the basis of the report of performance evaluation of the Independent Directors.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted by a resolution of the Board of Directors dated May 20, 2025. The composition and terms of reference of the Corporate Social Responsibility Committee are in compliance with Section 135 and other applicable provisions of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises:

Composition:

Sr. No	Name	Designation	Position in Committee
1.	Mr. Ashish Dikshit	Managing Director	Chairperson
2.	Mr. Yogesh Chaudhary	Independent Director	Member
3.	Mr. Nish Bhutani	Independent Director	Member
4.	Ms. Preeti Vyas	Independent Director	Member

Scope and Terms of Reference:

- Reviewing and finalising the annual CSR budget of the Company for undertaking the CSR activities as per the CSR policy of the Company and recommending the CSR budget to the Board;
- Reviewing the Business Responsibility activities and the Business Responsibility Report (“BRR”) of the Company and taking necessary actions which may be required to be done and performed from time to time in connection therewith;
- Monitoring the Corporate Social Responsibility policy of the Company;
- Authorising officers and/or other person, to take necessary actions for and on behalf of the Company, to widen its CSR reach and
- Performing such other acts, deeds, things and powers as may be delegated to the Committee by the Board from time to time.

4. STAKEHOLDERS’ RELATIONSHIP COMMITTEE

The Stakeholders’ Relationship Committee was constituted by a resolution of the Board of Directors dated May 20, 2025. The composition and terms of reference of the Stakeholders’ Relationship Committee are in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 and Regulation 20 and Part D of Schedule II of the SEBI Listing Regulations. The Stakeholders’ Relationship Committee currently comprises:

Composition:

Sr. No	Name	Designation	Position in Committee
1.	Mr. Yogesh Chaudhary	Independent Director	Chairperson
2.	Mr. Arun Adhikari	Independent Director	Member
3.	Mr. Ashish Dikshit	Managing Director	Member

Scope and Terms of Reference:

- a. Reviewing the measures taken for effective exercise of voting rights by Shareholders;
- b. Reviewing various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, if any and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the Shareholders of the Company;
- c. Resolving the grievances if the security holders of the Company including complaints relating to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.; and
- d. Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

5. RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

The Risk Management and Sustainability Committee was constituted by a resolution of the Board of Directors dated May 20, 2025. The composition and terms of reference of the Risk Management and Sustainability Committee are in compliance with Regulation 21 and Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013. The Risk Management and Sustainability Committee currently comprises:

Composition:

Sr. No	Name	Designation	Position in Committee
1.	Mr. Sunirmal Talukdar	Independent Director	Chairperson
2.	Mr. Yogesh Chaudhary	Independent Director	Member
3.	Mr. Arun Adhikari	Independent Director	Member

Scope and Terms of Reference:

- a. Periodically reviewing the risk management policy, at least once in two years, in line with the business requirements and SEBI Listing Regulation;
- b. Assisting the Board with regard to the identification, evaluation and mitigation of operational, strategic and external risks;
- c. Keeping the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- d. Monitoring and reviewing the risk management plan of the Company;
- e. Reviewing risks related to cyber security and evaluating the treatment including initiating mitigation actions;
- f. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- g. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- h. Appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee and
- i. Framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

MANAGEMENT ORGANISATION STRUCTURE

Board of Director

ASHISH DIKSHIT

Managing Director

VISHAK KUMAR

RAJEEV AGRAWAL

Deputy Managing Director

***Company Secretary & Compliance
Officer***



DHARMENDRA LODHA

JACOB JOHN

NARAHARI N

PUNEET KUMAR MALIK

Chief Financial Officer

President, Premium Brands

Senior Vice President, Central Sourcing

CEO, Innerwear Business

KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

In addition to Mr. Ashish Dikshit, Managing Director and Mr. Vishak Kumar, Deputy Managing Director and CEO, whose details are provided in the section titled “*Brief Profile of the Directors of the Company*” on page no. 104 above, the details of other Key Managerial Personnel and Senior Management Personnel as on the date of this Information Memorandum are set forth below:

Brief Profiles of our Key Managerial Personnel:

Mr. Dharmendra Lodha, has been appointed as Chief Financial Officer of the Company with effect from May 15, 2025. He holds over 18 years of diverse experience across the Consumer and Retail sectors, managing the entire spectrum of the Finance function. His expertise spans financial governance, cash flow management, capital infusion, stakeholder management with bankers and auditors, and building strong finance capabilities aligned to business needs. Mr. Lodha served as Senior Vice President- Finance at Pidilite, where he led Corporate Finance, Manufacturing Finance, Controllership, and FP&A, managing a team of 50 professionals. He is a Chartered Accountant from the 2006 batch.

Since he joined in the Financial Year 2025-26, he did not receive any remuneration for the Financial Year 2024-25.

Mr. Rajeev Agrawal has been appointed as Company Secretary and Compliance Officer of the Company with effect from May 15, 2025. Mr. Rajeev Agrawal is a member of the Institute of Company Secretaries of India and a law graduate having more than 20 years of experience (including 14 years with the Aditya Birla Group in various roles). Prior to his appointment in the Company, he was associated with the Demerged Company i.e. Aditya Birla Fashion and Retail Limited as Vice President. He has expertise in the field of Merger & Acquisitions, Corporate Governance, Corporate Restructuring, Fund Raising, Compliance and due diligence etc.

His key achievements over the years inter alia includes significant role in merger of Aditya Birla Nuvo Limited with Grasim Industries Limited & subsequent demerger and listing of Financial Services arm of Aditya Birla Group i.e. Aditya Birla Capital Limited, Restructuring of Garment Business of the Group, successful Open Offer, Acquisition & Merger of TCNS Clothing and Fund Raising through various modes including Qualified Institutional Placement, Preferential Issue etc.

Since he joined in the Financial Year 2025-26, he did not receive any remuneration for the Financial Year 2024-25.

Brief Profiles of our Senior Management Personnel other than Key Managerial Personnel:

Mr. Jacob John has been appointed as President, Premium Brands, Madura Fashion and Lifestyle as Senior Managerial Personnel of the Company with effect from May 15, 2025. He has been associated with the Aditya Birla Group since 20 years. He holds Bachelor in Technology – Textiles & Masters in Business Administration.

Jacob started his career as a Management Trainee in Madura Garments in 1995. Over next twenty years, Jacob grew in the company through roles across manufacturing, sourcing, product development & brand management. In his last role as the Brand COO for Louis Philippe, the brand grew impressively from Rs 292 Cr turnover in FY 10 to become a Rs 1000 Cr business in FY15. This period saw a growth of Louis Philippe retail, establishment of sub brands LP Sport, launch of LP Jeans and several other initiatives which clearly established Louis Philippe as India’s largest and most profitable menswear brand. Jacob is also a proud recipient of the Chairman Awards for Exceptional Contribution.

Jacob joined Landmark Group in 2015 as Deputy CEO – Lifestyle International, overseeing Lifestyle Department stores. In his last assignment, Jacob was hired by Private Equity firm, Advent Equity, as CEO & MD for Dixcy Textiles, a leading player in Innerwear industry.

Since he joined in the Financial Year 2025-26, he did not receive any remuneration for the Financial Year 2024-25.

Mr. Narahari N has been appointed as Sr. Vice President, Central Sourcing as Senior Managerial Personnel of the Company with effect from May 15, 2025. He is a distinguished global sourcing and supply chain expert with over three decades of experience in enhancing domestic and international business operations. Prior to his appointment he was a director of Central Sourcing at Aditya Birla Fashion and Retail Limited (“Demerged Company”), he oversees strategic procurement and sourcing across a diverse portfolio of domestic and international brands, ensuring alignment with the company's growth objectives and commitment to international quality standards.

As a dynamic leader deeply connected to the Aditya Birla Group's purpose “To enrich lives by building dynamic and responsible businesses and institutions that inspire trust”-Mr. Narahari continues to drive transformative initiatives that strengthen the company's reputation as a pioneer in ethical and innovative apparel manufacturing.

Since he joined in the Financial Year 2025-26, he did not receive any remuneration for the Financial Year 2024-25.

Mr. Puneet Kumar Malik has been appointed as CEO - Innerwear Business as Senior Managerial Personnel of the Company with effect from May 15, 2025. He is an alumnus of IIM Bangalore, NIFT Delhi and TIT Bhiwani. He is an industry veteran and has been with Aditya Birla Group for the last 3 decades leading diverse functions across Manufacturing, Supply Chain, Brand Management, Retail, Trade Sales and P&L.

Over the last few years Puneet has built the Van Heusen Innerwear business from scratch and has led the rapid growth of the business to being the second largest Innerwear player in the mid premium segment.

Puneet received the Accomplished Leader award from Chairman in the year 2022.

Since he joined in the Financial Year 2025-26, he did not receive any remuneration for the Financial Year 2024-25.

Service Contracts with Key Managerial Personnel and Senior Management Personnel

The Company has not entered into any service contracts, pursuant to which the Key Managerial Personnel or Senior Management Personnel are entitled to benefits upon retirement/termination of employment. Except statutory benefits upon termination of their employment in the Company or superannuation, no Key Managerial Personnel or Senior Management Personnel, is entitled to any benefit upon termination of employment or superannuation.

Relationship among Key Managerial Personnel and Senior Management Personnel

None of the Key Managerial Personnel and Senior Management Personnel are related to each other.

Arrangements and understanding with major shareholders, customers, suppliers or others.

None of the Key Managerial Personnel or Senior Management Personnel of the Company have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others, as applicable, in relation to the Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel.

There is no contingent or deferred compensation payable to the Key Managerial Personnel or Senior Management Personnel, which does not form part of their remuneration.

Bonus or profit sharing plan for the Key Managerial Personnel and Senior Management Personnel.

Our Company does not have any bonus or profit-sharing plan with the Key Management Personnel or Senior Management Personnel.

Status of Key Managerial Personnel and Senior Management Personnel.

All the Key Managerial Personnel and Senior Management Personnel are permanent employees of the Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel in the Company

The shareholding of Key Managerial Personnel and Senior Management in the Company as on the date of this Information Memorandum are set forth below:

Name of KMP/SMP	Number of equity shares allotted
Mr. Ashish Dikshit	3,54,685
Mr. Vishak Kumar	3,53,871
Mr. Dharmendra Lodha	-
Mr. Rajeev Agrawal	-
Mr. Jacob John	67,757
Mr. Narahari N	-
Mr. Puneet Kumar Malik	-

Pursuant to the Scheme of Arrangement, Directors, Key Managerial Personnel and Senior Management Personnel will be granted Resulting Company Stock Options under the relevant Resulting Company Stock Option Plans (as the case may be) of our Company.

Changes in Key Managerial Personnel and Senior Management Personnel during the last three years

As on the date of this Information Memorandum, there are no changes in Key Managerial Personnel and Senior Management Personnel except as stated in the section titled ***“Key Managerial Personnel and Senior Management Personnel”*** on page no. 116 above.

Attrition rate of Key Managerial Personnel and Senior Management Personnel

As on the date of this Information Memorandum, there has been no attrition in the key Managerial Personnel and Senior Management Personnel of our Company, hence this clause is not applicable.

Employee Stock Option Scheme and Employee Stock Purchase Scheme.

Please see the section titled ***“Capital Structure”*** on page 39 of this Information Memorandum.

Payment or Benefit to Key Managerial Personnel and Senior Management Personnel of the Company.

No non-salary related amount or benefit has been paid or given to any Key Managerial Personnel or Senior Management Personnel of the Company since the incorporation or is intended to be paid or given, which are not part of their remuneration for services rendered in the capacity of being an employee.

Interests of Key Managerial Personnel and Senior Management Personnel

The Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company except to the extent of the remuneration and other employment benefits to which they are entitled to as per their terms of employment for service rendered/to be rendered as officers or employees of our Company. The Key Managerial Personnel or Senior Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares that may be held by them in our Company like any other shareholders.

PROMOTER AND PROMOTER GROUP

Promoter

Birla Group Holdings Private Limited is the Promoter of the Company as on the date of this Information Memorandum.

As on the date of this Information Memorandum, the Promoter holds an aggregate of 23,66,19,965 Equity Shares, representing 19.39 % of the paid-up equity share capital of the Company. Our Promoter has acquired shareholding in our Company pursuant to the Scheme. Prior to the Scheme becoming effective, ABFRL was the promoter of our Company. For details, please see the section titled “*Capital Structure - History of the Equity Share Capital held by our Promoter*” on page 47 of this Information Memorandum.

Details of the Promoter

Birla Group Holdings Private Limited

Birla Group Holdings Private Limited having Corporate Identification Number U67120MH1980PTC023476 was incorporated on November 21, 1980 as a private limited company, under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai as “RSN Holdings Private Limited”. Subsequently the name was changed to “Birla Group Holdings Private Limited” and fresh certificate of incorporation was issued on December 16, 1998.

Corporate Information

Name: Birla Group Holdings Private Limited

Address: Industry House 1st Floor 159 Churchgate Reclamation, Mumbai – 400020, Maharashtra.

Date of Incorporation: November 21, 1980

Permanent account number: AAACR2250C

Nature of Business

Birla Group Holdings Private Limited is registered with the RBI under Section 45-IA of the RBI Act as a non-deposit taking, non-banking financial company and the company is engaged in lending and investment activities.

Promoters of Birla Group Holdings Private Limited

Global Holdings Private Limited, Rajratna Holdings Private Limited and Vaibhav Holdings Private Limited are promoters of Birla Group Holdings Private Limited.

Shareholding Pattern

As on the date of this Information Memorandum, the authorised share capital of Birla Group Holdings Private Limited is ₹ 1722,33,40,000 divided into 7,07,08,900 equity shares of face value of ₹ 100/- each and 10,15,24,500 preference shares of ₹ 100/- each. The issued and paid-up share capital of Birla Group Holdings Private Limited, as on the date of this Information Memorandum, is ₹ 2,70,700 divided into 2,707 equity shares of face value of ₹ 100/- each fully paid-up and 3,52,78,320 8% non-cumulative redeemable non-convertible preference shares of Rs. 100/- each fully paid-up.

The following table sets forth details of the shareholding pattern of Birla Group Holdings Private Limited, as on the date of this Information Memorandum:

Sl. No.	Category of Shareholder	Number of equity shares held	Percentage (%) of equity shareholding
1.	Promoter/ Promoter Group	2,697	99.63
2.	Others	10	0.37
TOTAL		2,707	100.00

Board of Directors

The board of directors of Birla Group Holdings Private Limited as on the date of this Information Memorandum consist of the following individuals:

Sl. No.	Name of the Director	Designation
1.	Mr. Kumar Mangalam Birla	Director
2.	Mrs. Rajashree Birla	Director
3.	Mr. Suresh Tapuriah	Director
4.	Mr. Pradeep Kumar Jajodia	Director

Details of Change in Control

There has been no change in control of Birla Group Holdings Private Limited in the last three years preceding the date of this Information Memorandum.

Other details

Our Company confirms that the permanent account number, bank account number(s), company registration number and the address of the Registrar of Companies where Birla Group Holdings Private Limited is registered, shall be submitted to the Stock Exchanges at the time of filing this Information Memorandum.

Other ventures of our Promoter

The Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by the Company.

Common Pursuits

There are no common pursuits between the Company and our Promoter.

Details of change in control of the Company

While there has been no change in control of our Company, ABFRL was the holding company of our Company prior to the Scheme coming into effect and was designated as our promoter. After the Effective Date and pursuant to the Scheme, the Company has issued and allotted to the shareholders of Aditya Birla Fashion and Retail limited as on the Record Date, i.e., May 22, 2025, one fully paid-up Equity Share of the Company for every one fully paid-up equity shares of face value ₹10 each of ABLBL. Accordingly, Birla Group Holdings Private Limited has been named as Promoter of the Company.

Interests of Promoter

Interest of our Promoter

Our Promoter is interested in the Company to the extent of their shareholding in the Company and the dividends declared, if any, and any other distributions in respect of their direct or indirect shareholding in the Company. For further details, please refer to section titled “***Capital Structure - History of the Equity Share Capital held by our Promoter***” on page 47 of this Information Memorandum.

Interest of our Promoter in the property of our Company

Except as mentioned above, our Promoter does not have any interest in our Company other than as Promoter and Shareholder.

Interest of our Promoter in our Company arising out of being a member of firm or company

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to the Promoter of the Company, or to the firms or companies in which the Promoter is interested as a member or promoter by any person either to induce such director to become, or to help such director to qualify as a director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of the Company.

Interest of our Promoter in property, land, construction of building and supply of machinery of our Company

The Promoter does not have any interest, whether direct or indirect, in any property acquired by the Company within the preceding three years from the date of this Information Memorandum or proposed to be acquired by our Company as on the date of filing of this Information Memorandum, or in any transaction by the Company for acquisition of land, construction of building and supply of machinery, etc.

Payment or benefits to Promoter or Promoter Group

Except in the ordinary course of business and/or as disclosed in the section titled “***Financial Statements***” beginning on page 128, there are no amounts paid or benefits granted by the Company to the Promoter or any of the members of the Promoter Group during the two years preceding the filing of this Information Memorandum nor is there any intention to pay or give any amount or provide any benefit to the Promoter or Promoter Group as on the date of this Information Memorandum.

Companies or firms with which our Promoter has disassociated in the last three years

Our Promoter has not disassociated from any company or firm during the three years preceding the date of this Information Memorandum.

Material guarantees given by our Promoter to third parties with respect to Equity Shares

As on the date of this Information Memorandum, our Promoter has not given any material guarantee to any third party with respect to the Equity Shares of the Company.

Promoter Group

As on the date of this Information Memorandum, in addition to our Promoter, the individuals and entities that form a part of the Promoter Group of the Company in terms of the SEBI ICDR Regulations are set out below:

Natural person forming part of the Promoter Group:

- a. Kumar Mangalam Birla
- b. Rajashree Birla
- c. Neerja Birla
- d. Vasavadatta Bajaj

Entities forming part of the Promoter Group:

- a. Aditya Vikram Kumarmangalam Birla HUF
- b. IGH Holdings Private Limited
- c. Grasim Industries Limited
- d. Hindalco Industries Limited
- e. Pilani Investment and Industries Corporation Limited
- f. Birla Industrial Finance (India) Limited
- g. Birla Consultants Limited
- h. ABNL Investment Limited
- i. Birla Industrial Investments (India) Limited
- j. ECE Industries Limited

GROUP COMPANIES

In accordance with the SEBI ICDR Regulations, the term ‘group companies’, shall include (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions, during the period for which financial information is disclosed in the financial statements (as set out in this Information Memorandum below, as covered under the applicable accounting standards; and (ii) any other companies as considered material by our Board of Directors.

Accordingly, for (i) above, all such companies (other than promoters and subsidiary(ies)) with which our Company entered into related party transactions during the period for which financial information is disclosed in this Information Memorandum and as covered under the relevant accounting standards (i.e. Ind AS 24), as per the Financial Statements, have been considered as Group Companies in terms of SEBI ICDR Regulations.

Pursuant to the Materiality Policy on disclosures under SEBI ICDR Regulations, for the purposes of (ii) above, a company has been considered material and shall be disclosed as a group company in this Information Memorandum if: (a) such company is currently a member of the Promoter Group; and (b) the company has entered into transactions with such entities accounting to more than 5% of the net worth of the company as for the latest fiscal year derived from the consolidated financial information.

Accordingly, as of the date of this Information Memorandum, the details of our Group Companies are as set forth below:

1. Aditya Birla Fashion and Retail Limited, having its registered office at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla Mumbai Maharashtra 400070
2. Aditya Birla Garments Limited, having its registered office at Piramal Agastya, Building A, 401, 403, 501, 502, LBS Road, Kurla, Mumbai – 400070*
3. Finesse International Design Private Limited, having its registered office at D-32, Lala Lajpat Rai Marg, Defence Colony, New Delhi - 110024
4. Indivinity Clothing Retail Private Limited, having its registered office at Plot No 708, Sector 37 Pace City II, Gurgaon, Haryana, India, 122001
5. Sabyasachi Calcutta LLP, having its registered office at 80/2 Topsia Road South, Kolkata, West Bengal, 700046
6. Jaypore E-Commerce Private Limited, having its registered office 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
7. House of Masaba Lifestyle Private Limited, having its registered office at Plot No 80 & 89, Marol Co-operative Industrial Estate, Marol, Andheri (East), Mumbai, Maharashtra, India, 400059

** has become wholly owned subsidiary of the Company, pursuant to the Scheme*

In accordance with the SEBI ICDR Regulations, financial information in relation to our Group Companies for the previous three financial years, derived from the respective audited Financial Statements are available on the website of the Demerged Company i.e. www.abfirl.com.

Interest of our Promoter

As on the date of this Information Memorandum, our Promoter, Birla Group Holdings Private Limited, does not hold any of the share capital of the Group Companies except in Aditya Birla Fashion and Retail Limited.

NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES

In the promotion of the Company and in property, land, construction of building and supply of machinery of our Company

As on the date of this Information Memorandum, our Group Companies do not have any interest in the promotion of the Company, except that Demerged Company was the promoter of the Company, prior to the effectiveness of the Scheme.

The Group Companies do not have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Information Memorandum or proposed to be acquired by our Company as on the date of filing of this Information Memorandum, or in any transaction by our Company for acquisition of land, construction of building and supply of machinery.

Litigation involving Group Companies which has a material impact

For more details, please see section titled “***Outstanding Litigation and Material Developments***” on page 305 of this Information Memorandum.

Common pursuits among the Group Companies and Subsidiary and our Company.

While our Group Companies are engaged in apparel and retail businesses, the target categories and segments are different from the ones targeted by our Company with no to very limited overlap. The businesses in our Company cater to premium western wear segment while the ones in the Group Companies cater to value and masstige retail, men and women ethnic and luxury retail segments. Thus, we do not perceive any conflict of interest within the companies.

Related business transactions within our Group Companies and significance on the financial performance of the Company.

Except as disclosed in the note on related party transactions in the section titled “***Financial Statements***” on page 128 of this Information Memorandum, the Company has not entered into any other related party transactions with the Group Companies which are significant to the financial performance of the Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in the note on related party transactions in the section titled “***Financial Statements***” on page 128 of this Information Memorandum, our Group Companies do not have any business interest in the Company.

Other Confirmations

The shares of Aditya Birla Fashion and Retail Limited are listed on BSE and NSE. Further, neither the securities of our Company nor of our Group Companies have been refused listing by any stock exchange in India or abroad, nor has our Company or our Group Companies have failed to meet the listing requirements of any stock exchange in India or abroad.

RELATED PARTY TRANSACTIONS

For details of related party transactions, please see the section titled “*Financial Statements*” on page 128 of this Information Memorandum.

DIVIDEND POLICY

As on the date of this Information Memorandum, our Company has a formal dividend policy named as ‘Dividend Distribution Policy’ approved by our Board of Directors at its meeting held on May 23, 2025 (**“Dividend Policy”**).

The declaration and payment of dividends, if any, will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable laws, including the Companies Act, 2013.

In accordance with the Dividend Policy, the dividend, if any, will depend on a number of internal and external factors, which, among other things, include, net profits during the financial year, cash balance and cash flow, retained earnings, earnings outlook, any macro-economic conditions impacting the Company or its business and any regulatory, political, or tax change in the geographies in which the Company operates.

Any future determination as to the declaration and payment of dividends will be at the discretion of the Board and will depend upon the aforementioned parameters and other factors that the Board deems relevant.

As on the date of this Information Memorandum, the Company has not declared / paid any dividends on its Equity Shares.

FINANCIAL STATEMENTS

Financial statements of the Company for the period from April 1, 2024 to March 31, 2025 are enclosed hereinafter.

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INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Aditya Birla Lifestyle Brands Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") (refer Note 49 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2025, 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 period from April 9, 2024 to March 31, 2025, 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 as at March 31, 2025, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the period 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 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 is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We draw attention to Note 48 to the consolidated financial statements regarding the Scheme of Arrangement (the 'Scheme') between the Company, Aditya Birla Fashion and Retail Limited, and their respective shareholders and creditors, as approved by the National Company Law Tribunal ('NCLT') vide its order dated March 27, 2025. The Company was incorporated on April 9, 2024. However, the Scheme has been given effect to in the consolidated financial statements from the 'appointed date' of April 1, 2024, as per the Scheme approved by NCLT.

Our opinion is not modified in respect of this matter.

Key Audit Matters

5. 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.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT
To the Members of Aditya Birla Lifestyle Brands Limited
Report on the Consolidated Financial Statements
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Key audit matter	How our audit addressed the key audit matter
<p>Provision for Inventory obsolescence (Refer Notes 12 and 2.4(c) to the consolidated financial statements)</p> <p>The Group held inventories of Rs. 2,108.82 crores at March 31, 2025. In accordance with Ind AS 2, <i>Inventories</i>, inventories are carried at lower of cost or net realizable value.</p> <p>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.</p> <p>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.</p> <p>The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimate.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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. • Tested the ageing report including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with 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.
<p>Provisions for discount and sales returns (Refer Note 2.4(d) to the consolidated financial statements)</p> <p>The Group has recognised provisions for unsettled discounts and sales returns amounting to Rs.289.84 crores and Rs.499.11 crores respectively, at March 31, 2025.</p> <p>Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer.</p> <p>Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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 period. • Evaluated the management estimates and judgements in determining the provision for discounts and sales returns. • 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.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

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Key audit matter	How our audit addressed the key audit matter
<p>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.</p> <p>Determination of provisions for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.</p>	<ul style="list-style-type: none"> • 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.
<p>Impairment assessment of goodwill (Refer Note 5 to the consolidated financial statements)</p> <p>The Group has goodwill of Rs.627.67 crores at March 31, 2025.</p> <p>The goodwill was acquired through a business combination which occurred prior to transfer of business from Aditya Birla Fashion and Retail Limited. Goodwill was allocated to a Cash Generating Unit (CGU) of the group. In accordance with Ind AS 36, <i>Impairment of Assets</i>, goodwill acquired in a business combination is required to be tested for impairment annually.</p> <p>Management has performed impairment assessment for the CGU to which goodwill has been allocated by comparing the carrying amount of the assets relating to CGU, including the goodwill, with the recoverable amount of the CGU. Recoverable amount is the higher of its value in use and fair value less costs of disposal.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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 CGU was 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. • 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 amount of CGU to exceed its recoverable amount. • 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

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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 Director's report but does not include the financial statements and our auditor's reports 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, 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 changes in equity of the Group and in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the 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 are responsible for overseeing the financial reporting process of the Group.

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

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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 to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

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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.

Report on Other Legal and Regulatory Requirements

15. 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 matters specified in paragraph 3(xxi) of CARO 2020.
16. 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 have been kept by the Group so far as it appears from our examination of those books, except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, in the absence of sufficient appropriate audit evidence, we are unable to verify whether the backup of certain books and papers maintained in electronic mode has been maintained on a daily basis on servers physically located in India during the period.
 - (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 Indian Accounting Standards specified under Section 133 of the Act.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

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- (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 auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 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 16(b) above on reporting under Section 143(3)(b) and paragraph 16(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (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. (Refer Note 44 to the consolidated financial statements)
 - ii. The Group was not required to recognise a provision as at March 31, 2025 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, 2025.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
 - iv. (a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 52(vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 52(vii) to the consolidated financial statements).

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

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- (b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 52(vii) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary 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 or its subsidiary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 52(vii) to the consolidated financial statements).
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The Holding Company and its subsidiary have not declared or paid any dividend during the period.
- vi. Based on our examination, which included test checks, the Holding Company and its subsidiary, have used accounting software for maintaining books of account, which have a feature of recording audit trail (edit log) facility and that have operated throughout the period for all relevant transactions recorded in the software, except for changes, if any, made by certain users with specific access at the application level and for direct database changes. During the course of performing our procedures, we did not notice any instance of the audit trail feature being tampered with, except for the aforesaid instances of audit trail not maintained where the question of our commenting on whether the audit trail feature has been tampered with does not arise. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Holding Company and its subsidiary, as per the statutory requirements for record retention.

In respect of the Holding company, certain accounting software are maintained by third party service providers and 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. Further, the audit trail was not maintained in the prior year and hence the question of our commenting on whether the audit trail was preserved by the Holding Company as per the statutory requirements for record retention does not arise.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

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17. The Company and its subsidiary company have not paid any remuneration to its directors during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company and its subsidiary.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

SD/-

A.J. Shaikh

Partner

Membership Number: 203637

UDIN: 25203637BMKSUR3450

Place: Mumbai

Date: May 23, 2025

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the consolidated financial statements as of and for the period April 9, 2024 to March 31, 2025
Page 1 of 2

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 period ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Aditya Birla Lifestyle Brands Limited (hereinafter referred to as "the Holding Company") and its subsidiary which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary 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 Holding 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 specified 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.
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 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.

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the consolidated financial statements as of and for the period April 9, 2024 to March 31, 2025
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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 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 and its subsidiary 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, 2025, 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

SD/-

A.J. Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSUR3450
Place: Mumbai
Date: May 23, 2025

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the Consolidated Financial Statements as of and for the period from April 09, 2024 to March 31, 2025

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 Lifestyle Brands Limited	U46410MH2024PLC423195	Holding Company	May 23, 2025	(i)(c)

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

SD/-

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSUR3450

Place: Mumbai
Date: May 23, 2025

Aditya Birla Lifestyle Brands Limited Consolidated Balance Sheet as at March 31, 2025		
		₹ in Crore
	Notes	As at March 31, 2025
ASSETS		
I Non-current assets		
(a) Property, plant and equipment	3a	638.54
(b) Capital work-in-progress	3b	13.00
(c) Right-of-use assets	4a	1,524.37
(d) Goodwill	5	627.67
(e) Other intangible assets	5	489.60
(f) Financial assets		
(i) Loans	7	0.48
(ii) Security deposits	8	176.73
(iii) Other financial assets	9	204.67
(g) Deferred tax assets (net)	10	129.91
(h) Non-current tax assets (net)		14.76
(i) Other non-current assets	11	54.05
Total - Non-current assets		3,873.78
II Current assets		
(a) Inventories	12	2,108.82
(b) Financial assets		
(i) Current investments	6	117.18
(ii) Loans	13	5.74
(iii) Security deposits	14	100.15
(iv) Trade receivables	15	1,322.05
(v) Cash and cash equivalents	16	53.06
(vi) Bank balance other than cash and cash equivalents	17	0.59
(vii) Other financial assets	18	76.16
(c) Other current assets	19	621.50
Total - Current assets		4,405.25
TOTAL - ASSETS		8,279.03

Aditya Birla Lifestyle Brands Limited Consolidated Balance Sheet as at March 31, 2025		
		₹ in Crore
	Notes	As at March 31, 2025
EQUITY AND LIABILITIES		
I Equity		
(a) Equity share capital	20	0.05
(b) Share Suspense	21	1,220.26
(c) Other equity	21	56.22
Total - Equity		1,276.53
II Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	22	77.44
(ii) Lease liabilities	4b	1,516.88
(iii) Deposits		274.30
(iv) Other financial liabilities	23	518.08
(b) Provisions	24	22.71
(c) Other non-current liabilities	25	26.02
Total - Non-current liabilities		2,435.43
III Current liabilities		
(a) Financial liabilities		
(i) Borrowings	26	874.75
(ii) Lease liabilities	4b	463.38
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	27	89.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	27	2,032.21
(iv) Deposits		250.55
(v) Other financial liabilities	28	147.36
(b) Provisions	29	141.64
(c) Other current liabilities	30	568.07
Total - Current liabilities		4,567.07
TOTAL - EQUITY AND LIABILITIES		8,279.03
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 SD/- A.J. SHAIKH (Partner) Membership No.: 203637 Place: Mumbai Date : May 23, 2025		
For and on behalf of the Board of Directors of Aditya Birla Lifestyle Brands Limited SD/- ASHISH DIKSHIT (Managing Director) (DIN: 01842066) Place: Mumbai Date : May 23, 2025		
SD/- VISHAK KUMAR (Deputy Managing Director and CEO) (DIN: 09078653) Place: Mumbai Date : May 23, 2025		
SD/- DHARMENDRA LODHA (Chief Financial Officer) Place: Mumbai Date : May 23, 2025		
SD/- RAJEEV AGRAWAL (Company Secretary) (M.No: A18877) Place: Mumbai Date : May 23, 2025		

Aditya Birla Lifestyle Brands Limited Consolidated Statement of Profit and Loss for the period ended March 31, 2025			₹ in Crore
	Notes	Period ended March 31, 2025	
I Revenue from operations	31	7,829.96	
II Other income	32	77.71	
III Total income (I + II)		7,907.67	
IV Expenses			
(a) Cost of materials consumed	33a	1,010.33	
(b) Purchase of stock-in-trade	33b	2,121.28	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	33c	140.41	
(d) Employee benefits expense	34	918.42	
(e) Finance costs	35	382.00	
(f) Depreciation and amortisation expense	36	705.73	
(g) Rent expense	43a & 4a	764.70	
(h) Other expenses	37	1,683.06	
Total expenses		7,725.93	
V Profit/(Loss) before exceptional items and tax (III - IV)		181.74	
VI Exceptional items	37a	(98.33)	
VII Profit/(Loss) before Tax (V + VI)		83.41	
VIII Income tax expense			
(a) Current tax	38	-	
(b) Current tax relating to earlier years	38	-	
(c) Deferred tax	38	23.81	
		23.81	
IX Profit/(Loss) for the year (VII - VIII)		59.60	
X Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans	21	(4.37)	
Income tax effect on above		1.08	
Total other comprehensive income for the year		(3.29)	
XI Total comprehensive income for the year (IX + X)		56.31	
XII Earnings per equity share [Nominal value of share ₹ 10]	39		
Basic (₹)		0.49	
Diluted (₹)		0.49	
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			
For and on behalf of the Board of Directors of Aditya Birla Lifestyle Brands Limited			
SD/-	SD/-	SD/-	
A.J. SHAIKH (Partner) Membership No.: 203637 Place: Mumbai Date : May 23, 2025	ASHISH DIKSHIT (Managing Director) (DIN: 01842066) Place: Mumbai Date : May 23, 2025	VISHAK KUMAR (Deputy Managing Director and CEO) (DIN: 09078653) Place: Mumbai Date : May 23, 2025	
	SD/-	SD/-	
	DHARMENDRA LODHA (Chief Financial Officer) Place: Mumbai Date : May 23, 2025	RAJEEV AGRAWAL (Company Secretary) (M.No: A18877) Place: Mumbai Date : May 23, 2025	

Aditya Birla Lifestyle Brands Limited						
Consolidated Statement of Changes in Equity for the period ended March 31, 2025						
a. Equity share capital						
				As at March 31, 2025		
				No. of shares	₹ in Crore	
Equity shares of ₹ 10 each issued						
As at the beginning of the year				-	-	
Equity share issued on incorporation of the company				50,000	0.05	
As at the end of the year				50,000	0.05	
				As at March 31, 2025		
				No. of shares	₹ in Crore	
Equity shares of ₹ 10 each subscribed and paid up						
As at the beginning of the year				-	-	
Equity share issued on incorporation of the company				50,000	0.05	
As at the end of the year				50,000	0.05	
b. Other equity						
	Reserves and surplus			Other Comprehensive Income	Total other equity	Share suspense account (Refer Note - 21)
	Retained earnings (Refer Note- 21)	Group share based payment reserve (Refer Note - 21)	Capital reserve (Refer Note - 21)	Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 21)		
As at April 1, 2024	-	-	-	-	-	-
Profit for the year	59.60	-	-	-	59.60	-
Other comprehensive income for the year	-	-	-	(3.29)	(3.29)	-
Pursuant to Composite scheme	-	40.00	(41.58)	-	(1.58)	1,220.26
Capital contribution on Group share-based payment	-	1.49	-	-	1.49	-
As at March 31, 2025	59.60	41.49	(41.58)	(3.29)	56.22	1,220.26
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			For and on behalf of the Board of Directors of			
Chartered Accountants			Aditya Birla Lifestyle Brands Limited			
ICAI Firm Registration No. 304026E/E-300009						
			SD/-		SD/-	
SD/-			ASHISH DIKSHIT (Managing Director) (DIN: 01842066) Place: Mumbai Date : May 23, 2025		VISHAK KUMAR (Deputy Managing Director and CEO) (DIN: 01842066) Place: Mumbai Date : May 23, 2025	
A.J. SHAIKH (Partner) Place: Mumbai Date : May 23, 2025			SD/-		SD/-	
			DHARMENDRA LODHA (Chief Financial Officer) Place: Mumbai Date : May 23, 2025		RAJEEV AGRAWAL (Company Secretary) (M.No: A18877) Place: Mumbai Date : May 23, 2025	

Aditya Birla Lifestyle Brands Limited		
Consolidated Statement of Cash Flows for the period ended March 31, 2025		
		₹ in Crore
	Notes	Period ended March 31, 2025
Cash flows from operating activities		
Profit/(Loss) before tax		83.41
Adjustments for:		
Depreciation, impairment and amortisation expense	36 and 37a	788.55
Finance costs	35	382.00
Gain on termination of right-of-use assets (Including Exceptional item)	32 and 37a	(8.93)
(Profit)/ Loss on sale/discard of property, plant and equipment	32	(0.01)
Share-based payment	34	19.76
Interest income	32	(6.08)
Net gain on current investments (including on redemption)	32	(0.07)
Net Unrealised exchange (gain)/ loss		14.03
Interest income from financial assets at amortised cost	32	(44.68)
Provision for doubtful debts, deposits and advances	37	1.68
Bad debts written off		0.86
Operating profit before working capital changes		1,230.52
Changes in working capital:		
(Increase)/ decrease in trade receivables		(376.81)
(Increase)/ decrease in inventories		92.53
(Increase)/ decrease in other assets		57.21
Increase/ (decrease) in trade payables		166.32
Increase/ (decrease) in provisions		26.52
Increase/ (decrease) in other liabilities		(48.57)
Cash generated from/ (used) in operations		1,147.72
Income taxes paid (net of refund)		(3.55)
Net cash flows from/ (used) in operating activities		1,144.17
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets		(246.48)
Proceeds from sale of property, plant and equipment and intangible assets		2.95
(Purchase)/proceeds from sale or redemption of current investments (net)		244.64
Interest received		5.84
Net cash flows from/ (used) in investing activities		6.95
Cash flows from financing activities		
Proceeds from issue of equity shares		0.05
Proceeds from non-current borrowings (net off charges)		37.21
Proceeds/ (repayments) of current borrowings (net)		(478.71)
Repayment of non-current borrowings		(11.83)
Repayment of lease liabilities		(453.22)
Interest paid on lease liabilities		(187.74)
Interest paid		(136.17)
Net cash flows from/ (used) in financing activities		(1,230.41)

Aditya Birla Lifestyle Brands Limited		
Consolidated Statement of Cash Flows for the period ended March 31, 2025		
		₹ in Crore
	Notes	Period ended March 31, 2025
Net (Decrease)/ Increase in cash and cash equivalents		(79.29)
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents acquired pursuant to Composite scheme (Refer note: 48)		132.35
Cash and cash equivalents at the end of the year	16	53.06
Components of Cash and cash equivalents		
Balances with banks - on current accounts		19.66
Balances with credit card companies		29.87
Cash on hand		0.42
Cheques/ drafts on hand		3.11
Total Cash and cash equivalents		53.06
As per our report of even date		
For Price Waterhouse & Co Chartered Accountants LLP	For and on behalf of the Board of Directors of	
Chartered Accountants	Aditya Birla Lifestyle Brands Limited	
ICAI Firm Registration No. 304026E/E-300009		
	SD/-	SD/-
	ASHISH DIKSHIT	VISHAK KUMAR
	(Managing Director)	(Deputy Managing Director and CEO)
	(DIN: 01842066)	(DIN: 01842066)
	Place: Mumbai	Place: Mumbai
	Date : May 23, 2025	Date : May 23, 2025
SD/-		
A.J. SHAIKH		
(Partner)	SD/-	SD/-
Membership No.: 203637	DHARMENDRA LODHA	RAJEEV AGRAWAL
Place: Mumbai	(Chief Financial Officer)	(Company Secretary)
Date : May 23, 2025		(M.No: A18877)
	Place: Mumbai	Place: Mumbai
	Date : May 23, 2025	Date : May 23, 2025

1. Corporate information

Aditya Birla Lifestyle Brands Limited (the “Company” or “the Holding Company”), a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070.

The Company and its subsidiaries (together referred as the “Group”) 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 23, 2025.

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 financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

2.2 Functional and Presentation Currency:

The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. (₹ 1 Crore is equal to ₹ 10 Million)

2.3 Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

2.4 Critical 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 - 42.

(c) 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.

(d) Provision for discount and sales return

The Group provides for discount and sales return based on season wise, brand wise and channel wise trend. 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.

(e) 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.

2.5 New and amended standards adopted by the Group:

The Ministry of Corporate Affairs has vide notification dated May 7, 2025 notified Companies (Indian Accounting Standards) Amendment Rules, 2025 (the 'Rules') which amended the following accounting standards. These amendments are effective from April 01, 2025. a) Ind AS 21, "The Effects of Changes in Foreign Exchange Rates b) Ind AS 101, First-time Adoption of Indian Accounting Standards. The above amendments are not likely to have any material impact on the financial statements of the Company.

2.6 Principles of consolidation

The consolidated financial statements (CFS) comprise the financial statements of the Company and its Subsidiary. Subsidiary is the entity 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) 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, the subsidiary 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, 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 subsidiary is 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 subsidiary. 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.

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 3a

PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis 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.

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

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

(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	5 – 6 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 – 6 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	3 - 4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office equipment	5 years	4 - 6 years
Air conditioner (Other than retail stores)	Office equipment	5 years	15 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	5 years

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

Property, plant and equipment taken over pursuant to the Scheme of Arrangement from Aditya Birla Fashion and Retail Limited have been depreciated over their remaining estimated useful lives.

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	

Refer note 51 for other accounting policies relevant to property, plant and equipment

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

PROPERTY, PLANT AND EQUIPMENT

	₹ in Crore								
Cost	Freehold land	Freehold buildings	Plant and equipment	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
As at April 1, 2024	-	-	-	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	5.92	66.50	323.76	201.56	55.93	265.04	27.98	27.13	973.82
Additions	0.26	44.41	65.41	51.62	12.60	83.38	11.29	18.28	287.25
Disposals	-	-	5.34	19.86	10.56	26.51	2.88	4.36	69.51
As at March 31, 2025	6.18	110.91	383.83	233.32	57.97	321.91	36.39	41.05	1,191.56
Depreciation									
As at April 1, 2024	-	-	-	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	-	10.36	134.62	105.80	23.64	175.35	15.35	4.61	469.73
Depreciation for the year (Refer Note: 36)	-	2.75	23.44	42.32	12.38	53.51	7.36	7.92	149.68
Disposals	-	-	4.89	19.84	10.52	26.27	2.88	1.99	66.39
As at March 31, 2025	-	13.11	153.17	128.28	25.50	202.59	19.83	10.54	553.02
Net carrying value as at:									
March 31, 2025	6.18	97.80	230.66	105.04	32.47	119.32	16.56	30.51	638.54
Net carrying value									
	₹ in Crore								
	As at								
	March 31, 2025								
Property, plant and equipment		638.54							
Total		638.54							

Note:

The Group has received assets relating to Madura Fashion & Lifestyle business pursuant to Composite Scheme. Title deeds of Property, Plant and Equipment are held in the name of Aditya Birla Fashion & Retail Limited (Demerged Company) (Refer Note:48). Management will initiate the process to the transfer these assets in the name of the Holding Company or its Subsidiary.

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 3b
CAPITAL WORK-IN-PROGRESS

	₹ in Crore
	As at
	March 31, 2025
Capital work-in-progress	13.00
Total	13.00

Ageing of Capital work-in-progress as on March 31, 2025

	₹ 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	13.00	-	-	-	13.00
(ii) Projects temporarily suspended	-	-	-	-	-

There are no projects as at the reporting date where costs have been exceeded as compared to original plan or where completion is overdue.

NOTE: 4

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting Policy

At inception of a contract, the 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. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Right-of-use assets taken over pursuant to the Scheme of Arrangement from Aditya Birla Fashion and Retail Limited have been depreciated over their remaining estimated useful lives.

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 measurement 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.

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

(a) Right-of-use assets

	₹ in Crore						
	Land	Buildings	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost							
As at April 1, 2024	-	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	11.33	2,648.24	15.60	-	84.96	3.49	2,763.62
Additions	-	604.48	-	-	4.51	-	608.99
Termination	-	511.61	-	-	-	-	511.61
As at March 31, 2025	11.33	2,741.11	15.60	-	89.47	3.49	2,861.00
Depreciation							
As at April 1, 2024	-	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	0.96	1,198.19	10.65	-	55.71	1.93	1,267.44
Depreciation for the year (Refer Note: 36)	0.16	477.78	3.09	-	17.35	0.68	499.06
Termination	-	429.87	-	-	-	-	429.87
As at March 31, 2025	1.12	1,246.10	13.74	-	73.06	2.61	1,336.63
Net carrying value as at:							
March 31, 2025	10.21	1,495.01	1.86	-	16.41	0.88	1,524.37

Note:

The Group has received Right-of-use assets relating to Madura Fashion & Lifestyle business pursuant to Composite Scheme. Title deeds of Right-of-use assets are held in the name of Aditya Birla Fashion & Retail Limited (Demerged Company) (Refer Note:48). Management will initiate the process to transfer these assets in the name of the Holding Company or its Subsidiary.

Net carrying value

	₹ in Crore
As at	
March 31, 2025	
Right-of-use assets	1,524.37
Total	1,524.37

(b) Lease liabilities

	₹ in Crore
As at	
March 31, 2025	
Transferred pursuant to Composite Scheme (Refer Note: 48)	1,904.30
Additions	675.94
Retirements	(88.21)
Interest expense on lease liabilities	187.74
Payments	(699.51)
Closing balance	1,980.26

Note: Lease liabilities includes liabilities for net investment in sub-lease amounting to ₹ 263.41 crore.

Current	463.38
Non-current	1,516.88

For maturity analysis of lease liabilities, Refer Note - 43.

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 5
GOODWILL AND OTHER INTANGIBLE ASSETS

Accounting Policy

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

Amortisation methods and periods

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

Intangible assets	Useful life	Amortisation method used
Computer software	3 - 4 years	Amortised on straight-line basis
Brands/ trademarks	10 years	Amortised on straight-line basis
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement

Intangible Assets taken over pursuant to the Scheme of Arrangement from Aditya Birla Fashion and Retail Limited have been amortised over their remaining estimated useful lives.

Refer note 51 for other accounting policies relevant to Intangible Assets

	₹ in Crore					
	Goodwill	Brands/ Trademarks	Computer software	Technical know - how	Franchisee/License rights	Total
Cost						
As at April 1, 2024	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	692.05	8.46	106.81	0.43	562.37	1,370.12
Additions	-	5.29	1.44	5.93	-	12.66
Disposals	-	-	0.01	-	33.81	33.82
As at March 31, 2025	692.05	13.75	108.24	6.36	528.56	1,348.96
Amortisation						
As at April 1, 2024	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	-	6.50	59.51	0.27	59.39	125.67
Amortisation for the year (Refer Note:36)	-	1.33	21.36	1.96	32.34	56.99
Impairment	64.38	-	-	-	18.44	82.82
Disposals	-	-	0.01	-	33.78	33.79
As at March 31, 2025	64.38	7.83	80.86	2.23	76.39	231.69
Net carrying value as at:						
March 31, 2025	627.67	5.92	27.38	4.13	452.17	1,117.27

Note: The company has received Intangible assets relating to Madura Fashion & Lifestyle business pursuant to Composite Scheme. (Refer Note:48)

Net carrying value

	₹ in Crore
	As at
	March 31, 2025
Goodwill	627.67
Other intangible assets	489.60
Total	1,117.27

Aditya Birla Lifestyle Brands Limited**Notes to the Consolidated Financial Statements for the period ended March 31, 2025****NOTE: 5a****IMPAIRMENT TESTING OF GOODWILL**

Goodwill acquired through various business combinations have been allocated to the two Cash-Generating Units (CGUs) as below:

1. Madura Fashion & Lifestyle CGU
2. Forever 21 CGU

Goodwill relating to Madura Fashion & Lifestyle and Forever 21 undertakings were taken over pursuant to approval of the scheme of arrangement between the Company and Aditya Birla Fashion and Retail Limited (Demerged Company) by the NCLT on March 27, 2025 (Refer Note:48).

Madura Fashion & Lifestyle CGU

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England and having licences to retail various international brands like Reebok, American Eagle and Simon Carter. The Madura Garments division is involved in manufacturing of garments.

Forever 21 CGU

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. 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. On the basis of evaluation, management has recognised an impairment provision of ₹ 64.38 crores during the period ended September 30, 2024.

Carrying amounts of Goodwill allocated to each of the CGUs are as below:

	₹ in Crore
	As at
	March 31, 2025
Madura Fashion & Lifestyle CGU	627.67
Forever 21 CGU	-
Total	627.67

Disclosures with respect to Goodwill allocated to the CGUs**Value in use calculation of Madura Fashion and Lifestyle CGUs:**

The recoverable amount of the CGUs as at March 31, 2025, have been determined based on value in use method using cash flow projections from financial budgets approved by senior management covering a three - year period ending March 31, 2028 and cash flow projections for financial years 2029 and 2030 have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. The Holding Company has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2030. The post-tax discount rate is applied to discounted future cash flow projections. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.

Key assumptions used for value in use calculations**Discount rates:**

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both cost of debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings of the Company. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

	Discount Rate
	As at March 31, 2025
Madura Fashion & Lifestyle CGU	12.50%
Forever 21 CGU	NA

Pre-tax discount rate (as derived) is 15.30%.

Growth rate estimates:

Rates are based on published industry research. Growth rate is based on the Company's projection of business and growth of the industry in which the CGU is operating. The growth rate is in line with the long-term growth rate of the industry. The growth rate of the CGU considers the Company's plan to launch new stores, expected same store growth and change in merchandise.

No reasonable possible change in key assumptions are likely to result in the recoverable amount of the CGU being less than their carrying amount.

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 6
Current Investments

	₹ in Crore
	As at
	March 31, 2025
Current Investments (Carried at fair value through profit and loss (FVTPL))	
Quoted investments	117.18
Investment in Mutual Fund Schemes	117.18
Total	117.18
Aggregate book value of quoted investments	117.18
Aggregate market value of quoted investments	117.18
Aggregate amount of impairment in value of investments	-

Note:

- (i) The Group has received Mutual Funds relating to Madura Fashion & Lifestyle business pursuant to Composite Scheme.
(ii) Folio of Mutual Funds are held in the name of Aditya Birla Fashion & Retail Limited (Demerged Group) (Refer Note:48). Management will initiate the process to the transfer these Mutual Funds in the name of the Group.

NOTE: 7
NON-CURRENT FINANCIAL ASSETS - LOANS

	₹ in Crore
	As at
	March 31, 2025
Loans and advances to employees	
Unsecured, considered good	0.48
Total	0.48

NOTE: 8
NON-CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

	₹ in Crore
	As at
	March 31, 2025
Security deposits	
Unsecured, considered good	176.73
Unsecured, considered doubtful	0.83
Expected credit loss	(0.83)
Total	176.73

NOTE: 9
NON-CURRENT FINANCIAL ASSETS - OTHERS

	₹ in Crore
	As at
	March 31, 2025
Lease receivables (from sub-lease arrangements)	203.25
Other bank balance	
Bank deposits with more than 12 months maturity from the Balance Sheet date	1.42
Total	204.67

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 10
DEFERRED TAX ASSETS (NET)

Reflected in the Consolidated Balance Sheet as follows:

	₹ in Crore
	As at March 31, 2025
Deferred tax assets	129.91
Deferred tax assets/ (liabilities) (net)	129.91

Deferred tax assets / (liabilities) relates to the following:

	Consolidated Balance Sheet		₹ in Crore
	As at March 31, 2025	As at April 01, 2024 transferred pursuant to Composite Scheme (Refer Note: 48)	Consolidated Statement of Profit and Loss Period ended March 31, 2025
Difference between carrying amount of property, plant and equipment and intangible assets and their tax base	(61.91)	(94.35)	(32.44)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	37.73	34.16	(3.57)
Share-based payment	9.22	9.88	0.66
Business and depreciation loss as per income tax computations available for off-set against future taxable income	55.95	126.70	70.75
Impact of Ind AS			
a) ROU assets - Ind AS 116	(383.47)	(407.79)	(24.32)
b) lease liabilities - Ind AS 116	498.43	512.74	14.31
c) Others	(33.84)	(36.64)	(2.80)
Others	7.80	7.94	0.14
Net deferred tax assets/ (liabilities)	129.91	152.64	22.73

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

	₹ in Crore
	As at March 31, 2025
Transferred pursuant to Composite Scheme (Refer Note: 48)	152.64
Deferred tax (credit) / charge recognised in profit and loss during the year (Refer Note: 38)	(23.81)
Deferred tax (credit) / charge recognised in OCI during the year (Refer Note: 38)	1.08
As at the end of the year	129.91

Note:-

(i) Deferred tax assets, being the differences between carrying amount and tax bases of assets and liabilities, have been determined and taken over on April 01, 2024. Business and depreciation losses have been apportioned to the Company in accordance with the requirements of Section 72A(4) of the Income Tax Act, 1961.

(ii) Unabsorbed depreciation does not have any expiry period.

(iii) Corporate tax rate considered for arriving at the above amounts is 25.17%

NOTE: 11

OTHER NON-CURRENT ASSETS

	₹ in Crore
	As at March 31, 2025
Capital advances	2.88
Prepayments	5.58
Balances with government authorities (other than income tax)	33.75
Other receivables	11.84
Total	54.05

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.
Refer note 51 for other accounting policies relevant to inventories

	₹ in Crore
	As at
	March 31, 2025
<i>At lower of cost and net realisable value</i>	
Raw materials	234.24
Includes Goods-in-transit ₹ 27.57 Crore	
Work-in-progress	20.22
Finished goods	467.92
Stock-in-trade	1,379.15
Includes Goods-in-transit ₹ 63.19 Crore	
Stores and spares	2.22
Packing materials	5.07
Total	2,108.82

During the year ended March 31, 2025 ₹ 0 is recognised as reversal of provision for obsolescence of inventories carried at net realisable value.

NOTE: 13
CURRENT FINANCIAL ASSETS - LOANS

	₹ in Crore
	As at
	March 31, 2025
Loans and advances to employees	
Unsecured, considered good	5.74
Total	5.74

NOTE: 14
CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

	₹ in Crore
	As at
	March 31, 2025
Security deposits	
Unsecured, considered good	100.15
Unsecured, considered doubtful	7.58
Provision for doubtful deposits	(7.58)
Total	100.15

NOTE: 15
TRADE RECEIVABLES

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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

	₹ in Crore
As at	
March 31, 2025	
Trade receivables from others	1,204.42
Trade receivables from related parties (Refer Note:45)	147.70
	1,352.12
Less: Loss Allowances	(30.07)
Total	1,322.05

Break-up for security details:

	₹ in Crore
As at	
March 31, 2025	
Trade receivables	
Secured, considered good	90.47
Unsecured, considered good	1,261.66
	1,352.13

Ageing of Trade Receivables:

	₹ in Crore						
	Outstanding as on March 31, 2025 (for following periods from due date of payment)						
Particulars	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	1,103.67	110.30	84.18	28.52	-	-	1,326.67
(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	-	-	-	0.43	0.59	7.50	8.52
Undisputed	-	-	1.50	3.47	3.46	8.50	16.93
(ix) Provision on Trade Receivables assessed on individual basis	-	-	-	-	-	-	(26.75)
(x) Expected credit loss	-	-	-	-	-	-	(3.32)
Total	1,103.67	110.30	85.68	32.42	4.05	16.00	1,322.05

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

For terms and conditions relating to related party receivables, refer Note - 45.

Trade receivables are generally non-interest bearing and the credit period generally ranges between 30 to 180 days.

Based on the risk profiling for each category of customer, the Company has not evaluated credit risk where the risk is mitigated by collateral. The Company has therefore evaluated credit risk for departmental, depletion, e-commerce b2b, e-commerce b2c, export and trade customers. The Company follows the simplified approach method for computing the expected credit loss. Additionally, specific provisions are considered taking into account customer related specific information over and above probability of default (PD). Provision matrix takes into account historical credit loss experience adjusted for forward-looking estimates and macro-economic factors. The expected credit loss allowance is based on the ageing of the receivables and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

	₹ in Crore		
	Expected credit loss (%)		
	As at March 31, 2025		
	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	0.00%	0.00%	0.52%
0-90 days	0.00%	0.00%	0.60%
91-180 days	0.00%	0.00%	0.74%
181-365 days	0.00%	0.00%	0.80%
1-2 years	0.00%	0.00%	0.93%
2-3 years	0.00%	0.00%	1.03%

Ageing of receivables on which impairment allowance of doubtful debts is applied

	₹ in Crore		
	As at March 31, 2025		
	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	-	-	521.34
0-90 days	-	-	30.93
91-180 days	-	-	12.77
181-365 days	-	-	6.43
1-2 years	-	-	7.54
2-3 years	-	-	2.54
Total			581.55

Impact is considered to be immaterial.

Movement in the expected credit loss allowance

	₹ in Crore
As at	
March 31, 2025	
Transferred pursuant to Composite Scheme (Refer Note: 48)	30.19
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	-
Specific provision made/ (reversed)	(0.12)
As at the end of the year	30.07

NOTE: 16

CASH AND CASH EQUIVALENTS

	₹ in Crore
As at	
March 31, 2025	
Balances with banks	
Current accounts	19.66
Balances with credit card companies	29.87
Cash on hand	0.42
Cheques/ drafts on hand	3.11
Total	53.06

Net debt reconciliation:

As at March 31, 2025

AS at March 31, 2025

	₹ in Crore				
	Transferred pursuant to Composite Scheme (Refer Note: 48)	Cash flows (net)	Non-cash changes Fair value adjustments	Others	As at March 31, 2025
Investing activities					
Cash and cash equivalents	132.35	(79.30)	-	-	53.06
Current investments	361.75	(244.64)	-	0.07	117.18
Total (a)	494.10	(323.94)	-	0.07	170.24
Financing activities					
Non-current borrowings	60.03	25.38	-	(7.97)	77.44
Current borrowings (including current maturities of non-current borrowings)	1,345.50	(478.71)	-	7.96	874.75
Lease liabilities	1,904.30	(640.96)	-	716.92	1,980.26
Total (b)	3,309.83	(1,094.29)	-	716.91	2,932.45
Net debt (b-a)	2,815.73	(770.35)	-	716.84	2,762.21

NOTE: 17

BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	₹ in Crore
As at	
March 31, 2025	
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)	0.59
Total	0.59

NOTE: 18

CURRENT FINANCIAL ASSETS - OTHERS

	₹ in Crore
As at	
March 31, 2025	
Other receivables	16.00
Lease receivables (from sub-lease arrangements)	60.16
Total	76.16

NOTE: 19

OTHER CURRENT ASSETS

	₹ in Crore
As at	
March 31, 2025	
Prepayments	23.27
Advance to suppliers	107.97
Export incentives	3.59
Balances with government authorities (other than income tax)	173.07
Government grant receivables	1.24
Right to return assets	296.72
Other receivables	15.64
Total	621.50

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 20
EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2025	
	No. of shares	₹ in Crore
Equity share capital		
As at the beginning of the year	-	-
Increase during the year	50,000	0.05
As at the end of the year	50,000	0.05

Issued equity share capital

	As at March 31, 2025	
	No. of shares	₹ in Crore
As at the beginning of the year	-	-
Equity shares issued on incorporation of Company	50,000	0.05
As at the end of the year	50,000	0.05

Subscribed and paid-up equity share capital

	As at March 31, 2025	
	No. of shares	₹ in Crore
As at the beginning of the year	-	-
Equity shares issued on incorporation of Company	50,000	0.05
As at the end of the year	50,000	0.05

(i) Shares held by Promoters :

Shares held by Promoters as at March 31, 2025		
Promoter name	No. of Shares	% of total shares
Aditya Birla Fashion and Retail Limited	50,000	100.00
Total	50,000	100.00

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

Name of the shareholder	As at March 31, 2025	
	No. of shares held	% of paid-up share capital
Aditya Birla Fashion and Retail Limited	50,000	100.00

(iv) Shares reserved for issue under Employee Stock Option Plan

No shares have been reserved for issue under the Employee Stock Option Plan (ESOP) of the Group.

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 21
OTHER EQUITY

	₹ in Crore
	As at March 31, 2025
Share suspense account	
As at the beginning of the year	-
Pursuant to Composite Scheme	1,220.26
As at the end of the year	<u>1,220.26</u>
Retained earnings	
As at the beginning of the year	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	-
Profit/(Loss) for the period	59.60
As at the end of the year	<u>59.60</u>
Group share based payment reserve	
	₹ in Crore
	As at March 31, 2025
As at the beginning of the year	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	40.00
Share based payment expense	1.49
As at the end of the year	<u>41.49</u>
Capital reserve	
As at the beginning of the year	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	(41.58)
As at the end of the year	<u>(41.58)</u>
Other comprehensive income	
Remeasurement gains/ (losses) on defined benefit plans	
As at the beginning of the year	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	-
Gains/ (losses) during the year	(3.29)
As at the end of the year	<u>(3.29)</u>
Total	<u>1,276.48</u>
Other equity	
	₹ in Crore
	As at March 31, 2025
Share suspense account	1,220.26
Reserves and surplus	1.49
Retained earnings	59.60
Group share based payment reserve	41.49
Capital reserve	(41.58)
Other comprehensive income	-
Remeasurement gains/ (losses) on defined benefit plans	(3.29)
Total	<u>1,276.48</u>

The description of the nature and purpose of each reserve within other equity is as follows:

1. Share suspense account

Share suspense is created for the net assets transferred pursuant to the Composite scheme against which equity shares will be issued and the balance has been transferred to Capital reserve.

2. Retained earnings

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

3. Group share based payment reserve

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.

4. Capital reserve

Capital reserve represents difference between the carrying amount of net assets transferred to the Company and face value of shares issued, pursuant to a Scheme of arrangement between the Company and Aditya Birla Fashion & Retail Limited, approved by NCLT on March 27, 2025.

5. 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.

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 22
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	Effective interest rate	Maturity	As at March 31, 2025
	% p.a.		₹ in Crore
Term loans from banks			
Term Loan from Axis Bank (Secured) ²	8.44%	September 30, 2028	76.40
Term loan from others			
Other borrowings (Unsecured) ¹	8.00% - 14.37%	June 30, 2026	0.49
Preference shares			
Cumulative redeemable preference shares	8.00%	March 26, 2029	0.55
Total			77.44

Current maturities of long-term borrowings

	Effective interest rate	Maturity	As at March 31, 2025
	% p.a.		₹ in Crore
Current maturities of long-term borrowings (included in current borrowings)			
Redeemable non-convertible debentures - Series 9 (Unsecured)*	7.97%	January 29, 2026	499.28
Term Loan from Axis Bank (Secured) ²	8.44%	September 30, 2028	24.57
Other borrowings (Unsecured) ¹	8.00% - 14.37%	June 30, 2026	1.43
Total (included in Current Borrowings)			525.28

*Net off unamortised charges

Aggregate secured borrowings	100.97
Aggregate unsecured borrowings	501.75

Note:

(i) The borrowings above have been transferred to the Group pursuant to Scheme of Arrangement approved between the Company and Aditya Birla Fashion and Retail Limited which has been approved by NCLT on March 27, 2025. The management will initiate the process to assign these borrowings from Aditya Birla Fashion and Retail Limited to the Holding Company or its Subsidiary.

(ii) The Company has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings.

Details of security and terms of repayment

- Loans amounting to ₹ 1.92 Crore is repayable in monthly instalments till June 30, 2026.
- An amount of ₹ 145 Crore was sanctioned by Axis Bank. The loan is repayable in 15 structured quarterly instalments beginning after 15 months from the date of first disbursement of the loan. The final instalment is due for repayment in September 2028. The borrowing is secured by way of a charge on the movable assets (including book debts) of Aditya Birla Garments Limited (a Subsidiary of the Holding Company).

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 23
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

	₹ in Crore
	As at
	March 31, 2025
Liability towards license rights	518.08
Total	518.08

NOTE: 24
NON-CURRENT PROVISIONS

	₹ in Crore
	As at
	March 31, 2025
Employee benefit obligation	
Provision for gratuity (Refer Note:41)	10.38
Stock Appreciation Rights (SAR)	12.33
Total	22.71

NOTE: 25
OTHER NON-CURRENT LIABILITIES

	₹ in Crore
	As at
	March 31, 2025
Deferred income	26.02
Total	26.02

NOTE: 26
CURRENT - BORROWINGS

	₹ in Crore
	As at
	March 31, 2025
Loans repayable on demand from banks	
Cash credit/ Working capital demand loan (Unsecured)	349.47
Current maturities of long term borrowings (Refer Note: 22)	525.28
Total current borrowings	874.75
Aggregate secured borrowings	24.57
Aggregate unsecured borrowings	850.18

Note: The borrowings above have been transferred to the Company pursuant to Scheme of Arrangement agreed by NCLT between the Company and Aditya Birla Fashion and Retail Limited ('ABFRL') on March 27, 2025. These borrowings were entered into between the Lenders and ABFRL. The Management will initiate process to assign these borrowings from ABFRL to the Holding Company or its Subsidiary.

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 27
TRADE PAYABLES

	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	89.11
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,032.21
Total	2,121.32

*Includes payables to related parties (Refer Note:45).

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

	₹ in Crore
	As at March 31, 2025
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*	102.03
Interest due on the above	0.24
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	55.12
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	1.64
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	1.87
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.01

* Includes amount due to creditors for capital supplies/ services amounting to ₹ 13.16 Crore as at March 31, 2025 .

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors.

Ageing of Trade Payables:

	₹ in Crore					
Particulars	Outstanding as on March 31, 2025 (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	86.28	2.35	-	0.00	0.03	88.66
(ii) Others	972.77	974.61	65.80	4.97	12.52	2,030.67
(iii) Disputed dues – MSME	-	-	0.42	-	0.03	0.45
(iv) Disputed dues – Others	0.00	0.01	0.45	0.00	1.08	1.54

NOTE: 28
CURRENT FINANCIAL LIABILITIES - OTHERS

	₹ in Crore
	As at March 31, 2025
Interest accrued but not due on borrowings	6.41
Creditors for capital supplies/ services (including dues to micro and small enterprises)	30.26
Derivative contracts	4.96
Employee Payable	104.32
Liability towards license rights	1.41
Total	147.36

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 29

CURRENT PROVISIONS

	₹ in Crore
	As at
	March 31, 2025
Employee benefit obligation	
Provision for compensated absences	58.05
Provision for gratuity (Refer Note:41)	0.03
Stock Appreciation Rights (SAR)	33.54
Provision for pending litigations (Refer Note:44)	50.02
Total	141.64

Movement of provision for pending litigations during the year:

	₹ in Crore
	As at
	March 31, 2025
Transfer pursuant to Composite Scheme	53.09
Add: provision made during the year	0.78
Less: provision utilised during the year	(3.03)
Less: provision reversed during the year	(0.82)
Closing balance	50.02

NOTE: 30

OTHER CURRENT LIABILITIES

	₹ in Crore
	As at
	March 31, 2025
Advances received from customers	25.36
Deferred revenue*	6.37
Other advances received	0.44
Statutory dues (other than income tax)	36.79
Refund liabilities	499.11
Total	568.07

*** Deferred revenue:**

	₹ in Crore
	As at
	March 31, 2025
Transfer pursuant to Composite Scheme (Refer note:48)	5.55
Deferred during the year	46.29
Released to the Consolidated Statement of Profit and Loss	(45.47)
As at the end of the year	6.37

The deferred revenue relates to the accrual and release of customer loyalty points according to the loyalty programme announced by the respective businesses. As at March 31, 2025, the estimated liability towards unredeemed points amounts to ₹ 6.37 Crore.

Aditya Birla Lifestyle Brands Limited
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 31
REVENUE FROM OPERATIONS

Accounting Policy

(I) Revenue from contracts with customers

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

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue from sale of products

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

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

Assets and liabilities arising from right to return

The Company has contracts with customers which entitles them an unconditional right to return.

Right to return assets

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

Refund liabilities

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

The Company has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Income from gift voucher

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

Loyalty points programme

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

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

Income from services

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

Export incentives income

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

Licence fees and royalties

Royalty and licensing revenue is received from customers for usage of the Group's brand name. Revenue is recognised over time based on the terms of contracts with the customer.

Commission income

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

Aditya Birla Lifestyle Brands Limited

Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 31

REVENUE FROM OPERATIONS

	₹ in Crore
	Period ended March 31, 2025
Revenue from sale of products	
Sale of products	7,747.66
Revenue from redemption of loyalty points (Refer Note:30)	45.47
Total revenue from sale of products	7,793.13
Revenue from rendering of services	15.47
Other operating income	
Scrap sales	2.16
Export incentives	8.60
Licence fees and royalties	10.56
Commission income	0.04
Total	7,829.96

(a) Right to return assets and refund liabilities:

	₹ in Crore
	As at March 31, 2025
Right to return assets	296.72
Refund liabilities	499.11

(b) Contract balances:

	₹ in Crore
	As at March 31, 2025
Contract assets	
Trade receivables	1,322.05
Contract Liabilities	
Advances received from customers	25.36
Deferred revenue	6.37

(c) Reconciliation of revenue as recognised in the Consolidated Statement of Profit and Loss with the contracted price:

	₹ in Crore
	Period ended March 31, 2025
Revenue as per contracted price	9,762.93
Less:	
Sales return	1,267.02
Discounts	659.58
Loyalty points	6.37
Revenue as per the Consolidated Statement of Profit and Loss	7,829.96

Aditya Birla Lifestyle Brands Limited

Notes to the Consolidated Financial Statements for the period ended March 31, 2025

(d) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss:

	₹ in Crore
	Period ended March 31, 2025
Revenue from retail operations	4,499.03
Revenue from non-retail operations	3,330.93
	<u>7,829.96</u>
Revenue as per the Consolidated Statement of Profit and Loss	<u>7,829.96</u>

(e) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss based on geographical location of customers:

	₹ in Crore
	Period ended March 31, 2025
Revenue from customers outside India	180.06
Revenue from customers within India	7,649.90
Revenue as per the Consolidated Statement of Profit and Loss	<u>7,829.96</u>

NOTE: 32

OTHER INCOME

	₹ in Crore
	Period ended March 31, 2025
Profit on sale of property, plant and equipment	0.01
Interest income	6.08
Net gain on investment in mutual funds (including on redemption)	0.07
Interest income from financial assets at amortised cost	44.68
Gain on retirement of right-of-use assets (Refer Note:43a)	6.99
Miscellaneous income	19.88
Total	<u>77.71</u>

Aditya Birla Lifestyle Brands Limited

Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 33

COST OF MATERIALS CONSUMED

	₹ in Crore
	Period ended March 31, 2025
(a) Materials consumed	
Inventories at the beginning of the year	186.09
Add: Purchases	1,058.48
	1,244.57
Less: Inventories at the end of the year	234.24
Total	1,010.33
(b) Purchase of stock-in-trade	
Purchase of stock-in-trade	2,121.28
Total	2,121.28
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	
Opening inventories	
Finished goods	419.01
Stock-in-trade	1,568.20
Work-in-progress	20.49
Less:	
Closing inventories	
Finished goods	467.92
Stock-in-trade	1,379.15
Work-in-progress	20.22
	1,867.29
(Increase)/Decrease in inventories	140.41

Aditya Birla Lifestyle Brands Limited

Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 34

EMPLOYEE BENEFITS EXPENSE

	₹ in Crore
	Period ended
	March 31, 2025
Salaries, wages and bonus	787.50
Contribution to provident and other funds (Refer Note: 41)	55.22
Share-based payment to employees (Refer Note: 42)	19.76
Gratuity expense (Refer Note: 41)	12.43
Staff welfare expenses	43.51
Total	918.42

NOTE: 35

FINANCE COSTS

	₹ in Crore
	Period ended
	March 31, 2025
Interest expense on borrowings	99.24
Interest on deposits	42.05
Interest expense on lease liabilities (Refer Note: 4b & 43a)	187.74
Fair value impact on financial instruments at FVTPL	52.97
Total	382.00

NOTE: 36

DEPRECIATION AND AMORTISATION EXPENSE

	₹ in Crore
	Period ended
	March 31, 2025
Depreciation on property, plant and equipment (Refer Note: 3a)	149.68
Depreciation on right-of-use assets (Refer Note: 4a & 43a)	499.06
Amortisation on intangible assets (Refer Note: 5)	56.99
Total	705.73

Aditya Birla Lifestyle Brands Limited**Notes to the Consolidated Financial Statements for the period ended March 31, 2025****NOTE: 37****OTHER EXPENSES**

	Period ended March 31, 2025
Consumption of stores and spares	6.43
Power and fuel	16.54
Electricity charges	72.09
Repairs and maintenance	
Buildings	0.02
Plant and machinery	0.76
Others	165.33
Insurance	6.73
Rates and taxes	15.12
Processing charges	78.45
Commission to selling agents	92.86
Advertisement and sales promotion	258.40
Transportation and handling charges	121.31
Royalty expenses	14.10
Legal and professional	98.16
Bad debts written off	0.86
Provision for bad and doubtful deposits and advances	1.68
Printing and stationery	9.38
Travelling and conveyance	86.42
Bank and credit card charges	31.47
Payment to auditors (Refer details below)	1.64
Postage expenses	6.67
Foreign exchange loss (net)	15.96
Information technology	109.34
Outsourcing, housekeeping and security	430.23
Miscellaneous	43.11
Total	1,683.06

Payment to auditors:

	Period ended March 31, 2025
For audit fees (including Limited Review fees)	1.31
For tax audit fees	0.16
For other services	0.05
For reimbursement of expenses	0.12
Total	1.64

NOTE: 37a**EXCEPTIONAL ITEMS**

Exceptional items for the period ended March 31, 2025 includes 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.

Aditya Birla Lifestyle Brands Limited

Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 38

INCOME TAX EXPENSE

The major components of income tax (income)/ expense are:

In Consolidated Statement of Profit and Loss:

Profit or loss section

		₹ in Crore
		Period ended March 31, 2025
Current income tax		
Current income tax charge		-
Current tax relating to earlier years		-
	(A)	-
Deferred tax charge / (credit)		
Relating to origination and reversal of temporary differences		23.81
	(B)	23.81
Total	(A+B)	23.81

In Other Comprehensive Income (OCI)

Deferred tax related to items recognised in OCI during the year

	₹ in Crore
	Period ended March 31, 2025
Deferred tax charge/ (credit) on:	
Net (gains)/ losses on re-measurement of defined benefit plans	(1.08)
Net (gains)/ losses on fair value of equity instruments	-
Total	(1.08)

Reconciliation of tax (income)/ expense and the accounting profit/ (loss) multiplied by India's domestic tax rate

	₹ in Crore
	Period ended March 31, 2025
Accounting Profit/(Loss) before income tax	83.41
Tax expense/ (income) at statutory income tax rate of 25.17%	20.99
Reconciling items:	
Expenses disallowed for tax purposes	0.48
Others	2.34
Income tax expenses/ (income) as per Statement of Profit and Loss Account	23.81

Aditya Birla Lifestyle Brands Limited**Notes to the Consolidated Financial Statements for the period ended March 31, 2025****NOTE: 39****EARNINGS PER SHARE (EPS)**

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

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
		Period ended
		March 31, 2025
Earnings Per Share (EPS) is calculated as under:		
Profit / (Loss) as per the Statement of Profit and Loss	(A)	59.60
Profit/(Loss) for calculation of EPS	(A)	59.60
Weighted average number of equity shares for calculation of Basic EPS*	(B)	1,22,02,60,946
Profit / (Loss) per share - basic (₹)	(A/B)	0.49
Weighted average number of equity shares outstanding		1,22,02,60,946
Weighted average number of potential equity shares		-
Weighted average number of equity shares for calculation of Diluted EPS		1,22,02,60,946
Diluted EPS (₹)	(C)	0.49
Nominal value of shares (₹)		10.00

* Includes equity shares under Share suspense which will be issued pursuant to Composite scheme and excludes shares (50,000) which is currently issued to Aditya Birla Fashion and Retail Limited.

Aditya Birla Lifestyle Brands Limited**Notes to the consolidated financial statements for the period ended March 31, 2025****NOTE - 40****SEGMENT INFORMATION**

Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The Group's business activity falls within a single operating business segment of Branded Apparels (Garments and Accessories).

The additional information required by Ind AS 108 is as below :-

	₹ in Crore
(a) Revenue from customer (based on geographical location of customers):	Period ended March 31, 2025
India	180.06
Outside India	7,649.90
Total	7,829.96

	₹ in Crore
(b) Location of non - current assets (excluding deferred tax assets):	Year ended March 31, 2025
India	3,743.88
Outside India	-
Total	3,743.88

NOTE - 41**GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

The Group operates a 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, hence the liability has been bifurcated into funded and unfunded. The gratuity plan in the Group funded through annual contribution to Insurer Managed Fund (managed by Life Insurance Corporation of India) under its Gratuity Scheme. Post demerger Management will initiate appropriate steps towards transferring of the said fund maintained with LIC in the name of Holding Company.

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.

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**

	Period ended March 31, 2025
Current service cost	0.19
Interest cost on defined benefit obligation	0.02
Total	0.21

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

	As at March 31, 2025
Opening defined benefit obligation	-
Transfer pursuant to Composite Scheme (Refer note: 48)	0.24
Current service cost	0.19
Interest cost on defined benefit obligation	0.02
Actuarial (gain)/ loss on account of:	
Changes in financial assumptions	0.03
Experience adjustments	0.04
Actuarial (gain)/ loss recognised in OCI	0.07
Benefits paid	(0.01)
Closing defined benefit obligation	0.51

Funded defined benefit plan**Net benefit expense recognised through the Consolidated Statement of Profit and Loss**

	₹ in Crore Period ended March 31, 2025
Current service cost	11.86
Interest cost on defined benefit obligation	5.57
Interest income on plan assets	(5.21)
	12.22

Aditya Birla Lifestyle Brands Limited
Notes to the consolidated financial statements for the period ended March 31, 2025

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, 2025
Opening defined benefit obligation	-
Transfer pursuant to Composite Scheme (Refer note: 48)	77.51
Current service cost	11.86
Interest cost on defined benefit obligation	5.57
Actuarial (gain)/ loss on account of:	
Changes in financial assumptions	3.58
Experience adjustments	0.93
Actuarial (gain)/ loss recognised in OCI	4.51
Benefits paid	(6.36)
Addition/(Deletion) due to transfer of employees	(0.26)
Closing defined benefit obligation	92.83

(ii) Change in fair value of plan assets

	₹ in Crore
	As at
	March 31, 2025
Opening fair value of the plan assets	-
Transfer pursuant to Composite Scheme (Refer note: 48)	72.27
Contributions by the employer	5.27
Interest income on plan assets	5.21
Actuarial gain/ (loss) recognised in OCI	
Actual returns on plan assets excluding amounts included in net interest	0.21
Closing fair value of the plan assets	82.96

Amounts recognised in the Consolidated Balance Sheet

	₹ in Crore
	As at
	March 31, 2025
Present value of the defined benefit obligation at the end of the year:	
Funded	92.83
Fair value of plan assets	82.96
Net liability/ (asset)	9.87
Net liability is classified as follows:	
Current	-
Non-current	9.87
Net liability - Funded	9.87

	₹ in Crore
	As at
	March 31, 2025
Present value of the defined benefit obligation at the end of the year:	
Unfunded	0.51
Liability	0.51
Net liability is classified as follows:	
Current	-
Non-current	0.51
Liability - Unfunded	0.51

Aditya Birla Lifestyle Brands Limited
Notes to the consolidated financial statements for the period ended March 31, 2025

The principal assumptions used in determining gratuity (funded and unfunded) defined benefit obligations for the Group are shown below:

	As at March 31, 2025
Discount rate	
Funded plan & Unfunded plan	6.70%
Salary escalation rate	
Funded plan & Unfunded plan	
Management	8.00%
Staff	7.00%
Workers	5.00%

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, 2025	
Sensitivity level		
Discount rate		
Increase/ (Decrease) in DBO (₹ in Crore)	0.50% increase	0.50% decrease
Funded plan	(3.66)	3.93
Unfunded plan	(0.03)	0.03
Salary escalation rate		
Increase/ (Decrease) in DBO (₹ in Crore)	0.50% increase	0.50% decrease
Funded plan	3.91	(3.68)
Unfunded plan	0.03	(0.03)

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 using the 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.

The maturity profile of the defined benefit obligation are as follows:

	₹ in Crore March 31, 2025
Within the next 12 months (next annual reporting period)	11.08
Between 2 and 5 years	35.91
Between 6 and 10 years	38.54
Beyond 10 years	98.46
Total	183.99

The Group is expected to contribute ₹ 24.03 Crore to the gratuity fund during the year ended March 31, 2026.

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years.

Risk exposure

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

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans. These are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimise risk to an acceptable level.
Inflation Risk	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life Expectancy	The pension plan provides benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy

Defined contribution plans

Provident Fund: Contributions are made mainly to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Employees' State Insurance: Employees' State Insurance is a state plan applicable to employees of the Company whose salaries do not exceed a specified amount. The contributions are made on the basis of a percentage of salary to a fund administered by government authority. The obligation of the Company is limited to the extent of contributions made on a monthly basis.

Superannuation Fund: Certain executive staff of the Company participate in Superannuation Fund, which is a voluntary contribution plan. The Company has no further obligations to the plan beyond its monthly contributions to the Superannuation Fund, the corpus of which is administered by a Trust belonging to demerged company and is invested in insurance products.

National Pension Scheme: Certain executive staff of the Company participate in National Pension Scheme, which is a voluntary contribution plan. The Company has no further obligations to the plan beyond its monthly contributions to a fund administered by a pension fund manager appointed by Pension Fund Regulatory and Development Authority.

Amount recognised as an expense and included in Note - 34 as "Contribution to provident and other funds"

	₹ in Crore
	Period ended March 31, 2025
Contribution to Government Provident Fund	39.55
Contribution to Superannuation Fund	0.60
Contribution to Employee Pension Scheme (EPS)	5.97
Contribution to Employee State Insurance (ESI) (EDLIS)	7.02
Contribution to Labour Welfare Fund (LWF)	0.12
Contribution to National Pension Scheme (NPS)	0.09
Total	55.22

Note:

1. 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.

NOTE- 42

SHARE-BASED PAYMENT

The expense recognised for employee services received during the year is shown in the following table:

	₹ in Crore
	Period ended
	March 31, 2025
Expense arising from equity-settled share-based payment arrangements	1.49
Expense arising from cash-settled share-based payment arrangements	18.27
Total	19.76

I. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017

On July 25, 2017, the Nomination and Remuneration Committee ("NRC") and the Board of Directors ("Board") of Aditya Birla Fashion and Retail Limited ('ABFRL') approved the introduction of a Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees, subject to the approval of the Shareholders. Shareholders of ABFRL, 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.

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to ESOPs issued by ABFRL.

i) Details of the grants under Scheme 2017 are below:

	Options	RSUs
No. of Options/ RSUs	13,71,591	5,19,574
Method of accounting	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Bullet vesting at the end of 3 rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 08, 2017 onwards	September 08, 2017 Onwards
Grant/ exercise price (₹ per share)	150.80 to 178.30	10.00
Market price on the date of granting of Options/ RSUs	BSE - 147.70 to 176.40 NSE - 147.10 to 176.50	BSE - 147.70 to 176.40 NSE - 147.10 to 176.50
(₹ per share)		
Method of settlement	Equity	Equity

ii) Movement of Options and RSUs granted are below:

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the current year:

	As at March 31, 2025			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	-		-	
Transfer pursuant to Composite Scheme	3,88,363	164.23	84,976	10.00
Granted during the financial year	-		-	
Exercised during the financial year [^]	(1,79,903)	177.56	(6,070)	10.00
Lapsed during the financial year	(22,509)	178.30	-	
Outstanding at the end of the financial year	1,85,951	178.30	78,906	10.00
Unvested at the end of the financial year	-		-	
Exercisable at the end of the financial year	1,85,951	177.98	78,906	10.00

[^]The weighted average share price at the date of exercise of these Options and RSUs was ₹310.04 per share and ₹240.75 per share respectively.

Aditya Birla Lifestyle Brands Limited
Notes to the consolidated financial statements for the period ended March 31, 2025
II. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019

On July 26, 2019, the Nomination and Remuneration Committee and the Board of Directors ("Board") of ABFRL, approved introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019"), for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees.

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to ESOPs issued by ABFRL.

i) Details of the grants under Scheme 2019 are as below:

	Options	RSUs
No. of Options/ RSUs	21,74,990	5,65,591
Method of accounting	Fair value	Fair value
Vesting plan	Graded and Bullet vesting over/at the end of 2 to 3 years	Bullet vesting at the end of 3 rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting
Grant date	December 02, 2019 Onwards	December 02, 2019 Onwards
Exercise price (₹ per share)	164.10 to 330.75	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 163.85 to 338.00 NSE - 163.80 to 337.55	BSE - 163.85 to 338.00 NSE - 163.80 to 337.55
Method of settlement	Equity	Equity

ii) Movement of Options and RSUs granted are below:

The following table illustrates the number and weighted average exercise prices of, and movements in, share options and RSUs during the year

	As at March 31, 2025			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	-	-	-	-
Transfer pursuant to Composite Scheme	14,78,113	209.50	2,47,625	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year [^]	(1,47,897)	188.40	(64,821)	10.00
Lapsed during the financial year	(1,17,893)	229.28	-	-
Outstanding at the end of the financial year	12,12,323	217.76	1,82,804	10.00
Unvested at the end of the financial year	1,30,324	-	77,779	-
Exercisable at the end of the financial year	10,81,999	211.98	1,05,025	10.00

[^]The weighted average share price at the date of exercise of these Options was ₹294.22 per share and RSU was ₹311.06 per share.

The weighted average remaining contractual life for the share Options and RSUs outstanding as at March 31, 2025 is 3 years.

I. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019

On February 04, 2019, the NRC and the Board of ABFRL, at their respective meetings had approved the “Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019” (“SARs Scheme 2019”), to grant Stock Appreciation Rights (SAR) in the form of “Option SARs” and “RSU SARs”, from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to SARs issued by ABFRL.

i) The details of the Plan are as below:

Details of SARs are below:

	Option SARs	RSU SARs
No. of SARs	13,26,879	6,19,164
Method of accounting	Fair value	Fair value
Vesting plan	May 16, 2019 onwards and graded vesting over 2 to 3 years	Bullet vesting at the end of 3 years
Exercise period	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019 Onwards	May 15, 2019 Onwards
Grant price (₹ per share)	178.30 to 330.75	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 to 338.00 NSE - 192.80 to 337.55	BSE - 192.45 to 338.00 NSE - 192.80 to 337.55
Method of settlement	Cash	Cash

ii) Movement of SARs granted are below:

The following table illustrates the number and weighted average exercise prices of, and movements in, Option SARs during the year:

	As at March 31, 2025			
	No. of Option SARs	Weighted average exercise price (₹ per share)	No. of RSU SARs	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	-	-	-	-
Transfer pursuant to Composite Scheme	11,01,332	281.70	5,40,391	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year [^]	(1,61,531)	216.09	(50,579)	10.00
Lapsed during the financial year	(2,19,222)	234.80	(20,633)	-
Outstanding at the end of the financial year	7,20,579	238.26	4,69,179	10.00
Unvested at the end of the financial year	3,16,305	-	2,48,206	-
Exercisable at the end of the financial year	4,04,274	228.06	2,20,973	10.00

[^]The settlement happens net of exercise price and the weighted average share price at the date of exercise of these Option SAR and RSUs was ₹318.58 per share and ₹318.04 per share respectively.

The weighted average remaining contractual life for SAR options outstanding as at March 31, 2025 is 2 years and for SAR RSUs outstanding as at March 31, 2025, is 3 years.

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.

Aditya Birla Lifestyle Brands Limited
Notes to the consolidated financial statements for the period ended March 31, 2025
II. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2024

On August 04, 2024, the NRC and the Board of ABFRL, at their respective meetings had approved the “Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2024” (“SARs Scheme 2024”), to grant Stock Appreciation Rights (SARs) in the form of “Option SARs” and “RSU SARs”, from time to time, to the eligible employees (as defined in the SARs Scheme 2024).

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to SARs issued by ABFRL.

i) The details of the Plan are as below:

	Option SARs	RSU SARs
No. of SARs	18,13,089	5,78,610
Method of accounting	Fair value	Fair value
Vesting plan	Graded vesting over 2 to 3 years	Bullet Vesting at the end of 2 to 3 years
Exercise period	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 07, 2024 onwards	August 07, 2024 Onwards
Grant price (₹ per share)	248.55 to 318.90	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 242.15 to 323.90 NSE - 242.30 to 323.05	BSE - 242.15 to 323.90 NSE - 242.30 to 323.05
Method of settlement	Cash	Cash

ii) Movement of SARs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, SARs during the year:

	As at March 31, 2025			
	No. of Option SARs	Weighted average exercise price (₹ per share)	No. of RSU SARs	Weighted average exercise price (₹ per share)
Option SARs				
Outstanding at the beginning of the financial year	-		-	
Granted during the financial year	18,13,089	317.93	5,78,610	10.00
Exercised during the financial year [^]	-		-	-
Lapsed during the financial year	(64,534)	318.90	(16,720)	10.00
Outstanding at the end of the financial year	17,48,555	318.90	5,61,890	10.00
Unvested at the end of the financial year	17,48,555	318.90	5,61,890	10.00
Exercisable at the end of the financial year	-	-	-	-

[^]The settlement happens net of exercise price.

iii) The following table lists the inputs to the model used for SARs issued during the year:

	Options	RSUs
Expected dividend yield (%)	Nil	Nil
Expected volatility (%)	36.62 to 40.35	36.67 to 43.92
Risk-free interest rate (%)	6.77 to 6.94	6.82 to 6.97
Weighted average fair value per SAR (₹)	71.73 to 120.71	211.55 to 271.34
Model used	Binomial model	Binomial model

The weighted average remaining contractual life for the SAR Options and SAR RSUs outstanding as at March 31, 2025, is 3 years.

Aditya Birla Lifestyle Brands Limited
Notes to the consolidated financial statements for the period ended March 31, 2025

NOTE - 43
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
	Period ended March 31, 2025
<u>Other income</u>	
Gain on termination of right-of-use assets (Including exceptional item)	8.93
<u>Rent</u>	
Expense relating to short-term leases	18.06
Expense relating to leases of low value assets	-
Variable rent*	746.64
Rent concession	-
<u>Finance cost</u>	
Interest expense on lease liabilities	187.74
<u>Depreciation and amortisation expenses</u>	
Depreciation on right-of-use assets	499.06
<u>Other expenses</u>	
Processing charges	32.65
Sublease payments received (not shown separately in the Consolidated Statement of Profit and Loss)	88.57

* 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, 2025
Within one year	566.20
After one year but not more than five years	1,188.20
More than five years	367.22
Total	2,121.62

The initial non-cancellable period of the lease agreement pertaining to stores are up to 3 years, beyond which there is an option for the Group to continue the lease, which the Group expects to continue for a period of 2 years after the initial non-cancellable period, accordingly 5 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, 2025 is ₹ 1,494.23 Crore.

In accordance with its capital expenditure strategy, the Demerged Company engaged in a sale and leaseback transaction involving certain assets, including furniture and fixtures, and office equipment, pertaining to the Demerged undertaking. These assets and liabilities were assumed as part of the Business Combination (Refer Note: 48). The lease agreement spans a duration of 4-5 years, and the transaction has been recorded as right-of-use assets with corresponding lease liabilities.

Lease commitments for leases not considered in measurement of lease liabilities

	₹ in Crore
	As at March 31, 2025
Lease commitment for short-term leases	0.95
Lease commitment for leases of low value assets	-
Total	0.95

Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For certain individual store, up to 100% of lease payment are on the basis of variable payment terms. Variable payment terms are used for a variety of reasons, including minimising the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur.

	₹ in Crore	
	March 31, 2025	
Particulars	Increase by 5%	Decrease by 5%
Increase/ (Decrease) in sales		
Rent	37.33	(37.33)

Aditya Birla Lifestyle Brands Limited**Notes to the consolidated financial statements for the period ended March 31, 2025****b) Capital commitments**

	₹ in Crore
	As at
	March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	42.37
Total	42.37

Note: The Group has obtained licenses from the Office of the Joint Director General of Foreign Trade, Vishakapatnam under the Export Promotion of Capital Goods (EPCG) scheme which allows the Company to import capital goods free of customs duty. The scheme requires the Company to achieve an export obligation equal to 6 times the amount of customs duty saved within a period of next 6 years. The Company has imported equipment during the current year under the Scheme and has availed a cumulative customs duty benefit of ₹ 7.12 Cr. Company has determined that it would meet the export obligation commitment within the period specified.

c) Other commitments

As at March 31, 2025, the Group has committed to provide financial support to Aditya Birla Garments Limited to enable them to meet their commitments within a period of next 12 months.

Aditya Birla Lifestyle Brands Limited
Notes to the consolidated financial statements for the period ended March 31, 2025

NOTE - 44

CONTINGENT LIABILITIES NOT PROVIDED FOR

	₹ in Crore
	As at
	March 31, 2025
Claims against the Group not acknowledged as debts	
Commercial taxes	0.10
Excise duty	0.50
Customs duty	10.67
Textile committee cess	0.75
Others*	2.71
Total	14.73

* 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.

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 standalone 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 consolidated financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Group has a provision of ₹ 50.02 Crore as at March 31, 2025 (Refer Note: 29).

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. The Company has made provision as required under the accounting standards for material foreseeable losses on derivative contracts as at March 31, 2025.

Note :- As per the approved Composite Scheme of Arrangement, the Group has assumed contingent liabilities specifically related to the Madura division of the Demerged Company.

Aditya Birla Lifestyle Brands Limited

Notes to the consolidated financial statements for the period ended March 31, 2025

NOTE - 45

RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:

Name of related parties

Holding Company

Aditya Birla Fashion and Retail Limited (till March 26, 2025)*

Parties under common control

Aditya Birla Fashion and Retail Limited (with effect from March 27, 2025)

Fellow Subsidiaries (till March 26, 2025) and subsidiaries of parties under common control (with effect from March 27, 2025)

Finesse International Design Private Limited

Indivinity Clothing Retail Private Limited

Sabyasachi Calcutta LLP

Jaypore E-Commerce Private Limited

House of Masaba Lifestyle Private Limited

Key Management Personnel (“KMP”) and Directors

Mr. Ashish Dikshit- Non-Executive Director with effect from April 09, 2024

Mr. Jagdish Bajaj- Non-Executive Director with effect from April 09, 2024

Mr. Anil Malik- Non-Executive Director with effect from April 09, 2024

Aditya Birla Lifestyle Brands Limited
Notes to the consolidated financial statements for the period ended March 31, 2025

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

	₹ in Crore		
	Period ended March 31, 2025		
	Holding and Fellow Subsidiaries	KMP and Relative of KMP	Other related parties
Sale of goods	200.12	-	-
Reimbursement of expenses recovered from	0.29	-	-
Purchase of goods	2.65	-	-
Reimbursement of expenses paid to	121.43	-	-
Production services given	11.21	-	-
Transfer of Post-employment liabilities	0.86	-	-

Balances outstanding

	₹ in Crore		
	As at March 31, 2025		
	Holding and Fellow Subsidiaries	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	7.12	-	-
Amounts owed by related parties	147.70	-	-

Note:

(a) The above amounts are classified as trade receivables and trade payables (Refer Notes: 15 and 27 respectively).

(b) No amounts in respect of the related parties have been written off/ back during the year.

(c) 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, 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

(d) Also refer note 48 for disclosure ordering to transfer Madura undertaking from Aditya Birla Fashion and Retail Limited pursuant to a scheme of arrangement.

(e) For the year ended March 31, 2025, the remuneration for Key Managerial Personnel (KMP) has been paid by Aditya Birla Fashion and Retail Limited ('ABFRL') and allocated to the Madura division on an overall basis. Additionally, KMP are entitled to Employee Stock Options (ESOPs), Stock Appreciation Rights (SARs), and Restricted Stock Units (RSUs) issued by ABFRL.

* Pursuant to approval of Scheme by NCLT, shares held by Aditya Birla Fashion and Retail Limited in the Company are deemed to be cancelled.

Aditya Birla Lifestyle Brands Limited
Notes to the consolidated financial statements for the period ended March 31, 2025

KMPs interests in the Employee Stock Options, RSUs and SARs

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2025 Number outstanding
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017				
Options - Tranche 1	September 08, 2017	September 07, 2026	178.30	1,12,548
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019				
Options - Tranche 1	December 02, 2019	December 01, 2028	225.25	3,75,000
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	2,60,059
Options - Tranche 4	August 05, 2022	August 03, 2030	275.10	31,096
Options - Tranche 5	September 20, 2022	September 18, 2030	330.75	1,71,023
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019				
Options - Tranche 2	August 18, 2021	August 17, 2027	206.35	37,878
Options - Tranche 4	November 03, 2021	November 03, 2027	288.10	1,70,448
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2024				
Options - Tranche 1	August 7, 2024	August 7, 2029	318.9	4,06,036
Options - Tranche 2	February 27, 2025	February 27, 2031	248.55	2,46,340
Total				18,10,428
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017				
RSUs - Tranche 1	September 08, 2017	September 07, 2025	10.00	91,048
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019				
RSUs - Tranche 1	December 02, 2019	December 01, 2027	10.00	1,13,065
RSUs - Tranche 4	August 05, 2022	August 03, 2030	10.00	9,921
RSUs - Tranche 5	September 20, 2022	September 18, 2030	10.00	54,563
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019				
RSUs - Tranche 2	August 18, 2021	August 17, 2027	10.00	12,563
RSUs - Tranche 4	November 03, 2021	November 03, 2027	10.00	56,533
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2024				
RSUs - Tranche 1	August 7, 2024	August 7, 2029	10.00	61,329
RSUs - Tranche 2	February 27, 2025	February 27, 2031	10.00	61,329
Total				4,60,351

NOTE - 46

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, 2025 are as follows:

As at March 31, 2025

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b)	117.18	-	-	117.18	117.18	-	-
Loans (Refer Notes - 7 and 13)	-	-	6.22	6.22	-	-	-
Security deposits (Refer Notes - 8 and 14)	-	-	276.88	276.88	-	-	-
Trade receivables (Refer Note - 15)	-	-	1,322.05	1,322.05	-	-	-
Cash and cash equivalents (Refer Note - 16)	-	-	53.06	53.06	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	0.59	0.59	-	-	-
Other financial assets (Refer Notes - 9 and 18)	-	-	280.83	280.83	-	-	-
Total	117.18	-	1,939.63	2,056.81	117.18	-	-
Financial liabilities							
Non-current borrowings (Refer Note - 22)	-	-	77.44	77.44	-	-	-
Current borrowings (Refer Note - 26)	-	-	874.75	874.75	-	-	-
Deposits	-	-	524.85	524.85	-	-	-
Trade payables (Refer Note - 27)	-	-	2,121.32	2,121.32	-	-	-
Other financial liabilities (Refer Notes - 23 and 28)	-	-	660.48	660.48	-	-	-
Derivative contracts (Refer Note - 28)	4.96	-	-	4.96	-	4.96	-
Total	4.96	-	4,258.84	4,263.80	-	4.96	-

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

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 Group (level 2). Forward contracts were entered into by ABFRL, prior to demerger, to hedge against risk of fluctuations in foreign exchange rates on financial assets and liabilities relating to Madura division. Accordingly the forward contracts have been transferred to the Group, pursuant to the demerger.

b) Investment:

i) Quoted investments: Valuation has been done based on market value of the investment i.e. fair value (level 1)

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 arise 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 review and agree policies for managing each of these risks, which are summarised below:

a) Market risk

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

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, 2025, approximately 58% of the Group's borrowings are at a fixed rate of interest.

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:

Percentage change (%)	₹ in Crore	
	As at March 31, 2025	
	0.50% increase	0.50% decrease
Increase/ (decrease) in Profit/ loss before tax	(2.08)	2.08
Increase/ (decrease) in Profit/ loss after tax	(1.56)	1.56

The assumed movement in interest rates 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, 2025, the Group has not hedged its receivables in foreign currency and has hedged 98% 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, 2025

	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy	USD	4.97	433.08
(Hedge of payables)	EURO	0.01	0.63

Aditya Birla Lifestyle Brands Limited
Notes to the consolidated financial statements for the period ended March 31, 2025

The details of unhedged foreign currency exposure as at the Consolidated Balance Sheet date are as follows:

As at March 31, 2025

	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	EURO	0.05	4.68
	GBP	0.01	0.55
	AUD	0.00	0.02
Trade receivables	USD	0.10	9.64
	EURO	0.06	5.96
	GBP	0.09	8.12
	HKD	0.03	2.32
Bank balances	CNY	0.03	0.33
	BDT	0.18	0.12

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies, with all other variables held constant. The impact on the Group's Profit/ loss before tax is due to changes in the foreign currency rate is as below.

	As at March 31, 2025	
	0.50% increase	0.50% decrease
Percentage change (%)		
Increase/ (decrease) in Profit/ loss before tax	0.11	(0.11)
Increase/ (decrease) in Profit/ loss after tax	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, 2025, the Group has 24 customers that owed the Group more than ₹ 5.00 Crore each and account for approximately 75% of all the receivables outstanding. There are 158 customers with balances greater than ₹ 0.50 Crore each and account for approximately 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, 2025, is the carrying amount as provided in Note - 15.

Credit risk from balances with banks is managed by the Company'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. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Aditya Birla Lifestyle Brands Limited
Notes to the consolidated financial statements for the period ended March 31, 2025

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, 92% of the Group's debt will mature in less than one year based on the carrying value of borrowings reflected in the 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, 2025

	₹ in Crore			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings*	920.80	84.59	-	1,005.39
Lease liabilities	566.20	1,188.20	367.22	2,121.62
Other financial liabilities	197.93	236.76	911.76	1,346.45
Deposits	250.55	274.30	-	524.85
Trade payables	2,121.32	-	-	2,121.32
Total	4,056.80	1,783.85	1,278.98	7,119.63

*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 Company invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

The sensitivity analysis has prepared by the Management is based on the financial assets and financial liabilities held at March 31, 2025.

NOTE - 47
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 Company (debts excludes lease liabilities):

	₹ in Crore
	As at
	March 31,
	2025
Short-term debts (including current maturities of long-term borrowings)	874.75
Long-term debts	77.44
Total borrowings	952.19
Equity (Including Share Suspense)	1,276.53

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

During the year, the Company has not defaulted on any loans payable, and there have been no breach of any financial covenants attached to the borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025.

Note 48: Business Combination
DEMERGER OF MADURA FASHION & LIFESTYLE BUSINESS ("MFL BUSINESS")

The Board at its meeting held on April 19, 2024, subject to necessary approvals, considered and approved the demerger of the Madura Fashion and Lifestyle ('MFL') Business under a Scheme of Arrangement between Aditya Birla Fashion and Retail ('Demerged Company') and Aditya Birla Lifestyle Brands Limited ('Resulting Company'). The Scheme provided for demerger, transfer, and vesting of the MFL Business from the Demerged Company to the Resulting Company on a going concern basis, with the Resulting Company issuing equity shares to the equity shareholders of the Demerged Company as a consideration. The demerger was executed through an NCLT scheme of arrangement. The Scheme provided that all shareholders of the demerged company will hold identical shareholdings in both the companies, post the demerger.

Pursuant to the NCLT's directions, a meeting of the equity shareholders of the Demerged Company was conducted on January 21, 2025, and the Scheme was approved by the requisite majority of equity shareholders. The Demerged Company and the Resulting Company filed a joint petition with the Hon'ble NCLT on January 25, 2025. The Scheme received sanction from the Hon'ble NCLT on March 27, 2025, and a certified copy of the order was received on April 22, 2025 ("Order"). Subsequently, the Demerged and Resulting Company filed the certified copy of the Order and the Scheme with the Registrar of Companies, Mumbai, making the Scheme effective from May 1, 2025. The Record Date was set for May 22, 2025.

Management has evaluated that Promoter along with other promoter group companies (together referred to as 'Promoters') of the demerged company have de-facto control over the MFL division, both before and after the demerger, on account of the factors described below:

1. The Company is a wholly owned subsidiary of Aditya Birla Fashion and Retail Limited ('ABFRL') on the date of transfer;
2. Total cumulative shareholding of the Promoters relative to the size and dispersion of holding of other shareholders;
3. Post issue of shares by the Company to the existing shareholders of the Demerged Company, there would be no potential voting rights other than the equity shares. Further, none of the other shareholders would have any contractual or legal veto rights.

Basis above, the Management has determined that acquisition of MFL division shall be accounted in the books of the Company as a common control capital reorganisation by applying the principles prescribed in Appendix C of Ind AS 103, Business combinations of entities under common control, at the respective book values of assets and liabilities as recorded in the books of ABFRL.

The Company was incorporated on April 9, 2024. However, the approved Scheme provides for an appointed date of April 1, 2024. Accordingly, the Management has given effect to the acquisition of MFL business with effect from the appointed date of April 1, 2024.

Details of assets and liabilities taken over are as follows:

Acquired pursuant to Composite Scheme	₹ in Crore
Assets	
Non-Current Assets	
Property, plant and equipment	504.09
Capital work-in-progress	56.75
Goodwill	692.05
Other intangible assets	552.40
Right to use	1,496.18
Financial assets	
(i) Loans	0.41
(ii) Security deposits	180.43
(iii) Other financial assets	198.48
Deferred tax assets (net)	152.64
Non-current tax assets (net)	11.21
Other non-current assets	42.72
Total - Non-current assets	3,887.36
Current assets	
Inventories	2,201.37
Financial assets	
(i) Current Investments	361.75
(ii) Loans	7.50
(iii) Security deposits	70.66
(iv) Trade receivables	947.94
(v) Cash and cash equivalent	132.35
(vi) Bank balance other than above	0.16
(vii) Other financial assets	79.17
Other current assets	665.60
Total - Current assets	4,466.50
TOTAL - ASSETS - A	8,353.86
Non-current liabilities	
Financial liabilities	
(i) Borrowings	60.03
(ii) Deposits	261.02
(iii) Lease liability	1,408.17
(iv) Other financial liabilities	508.37
Provisions	7.66
Other non-current liabilities	23.27
Total - Non-current liabilities	2,268.52
Current liabilities	
Financial liabilities	
(i) Borrowings	1,345.50
(ii) Trade payables	
enterprises	65.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,891.31
(iii) Deposits	261.02
(iv) Lease liability	496.13
Other financial liabilities	119.72
Provisions	129.04
Other current liabilities	558.89
Total - Current liabilities	4,866.66
Total - Liabilities - B	7,135.18
Net Assets - C (A - B)	1,218.68

Against the net assets of ₹ 1,218.68 Crore, the Company has created share suspense and share based payment reserve of ₹1,220.26 crore and ₹40.00 Crore respectively and the balance of ₹(41.58) Crore has been recognised as Capital reserve.

NOTE - 49
GROUP INFORMATION

The consolidated financial statements of the Group include subsidiary 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, 2025
Aditya Birla Garments Limited	Subsidiary	India	Manufacturing and distribution	100.00%

NOTE - 50
ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013
Year ended March 31, 2025

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 Lifestyle Brands Limited	101.36%	1,293.90	115.77%	69.00	97.74%	(3.22)	116.82%	65.78
Subsidiaries								
Aditya Birla Garments Limited	1.38%	17.56	-15.89%	(9.47)	2.26%	(0.07)	-16.94%	(9.54)
Adjustments arising out of consolidation	-2.74%	(34.93)	0.12%	0.07	0.00%	-	0.12%	0.07
Total	100.00%	1,276.53	100.00%	59.60	100.00%	(3.29)	100.00%	56.31

Note 51: Summary of other accounting policies

(a) Fair value measurements and hierarchy

The Group measures financial instruments, such as investments (other than equity investments in subsidiaries) 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 financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

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

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

(b) Foreign currencies

Transactions and balances:

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the 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).

(c) 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.

(d) 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.

(e) Taxes

Current tax

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

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

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

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.

The Group had adopted the new tax regime as per 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.

(f) 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 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.

(g) 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.

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.

(h) Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised in 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.

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.

(i) 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 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.

(j) 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 recognized financial assets, are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For trade receivables, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

For the purpose of subsequent measurement, financial instruments of the 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

Equity investments are measured at fair value as per Ind AS 109. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the 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:

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.

(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 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.

(k) Derivative financial instruments

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss.

(l) 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.

(m) 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 – 44).

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 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.

(n) 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. 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. The subsidiary within the group operates an unfunded gratuity plan. In case of some employees, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The benefit vests after five years of continuous service and the same is payable on termination of service or retirement, whichever is earlier. A part of the gratuity plan is funded (maintained by an independent insurance Group) and another part is unfunded and managed within the Group, hence the liability has been bifurcated into funded and unfunded. 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.

(o) Share-based payment

Certain employees of the Company have been granted stock-based awards, including stock options, stock appreciation rights (SARs), and restricted stock units (RSUs) of Aditya Birla Fashion and Retail Limited (Demerged Company), in accordance with the ESOP Policy of ABFRL. In compliance with Ind AS 102 – Share-based Payments, the Company has accounted for these awards using the graded vesting method. The Grant date fair value of equity-settled awards has been used for the purpose of accounting the related expenses. SARs are remeasured at fair value at each balance sheet date, with changes recognized in the Statement of Profit and Loss.

(p) 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 Group'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 treasury shares and events such as bonus issue, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(q) 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.

(r) Common control business acquisition

Acquisition of business under common control has been accounted in accordance with "Pooling of interest method", as specified below:

(a) All assets and liabilities acquired are stated at their carrying values as appearing in the financial statements of de-merged company

(b) Shares held by the de-merged company in the Company shall be cancelled

(c) Difference between the carrying amounts of assets and liabilities acquired, face value of the shares cancelled as referred to in (b) above and the amount recorded as share-capital issued to the shareholders of the de-merged company shall be transferred to capital reserve; and

(d) Financial information relating to the acquired business has been accounted from the beginning of the financial year, as if the acquisition had occurred from that date.

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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 Group has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has no transactions with or balances due to or from companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS

The Group has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts.

(v) WILFUL DEFAULTER

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Group has accounted for the Scheme of arrangement with Aditya Birla Fashion and Retail Limited in accordance with the accounting treatment as specified in the Scheme. (Refer Note 48)

(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) UNDISCLOSED INCOME

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

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

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

(x) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS) AND INTANGIBLE ASSETS

The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) and Intangible assets during the current year. The Company did not have any Investment Property during the current or previous year.

(xi) REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

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Comparative Financial Information

The Company was incorporated on April 9, 2024 and accordingly comparative numbers have not been presented in these 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

For and on behalf of the Board of Directors of
Aditya Birla Lifestyle Brands Limited

SD/-

A.J. SHAIKH
Partner
Membership No. : 203637
Place: Mumbai
Date : May 23, 2025

SD/-

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
Date : May 23, 2025

SD/-

VISHAK KUMAR
(Deputy Managing Director and CEO)
(DIN: 09078653)
Place: Mumbai
Date : May 23, 2025

SD/-

DHARMENDRA LODHA
(Chief Financial Officer)

Place: Mumbai
Date : May 23, 2025

SD/-

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

**Independent Auditor's Report
To the Members of Aditya Birla Lifestyle Brands Limited
Report on the Audit of the Standalone Financial Statements**

Opinion

1. We have audited the accompanying standalone financial statements of Aditya Birla Lifestyle Brands Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2025, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the period from April 9, 2024 to March 31, 2025, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the period then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the standalone financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We draw attention to Note 48 to the standalone financial statements regarding the Scheme of Arrangement (the 'Scheme') between the Company, Aditya Birla Fashion and Retail Limited, and their respective shareholders and creditors, as approved by the National Company Law Tribunal ('NCLT') vide its order dated March 27, 2025. The Company was incorporated on April 9, 2024. However, the Scheme has been given effect to in the standalone financial statements from the 'appointed date' of April 1, 2024, as per the Scheme approved by NCLT.

Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on Audit of the Standalone Financial Statements

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Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of goodwill (Refer Note 5 to the standalone financial statements) The Company has goodwill of Rs.627.67 crores at March 31, 2025.</p> <p>The goodwill was acquired through a business combination which occurred prior to transfer of business from Aditya Birla Fashion and Retail Limited. Goodwill was allocated to a Cash Generating Unit (CGU) of the Company. In accordance with Ind AS 36, <i>Impairment of Assets</i>, goodwill acquired in a business combination is required to be tested for impairment annually.</p> <p>Management has performed impairment assessment for the CGU to which goodwill has been allocated by comparing the carrying amount of the assets relating to the CGU, including the goodwill, with the recoverable amount of the CGU. Recoverable amount is the higher of value in use and fair value less costs of disposal.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understood and evaluated the design and tested operating effectiveness of Company's controls to assess impairment of goodwill on an annual basis. • Evaluated whether the CGU was determined and the goodwill allocation was performed in accordance with requirements of Ind AS 36 and our knowledge of the Company's operations. • Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount of the CGU. • Evaluated the objectivity, competency and independence of the management expert engaged by the Company. • Evaluated the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis. • 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 carrying amount of CGU to exceed its recoverable amount. • Involved auditor's expert to assist in evaluating the impairment assessment including certain assumptions used. • Evaluated the adequacy of the disclosures made in the standalone financial statements.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on Audit of the Standalone Financial Statements

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Key audit matter	How our audit addressed the key audit matter
<p>Provision for Inventory obsolescence (Refer Notes 2.4(c) and 12 to the standalone financial statements)</p> <p>The Company held inventories of Rs.2,107.52 crores at March 31, 2025. In accordance with Ind AS 2, <i>Inventories</i>, inventories are carried at lower of cost or net realizable value.</p> <p>The Company operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost.</p> <p>Management has a policy to recognize provisions for inventory considering assessment of future trends and the Company's past experience related to its ability to liquidate the aged inventory.</p> <p>The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimate.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understood and evaluated the design and tested the operating effectiveness of Company's controls to assess the adequacy of provision for inventory obsolescence. Evaluated the methodology used by the management to determine the provision for inventory obsolescence. Tested the ageing report including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Company's policy. Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis. Evaluated the adequacy of the disclosures made in the standalone financial statements.
<p>Provisions for discount and sales returns (Refer Note 2.4(d) to the standalone financial statements)</p> <p>The Company has recognised provisions for unsettled discounts and sales returns amounting to Rs.289.84 crores and Rs.499.11 crores, respectively, at March 31, 2025.</p> <p>Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer.</p> <p>Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understood and evaluated the design and tested the operating effectiveness of Company's controls to assess the adequacy of provision for discounts and sales returns. Evaluated the periodic account reconciliations prepared by the management during the period. Evaluated the management estimates and judgements in determining the provision for discounts and sales returns. 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.

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INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on Audit of the Standalone Financial Statements

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Key audit matter	How our audit addressed the key audit matter
<p>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.</p> <p>Determination of provisions for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.</p>	<ul style="list-style-type: none"> • Verified credits notes issued to customers on a sample basis and assessed the validity of claims with the underlying documents and appropriate approvals. • Evaluated the adequacy of the disclosures made in the standalone financial statements.

Other Information

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

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

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

We have nothing to report in this regard.

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

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on Audit of the Standalone Financial Statements

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

Auditor's responsibilities for the audit of the standalone financial statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone 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 the Management.
 - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on Audit of the Standalone Financial Statements

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12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, in the absence of sufficient appropriate audit evidence, we are unable to verify whether the backup of certain books and papers maintained in electronic mode has been maintained on a daily basis on servers physically located in India during the year.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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 16(b) above on reporting under Section 143(3)(b) and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on Audit of the Standalone Financial Statements

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- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note 44 to the standalone financial statements)
 - ii. The Company was not required to recognise a provision as at March 31, 2025 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contracts. The Company has made provision as required under the accounting standards for material foreseeable losses, if any, on derivative contracts as at March 31, 2025.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended March 31, 2025.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 52(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 52(vii) to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 52(vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 52(vii) to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the period.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on Audit of the Standalone Financial Statements

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- 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, and that have operated throughout the period for all relevant transactions recorded in the software, except for modifications, if any, made by certain users with specific access at the application level and for direct database changes. During the course of performing our procedures, we did not notice any instance of the audit trail feature being tampered with, except for the aforesaid instances of audit trail not maintained where the question of our commenting on whether the audit trail feature has been tampered with does not arise. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company, as per the statutory requirements for record retention.

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. Further, the audit trail was not maintained in the prior year and hence the question of our commenting on whether the audit trail was preserved by the Company as per the statutory requirements for record retention does not arise.

17. The Company has not paid any remuneration to its directors during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

SD/-

A. J. Shaikh

Partner

Membership Number: 203637

UDIN: 25203637BMKSUQ9630

Place: Mumbai

Date: May 23, 2025

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the standalone financial statements as of and for the period from April 9, 2024 to March 31, 2025
Page 1 of 2

Report on the Internal Financial Controls with reference to standalone financial statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Aditya Birla Lifestyle Brands Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the period April 9, 2024 to March 31, 2025.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the standalone financial statements as of and for the period from April 9, 2024 to March 31, 2025
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Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

SD/-

A. J. Shaikh

Partner

Membership Number: 203637

UDIN: 25203637BMKSUQ9630

Place: Mumbai

Date: May 23, 2025

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the standalone financial statements as of and for the period from April 9, 2024 to March 31, 2025

Page 1 of 8

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the period and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 3(a) and 4(a) to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. In Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Freehold Land	5.92	Madura Garments Exports Limited	No	From April 9, 2024	
Leasehold Land	10.42	Aditya Birla Fashion and Retail Limited	No	From April 9, 2024	
Factory buildings	0.13	Madura Garments Lifestyle Retail Limited	No	From April 9, 2024	Refer Note 1
Factory building	44.05	Aditya Birla Fashion and Retail Limited	No	From April 9, 2024	
Leasehold properties (Stores)	8.65	Aditya Birla Nuvo Limited	No	From April 9, 2024	
Leasehold properties	2,691.16	Aditya Birla Fashion and Retail	No	From April 9, 2024	

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the standalone financial statements as of and for the period from April 9, 2024 to March 31, 2025

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Description of property	Gross carrying value (Rs. In Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Leasehold properties (factories)	1.29	Aditya Birla Nuvo Limited	No	From April 9, 2024	
Leasehold properties (factories)	19.9	Crafting Clothing Private Limited	No	From April 9, 2024	Refer note 1
Leasehold properties (factories)	14.17	Madura Garments Lifestyle Clothing Private Limited	No	From April 9, 2024	
Leasehold properties (factories)	5.94	Madura Garments Exports Limited	No	From April 9, 2024	

Note 1: The Company was incorporated on April 9, 2024 and acquired a business pursuant to a Scheme of Arrangement between the Company and Aditya Birla Fashion and Retail Limited upon approval by the National Company Law Tribunal on March 27, 2025. Accordingly, the title deeds of the immovable properties in the table above are either held in the name of Aditya Birla Fashion and Retail Limited or erstwhile transferor companies which were amalgamated with Aditya Birla Fashion and Retail Limited.

- (d) The Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the period. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.
- ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the period and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

Annexure B to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the standalone financial statements as of and for the period from April 9, 2024 to March 31, 2025

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- (b) During the period, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) The Company has made investments in eighteen mutual fund schemes and granted loans to other parties (employees). The aggregate amount during the period, and balance outstanding at the balance sheet date with respect to such loans to employees are as per the table given below:

Particulars	Amounts (Rs in crores)
Aggregate amount granted/ provided during the period	
- Loans to employees	1.22
Balance outstanding as at balance sheet date in respect of the above case	
- Loans to employees	0.66

(Also, refer Note 7 and Note 13 to the standalone financial statements)

- (b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted or investments were made are not prejudicial to the Company's interest.
- (c) In respect of the loans, the schedule of repayment of principal has been stipulated and the parties are repaying the principal amounts, as stipulated. The loans are interest-free and therefore the schedule of repayment of interest has not been stipulated.
- (d) In respect of the loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans and advances in nature of loans which have fallen due during the period and were renewed or extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans or advances in nature of loan.
- (f) There were no loans, advances in nature of loans which were granted during the period, including to promoters or related parties.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 of the Companies Act, 2013 ("Act"). In our opinion, the Company has complied with the provisions of Section 186 of the Act, in respect of the loans and investments made. The Company has not issued or provided any guarantees and security.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the standalone financial statements as of and for the period from April 9, 2024 to March 31, 2025

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- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance and labour welfare fund and goods and service tax, though there has been a slight delay in few cases and is regular in depositing professional tax, tax deducted at source under the Income Tax Act, duty of customs, cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) There are no statutory dues of provident fund, tax deducted at source, professional tax, labour welfare fund, employees' state insurance, cess and goods and services tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2025, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Gross value (Rs. In crores)	Paid amount (Rs. In crores)	Unpaid amount (Rs. In crores)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	0.5	-	0.5	2011-12 and 2012-13	Commissioner of Central Excise (Bangalore)
Orissa Entry Tax Act, 1999	Entry tax	0.00*	-	0.00*	2002-03	Additional Commissioner - Appeals, Bhubaneswar
The Central Sales Tax Act, 1956 and Orissa Sales Tax Act, 1947	Sales Tax	0.01	0.00*	0.01	2002-03	Additional Commissioner - Appeals, Bhubaneswar
The Central Sales Tax Act, 1956 and Kerala Value Added Tax Act, 2003	Value added tax and Central sales tax	0.01	-	0.01	2004-05	Kerala Sales Tax Appellate Tribunal, Ernakulam
Karnataka Tax on Entry of Goods Act, 1979	Entry tax	0.03	-	0.03	2001-02 and 2004-05	Joint Commissioner of Commercial Taxes, Bengaluru

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the standalone financial statements as of and for the period from April 9, 2024 to March 31, 2025

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Andhra Pradesh Entry Tax Act	Entry tax	0.02	0.01	0.01	2006-07	Deputy Commissioner of Commercial Taxes, Secunderabad
The Central Sales Tax Act, 1956 and the Karnataka Value Added Tax Act, 2003	Value added tax and Central sales tax	2.01	2.01	0.00*	2004-05 and 2006-07	The High Court of Karnataka
Kerala Surcharge on Taxes Act, 1957	Surcharge on sales tax	2.51	0.70	1.81	2008-09 to 2016-17	The Supreme Court of India
Textile Committee Act, 1963	Textile committee cess	1.19	0.60	0.59	1998-99 to 2004-05	The High Court of Karnataka
The Central Sales Tax Act, 1956 and The West Bengal Value Added Tax Act, 2003	Value added tax and Central sales tax	0.01	0.01	0.00*	2005-06	Appellate tribunal, West Bengal
Customs Duty Act, 1962	Customs duty	2.98	-	2.98	2017-18 to 2021-22	CESTAT Mumbai
Customs Duty Act, 1962	Custom Duty	0.56	-	0.56	2017-18	Additional Commissioner of Customs Group III (Imports)

*All amounts in the table above have been rounded off to the nearest crores. The sign '0.00' indicates that the amounts are below Rs. fifty thousand and the sign '-' indicates that amounts are nil.

Note: Disputed statutory dues directly relating to the business undertaking transferred from Aditya Birla Fashion and Retail Limited pursuant to a Scheme of Arrangement have been included above. (Refer Note 48 to the standalone financial statements)

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the period.

Annexure B to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the standalone financial statements as of and for the period from April 9, 2024 to March 31, 2025

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- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company did not have any joint ventures or associate companies during the year. Accordingly, to this extent, the reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of or fully or partially or optionally convertible debentures during the period. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistleblower complaints have been received during the period by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

Annexure B to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the standalone financial statements as of and for the period from April 9, 2024 to March 31, 2025

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- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial or housing finance activities during the period. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has 4 CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred any cash losses in the financial year. The current financial year being the first year of incorporation of the Company, reporting under Clause (xvii) to the extent it relates to the immediately preceding financial year, is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the period and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the standalone financial statements as of and for the period from April 9, 2024 to March 31, 2025

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- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

SD/-

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSUQ9630

Place: Mumbai
Date: May 23, 2025

Aditya Birla Lifestyle Brands Limited
Standalone Balance Sheet as at March 31, 2025

		₹ in Crore
	Notes	As at March 31, 2025
ASSETS		
I Non-current assets		
(a) Property, plant and equipment	3a	508.28
(b) Capital work-in-progress	3b	11.69
(c) Right-of-use assets	4a	1,523.53
(d) Goodwill	5	627.67
(e) Other intangible assets	5	489.60
(f) Financial assets		
(i) Investment in a subsidiary	6a	35.00
(ii) Loans	7	0.48
(iii) Security deposits	8	176.51
(iv) Other financial assets	9	203.74
(g) Deferred tax assets (net)	10	129.91
(h) Non-current tax assets (net)		14.68
(i) Other non-current assets	11	53.75
Total - Non-current assets		3,774.84
II Current assets		
(a) Inventories	12	2,107.52
(b) Financial assets		
(i) Current investments	6b	117.18
(ii) Loans	13	5.74
(iii) Security deposits	14	100.13
(iv) Trade receivables	15	1,325.48
(v) Cash and cash equivalents	16	52.99
(vi) Bank balance other than Cash and cash equivalents	17	0.07
(vii) Other financial assets	18	76.06
(c) Other current assets	19	616.65
Total - Current assets		4,401.82
TOTAL - ASSETS		8,176.66

Aditya Birla Lifestyle Brands Limited Standalone Balance Sheet as at March 31, 2025		
		₹ in Crore
	Notes	As at March 31, 2025
EQUITY AND LIABILITIES		
I Equity		
(a) Equity share capital	20	0.05
(b) Share suspense	21	1,220.26
(c) Other equity	21	73.59
Total - Equity		1,293.90
II Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	22	1.04
(ii) Lease liabilities	4b	1,516.88
(iii) Deposits		274.30
(iv) Other financial liabilities	23	518.08
(b) Provisions	24	22.20
(c) Other non-current liabilities	25	19.53
Total - Non-current liabilities		2,352.03
III Current liabilities		
(a) Financial liabilities		
(i) Borrowings	26	850.18
(ii) Lease liabilities	4b	463.38
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	27	88.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	27	2,029.42
(iv) Deposits		250.55
(v) Other financial liabilities	28	140.17
(b) Provisions	29	140.83
(c) Other current liabilities	30	567.35
Total - Current liabilities		4,530.73
TOTAL - EQUITY AND LIABILITIES		8,176.66
Basis of preparation	2	
The accompanying notes are an integral part of the standalone financial statements.		
As per our report of even date		
For Price Waterhouse & Co Chartered Accountants LLP		
Chartered Accountants		
ICAI Firm Registration No. 304026E/E-300009		
For and on behalf of the Board of Directors of Aditya Birla Lifestyle Brands Limited		
SD/-	SD/-	
SD/-	ASHISH DIKSHIT (Managing Director) (DIN: 01842066) Place: Mumbai Date : May 23, 2025	VISHAK KUMAR (Deputy Managing Director and CEO)(DIN: 09078653) Place: Mumbai Date : May 23, 2025
A.J. SHAIKH Partner Membership No.: 203637 Place: Mumbai Date : May 23, 2025	SD/-	SD/-
	DHARMENDRA LODHA (Chief Financial Officer) Place: Mumbai Date : May 23, 2025	RAJEEV AGRAWAL (Company Secretary) (M.No: A18877) Place: Mumbai Date : May 23, 2025

Aditya Birla Lifestyle Brands Limited			₹ in Crore
Standalone Statement of Profit and Loss for the period ended March 31, 2025			
	Notes	Period ended March 31, 2025	
I Revenue from operations	31		7,829.73
II Other income	32		77.27
III Total income (I + II)			<u>7,907.00</u>
IV Expenses			
(a) Cost of materials consumed	33a		1,008.91
(b) Purchase of stock-in-trade	33b		2,146.68
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	33c		140.41
(d) Employee benefits expense	34		899.91
(e) Finance costs	35		376.95
(f) Depreciation and amortisation expense	36		701.65
(g) Rent expense	44a		764.70
(h) Other expenses	37		1,678.27
Total expenses			<u>7,717.48</u>
V Profit/(Loss) before exceptional items and tax (III - IV)			189.52
VI Exceptional items	37a		(98.33)
VII Profit/(Loss) before Tax (V + VI)			<u>91.19</u>
VIII Income tax expense			
(a) Current tax	38		-
(b) Current tax relating to earlier years	38		-
(c) Deferred tax	38		22.19
			<u>22.19</u>
IX Profit/(Loss) for the year (VII - VIII)			<u>69.00</u>
X Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans	21		(4.30)
Income tax effect on above			1.08
Total other comprehensive income for the year			<u>(3.22)</u>
XI Total comprehensive income for the year (IX + X)			<u>65.78</u>
XII Earnings per equity share [Nominal value of share ₹ 10]	39		
Basic (₹)			0.57
Diluted (₹)			0.57
Basis of preparation	2		
The accompanying notes are an integral part of the standalone financial statements.			
As per our report of even date			
For Price Waterhouse & Co Chartered Accountants LLP		For and on behalf of the Board of Directors of	
Chartered Accountants		Aditya Birla Lifestyle Brands Limited	
ICAI Firm Registration No. 304026E/E-300009			
		SD/-	SD/-
		ASHISH DIKSHIT	VISHAK KUMAR
		(Managing Director)	(Deputy Managing Director and CEO)
		(DIN: 01842066)	(DIN: 09078653)
		Place: Mumbai	Place: Mumbai
		Date : May 23, 2025	Date : May 23, 2025
A.J. SHAIKH			
Partner			
Membership No.: 203637			
Place: Mumbai			
Date : May 23, 2025			
		SD/-	SD/-
		DHARMENDRA LODHA	RAJEEV AGRAWAL
		(Chief Financial Officer)	(Company Secretary)
			(M.No: A18877)
		Place: Mumbai	Place: Mumbai
		Date : May 23, 2025	Date : May 23, 2025

Aditya Birla Lifestyle Brands Limited						
Standalone Statement of Changes in Equity for the period ended March 31, 2025						
a. Equity share capital						
					As at March 31, 2025	
					No. of shares	₹ in Crore
Equity shares of ₹ 10 each issued						
As at the beginning of the year					-	-
Equity shares issued on incorporation of company					50,000	0.05
As at the end of the year					50,000	0.05
					As at March 31, 2025	
					No. of shares	₹ in Crore
Equity shares of ₹ 10 each subscribed and paid up						
As at the beginning of the year					-	-
Equity shares issued on incorporation of company					50,000	0.05
As at the end of the year					50,000	0.05
b. Other equity						
₹ in Crore						
	Reserves and surplus			Other comprehensive income	Total other equity	Share suspense account (Refer Note - 21)
	Retained earnings (Refer Note - 21)	Group share based payment reserve (Refer Note - 21)	Capital reserve (Refer Note - 21)	Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 21)		
As at April 1, 2024	-	-	-	-	-	-
Profit for the year	69.00	-	-	-	69.00	-
Other comprehensive income for the year	-	-	-	(3.22)	(3.22)	-
Pursuant to Composite Scheme	-	40.00	(33.68)	-	6.32	1,220.26
Capital contribution on Company share-based payment	-	1.49	-	-	1.49	-
As at March 31, 2025	69.00	41.49	(33.68)	(3.22)	73.59	1,220.26
The accompanying notes are an integral part of the standalone financial statements.						
As per our report of even date						
For Price Waterhouse & Co Chartered Accountants LLP			For and on behalf of the Board of Directors of			
Chartered Accountants			Aditya Birla Lifestyle Brands Limited			
ICAI Firm Registration No. 304026E/E-300009						
			SD/-		SD/-	
SD/-			ASHISH DIKSHIT (Managing Director) (DIN: 01842066) Place: Mumbai Date : May 23, 2025		VISHAK KUMAR (Deputy Managing Director and CEO) (DIN: 09078653) Place: Mumbai Date : May 23, 2025	
A.J. SHAIKH Partner Membership No.: 203637 Place: Mumbai Date : May 23, 2025			SD/-		SD/-	
			DHARMENDRA LODHA (Chief Financial Officer) Place: Mumbai Date : May 23, 2025		RAJEEV AGRAWAL (Company Secretary) (M.No: A18877) Place: Mumbai Date : May 23, 2025	

Aditya Birla Lifestyle Brands Limited		
Standalone Statement of Cash Flows for the period ended March 31, 2025		
	Notes	₹ in Crore Period ended March 31, 2025
Cash flows from operating activities		
Profit/(Loss) before tax		91.19
Adjustments for:		
Depreciation, impairment and amortisation expense	36 and 37a	784.47
Finance costs	35	376.95
Gain on termination of right-of-use assets (Including exceptional item)	32 and 37a	(8.93)
(Profit)/ Loss on sale/ discard of property, plant and equipment	32	(0.01)
Share-based payment	34	19.76
Interest income	32	(5.99)
Net Unrealised exchange (gain)/ loss		14.17
Interest income from financial assets at amortised cost	32	(42.10)
Provision for doubtful debts, deposits and advances	37	1.68
Bad debts written off		0.86
Operating profit before working capital changes		1,232.05
Changes in working capital:		
(Increase)/ decrease in trade receivables		(385.26)
(Increase)/ decrease in inventories		93.76
(Increase)/ decrease in other assets		58.38
Increase/ (decrease) in trade payables		166.69
Increase/ (decrease) in provisions		27.42
Increase/ (decrease) in other liabilities		(56.22)
Cash generated from/ (used) in operations		1,136.81
Income taxes paid (net of refund)		(3.59)
Net cash flows from/ (used) in operating activities		1,133.22
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets		(204.31)
(Purchase)/ proceeds from sale or redemption of current investments (net)		244.57
Proceeds from sale of property, plant and equipment and intangible assets		2.95
Interest received		6.00
Net cash flows from/ (used) in investing activities		49.21
Cash flows from financing activities		
Proceeds from issuance of equity share capital		0.05
Proceeds/ (repayments) of current borrowings (net)		(479.32)
Repayment of non-current borrowings		(11.23)
Repayment of lease liabilities		(453.25)
Interest payment on lease liabilities		(187.74)
Interest paid		(130.16)
Net cash flows from/ (used) in financing activities		(1,261.65)
Net (Decrease)/ Increase in cash and cash equivalents		(79.22)
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents acquired pursuant to Composite Scheme		132.21
Cash and cash equivalents at the end of the year	16	52.99
Components of Cash and cash equivalents		
Balances with banks - on current accounts		19.59
Balances with credit card companies		29.87
Cash on hand		0.42
Cheques/ drafts on hand		3.11
Total Cash and cash equivalents		52.99
The accompanying notes are an integral part of the standalone financial statements.		
As per our report of even date		
For Price Waterhouse & Co Chartered Accountants LLP	For and on behalf of the Board of Directors of	
Chartered Accountants	Aditya Birla Lifestyle Brands Limited	
ICAI Firm Registration No. 304026E/E-300009		
	SD/-	SD/-
SD/-	ASHISH DIKSHIT (Managing Director) (DIN: 01842066) Place: Mumbai Date : May 23, 2025	VISHAK KUMAR (Deputy Managing Director and CEO) (DIN: 09078653) Place: Mumbai Date : May 23, 2025
A.J. SHAIKH Partner Membership No.: 203637 Place: Mumbai Date : May 23, 2025	SD/-	SD/-
	DHARMENDRA LODHA (Chief Financial Officer) Place: Mumbai Date : May 23, 2025	RAJEEV AGRAWAL (Company Secretary) (M.No: A18877) Place: Mumbai Date : May 23, 2025

1. Corporate information

Aditya Birla Lifestyle Brands Limited (the “Company”), a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070.

The Company is engaged in the business of manufacturing and retailing of branded apparels/accessories and runs a chain of apparels and accessories retail stores in India.

The standalone financial statements, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors in their meeting held on May 23, 2025.

2. Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 (“the Act”) and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

2.2 Functional and Presentation Currency:

The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. (₹ 1 Crore is equal to ₹ 10 Million)

2.3 Current versus non-current classification

The Company presents assets and liabilities in the Standalone Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

2.4 Critical Accounting Judgements, Estimates And Assumptions

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next three years and next 2 years have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Company. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note – 5a

(b) Share-based payment

The Company uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Standalone Statement of Profit and Loss. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 42.

(c) Provision on inventories

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

(d) Provision for discount and sales return

The Company provides for discount and sales return based on season wise, brand wise and channel wise trend. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

(e) Leases

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

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

2.5 New and amended standards adopted by the Company:

The Ministry of Corporate Affairs has vide notification dated May 7, 2025 notified Companies (Indian Accounting Standards) Amendment Rules, 2025 (the 'Rules') which amended the following accounting standards. These amendments are effective from April 01, 2025. a) Ind AS 21, "The Effects of Changes in Foreign Exchange Rates b) Ind AS 101, First-time Adoption of Indian Accounting Standards. The above amendments are not likely to have any material impact on the financial statements of the Company.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 3a

PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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

Depreciation methods, estimated useful lives and residual value

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

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

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

(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	5 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	3 - 4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office equipment	5 years	4 - 6 years
Air conditioner (Other than retail stores)	Office equipment	5 years	15 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	5 years

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

Property, plant and equipment taken over pursuant to the Scheme of Arrangement from Aditya Birla Fashion and Retail Limited have been depreciated over their remaining estimated useful lives.

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	

Refer note 51 for other accounting policies relevant to property, plant and equipment

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025
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, 2024	-	-	-	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	5.92	44.00	297.38	201.56	55.50	264.17	27.73	26.87	923.13
Additions	-	0.18	28.96	51.62	12.17	81.64	10.09	18.28	202.94
Disposals	-	-	5.34	19.86	10.56	26.51	2.88	4.36	69.51
As at March 31, 2025	5.92	44.18	321.00	233.32	57.11	319.30	34.94	40.79	1,056.56
Depreciation									
As at April 01, 2024	-	-	-	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	-	10.30	134.23	105.80	23.57	175.20	15.30	4.60	469.00
Depreciation for the year (Refer Note: 36)	-	1.47	21.52	42.32	12.23	53.11	7.12	7.87	145.64
Disposals	-	-	4.89	19.84	10.52	26.24	2.88	1.99	66.36
As at March 31, 2025	-	11.77	150.86	128.28	25.28	202.07	19.54	10.48	548.28
Net carrying value as at:									
March 31, 2025	5.92	32.41	170.14	105.04	31.83	117.23	15.40	30.31	508.28

Net carrying value

	₹ in Crore
As at	
March 31, 2025	
Property, plant and equipment	508.28
Total	508.28

Note:-

The Company has received assets relating to Madura Fashion & lifestyle business pursuant to Composite Scheme. Tittle deeds of Property, plant and equipment are held in the name of Aditya Birla Fashion and Retail Limited (Demerged Company) (Refer note 48). Management will initiate the process to transfer these assets in the name of the Company.

NOTE: 3b
CAPITAL WORK-IN-PROGRESS

	₹ in Crore
As at	
March 31, 2025	
Capital work-in-progress	11.69
Total	11.69

Ageing of Capital work-in-progress as on March 31, 2025

	₹ 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	11.69	-	-	-	11.69
(ii) Projects temporarily suspended	-	-	-	-	-

There are no projects as at the reporting date where costs have been exceeded as compared to original plan or where completion is overdue.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 4
RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting Policy

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

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

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

Where the Company is the lessee

Right-of-use assets

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

The right-of-use asset is subsequently depreciated using the straight-line method from the lease commencement date to the end of the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Right-of-use assets taken over pursuant to the Scheme of Arrangement from Aditya Birla Fashion and Retail Limited have been depreciated over their remaining estimated useful lives.

Lease liabilities

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

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

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

The Company presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Standalone Balance Sheet.

Short-term leases and leases of low value assets

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

Where the Company is the lessor

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

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

(a) Right-of-use assets

	₹ in Crore					
	Land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Total
Cost						
As at April 01, 2024	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	10.42	2,648.24	15.60	84.96	3.49	2,762.71
Additions	-	604.48	-	4.51	-	608.99
Termination	-	511.61	-	-	-	511.61
As at March 31, 2025	10.42	2,741.11	15.60	89.47	3.49	2,860.09
Depreciation						
As at April 01, 2024	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	0.91	1,198.19	10.65	55.71	1.93	1,267.39
Depreciation for the year (Refer Note: 36)	0.13	477.79	3.09	17.35	0.68	499.04
Termination	-	429.87	-	-	-	429.87
As at March 31, 2025	1.04	1,246.11	13.74	73.06	2.61	1,336.56
Net carrying value as at:						
March 31, 2025	9.38	1,495.00	1.86	16.41	0.88	1,523.53

Note :-

The Company has received Right-of use assets relating to Madura Fashion & lifestyle business pursuant to Composite Scheme. Tittle deeds of Right-of use assets are held in the name of Aditya Birla Fashion and Retail Limited (Demerged Company) (Refer note: 48). Management will initiate the process to transfer these assets in the name of the Company.

Net carrying value

	₹ in Crore
As at	
March 31, 2025	
Right-of-use assets	1,523.53
Total	1,523.53

(b) Lease liabilities

	₹ in Crore
As at	
March 31, 2025	
Transferred pursuant to Composite Scheme (Refer Note: 48)	1,904.30
Additions	675.94
Retirements	(88.21)
Interest expense on lease liabilities	187.74
Payments	(699.51)
Closing balance	1,980.26

Note :- Lease liabilities Includes liabilities for net investment in sub-lease amounting to ₹ 263.41 crore.

Current	463.38
Non-current	1,516.88

For maturity analysis of lease liabilities, Refer Note: 43.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 5
GOODWILL AND OTHER INTANGIBLE ASSETS

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

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

Intangible assets	Useful life	Amortisation method used
Computer software	3 - 4 years	Amortised on straight-line basis
Brands/ trademarks	10 years	Amortised on straight-line basis
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement

Intangible Assets taken over pursuant to the Scheme of Arrangement from Aditya Birla Fashion and Retail Limited have been amortised over their remaining estimated useful lives.

Refer note 51 for other accounting policies relevant to Intangible Assets

	₹ in Crore					
	Goodwill	Brands/ Trademarks	Computer software	Technical know - how	Franchisee/License rights	Total
Cost						
As at April 01, 2024	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	692.05	8.46	106.75	0.43	562.37	1,370.06
Additions	-	5.31	1.44	5.93	-	12.68
Disposals	-	-	0.01	-	33.81	33.82
As at March 31, 2025	692.05	13.77	108.18	6.36	528.56	1,348.92
Amortisation						
As at April 01, 2024	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	-	6.50	59.49	0.27	59.41	125.67
Amortisation for the year (Refer Note - 36)	-	1.33	21.35	1.96	32.33	56.97
Impairment	64.38	-	-	-	18.44	82.82
Disposals	-	-	0.01	-	33.80	33.81
As at March 31, 2025	64.38	7.83	80.83	2.23	76.38	231.65
Net carrying value as at:						
March 31, 2025	627.67	5.94	27.35	4.13	452.18	1,117.27

Note:- The Company has received intangible assets relating to Madura Fashion & lifestyle business pursuant to Composite Scheme (Refer Note:48).

Net carrying value

	₹ in Crore
As at	
March 31, 2025	
Goodwill	627.67
Other intangible assets	489.60
Total	1,117.27

NOTE: 5a
IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through various business combinations have been allocated to the two Cash-Generating Units (CGUs) as below:

1. Madura Fashion & Lifestyle CGU
2. Forever 21 CGU

Goodwill relating to Madura Fashion & Lifestyle and Forever 21 undertakings were taken over pursuant to acquisition upon approval of the Scheme of Arrangement between the Company and Aditya Birla Fashion and Retail Limited by the NCLT on March 27, 2025. (Refer note 48)

Madura Fashion & Lifestyle CGU

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England and having licences to retail various international brands like Reebok, American Eagle and Simon Carter. The Madura Garments division is involved in manufacturing of garments.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

Forever 21 CGU

Forever 21 business comprises 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. 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. On the basis of evaluation, management has recognised an impairment provision of ₹ 64.38 crores on September 30, 2024.

Carrying amounts of Goodwill allocated to each of the CGUs are as below:

	₹ in Crore
	As at
	March 31, 2025
Madura Fashion & Lifestyle CGU	627.67
Forever 21 CGU	-
Total	627.67

Disclosures with respect to Goodwill allocated to the Madura Fashion & Lifestyle CGU

Value in use calculation of CGU:

The recoverable amount of the CGU as at March 31, 2025, have been determined based on value in use method using cash flow projections from financial budgets approved by senior management covering a three - year period ending March 31, 2028 and cash flow projections for financial years 2029 and 2030 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. The Company has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2030. The post-tax discount rate is applied to discounted future cash flow projections. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.

Key assumptions used for value in use calculations

Discount rates:

Discount rates represent the current market assessment of the risks specific to the 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 the CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both cost of debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings of the Company. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

	Discount Rate
	As at March 31, 2025
Madura Fashion & Lifestyle CGU	12.50%
Forever 21 CGU	NA

Pre-tax discount rate (as derived) is 15.30%.

Growth rate estimates:

Rates are based on published industry research. Growth rate is based on the Company's projection of business and growth of the industry in which the CGU is operating. The growth rate is in line with the long-term growth rate of the industry. The growth rate of the CGU considers the Company's plan to launch new stores, expected same store growth and change in merchandise.

No reasonable possible change in key assumptions are likely to result in the recoverable amount of the CGU being less than their carrying amount.

Aditya Birla Lifestyle Brands Limited

Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 6

(a) NON-CURRENT FINANCIAL ASSETS - INVESTMENT IN EQUITY OF SUBSIDIARY

	₹ in Crore
	As at
	March 31, 2025
(a) Investments in subsidiary	
Investments in subsidiaries: (Carried at cost)	
Unquoted equity instruments	
3,50,00,000 fully paid equity shares of ₹ 10/- each of Aditya Birla Garments Limited (Refer Note - 1 below)*	35.00
Total	35.00
*Transfer of 3,50,00,000 fully paid equity shares of ₹ 10/- each of Aditya Birla Garments Limited as per the Composite Scheme.	
(b) Current Investments (Carried at fair value through profit and loss (FVTPL))	
Quoted	
Investment in Mutual Fund schemes	117.18
Total	117.18
Aggregate book value of unquoted investments	35.00
Aggregate book value of quoted investments	117.18
Aggregate market value of quoted investments	117.18
Aggregate amount of impairment in value of investments	-

Notes:

1. Aditya Birla Garments Limited (ABGL), a wholly owned subsidiary of the Company was incorporated on June 15, 2022 in compliance with the requirements of 'Operational Guidelines for the Production Linked Incentive (PLI) scheme for promoting Manmade fibre and Textile segments'. The Company has committed to provide support to fund the operations of ABGL in the foreseeable future.
2. Folio of Mutual fund are held in the name of Aditya Birla Fashion and Retail Limited (Demerged Company) (refer note 48). Management will initiate the process to transfer these assets in the name of the Company.
3. The Company has received Mutual funds relating to Madura Fashion & lifestyle business pursuant to Composite Scheme.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 7

NON-CURRENT FINANCIAL ASSETS - LOANS

	₹ in Crore
	As at
	March 31, 2025
Loans to employees	
Unsecured, considered good	0.48
Total	0.48

NOTE: 8

NON-CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

	₹ in Crore
	As at
	March 31, 2025
Security deposits	
Unsecured, considered good	176.51
Unsecured, considered doubtful	0.83
Expected credit loss	(0.83)
Total	176.51

NOTE: 9

NON-CURRENT FINANCIAL ASSETS - OTHERS

	₹ in Crore
	As at
	March 31, 2025
Lease receivables (from sub-lease arrangements)	203.25
Other bank balance	
Bank deposits with more than 12 months maturity from the Balance Sheet date	0.49
Total	203.74

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025
NOTE: 10
DEFERRED TAX ASSETS (NET)
Reflected in the Standalone Balance Sheet as follows:

	₹ in Crore
	As at
	March 31, 2025
Deferred tax assets	129.91
Deferred tax assets/ (liabilities) (net)	129.91

Deferred tax assets / (liabilities) relates to the following:

	Standalone Balance Sheet		₹ in Crore
	As at		Standalone Statement of
	As at	April 01, 2024 Transferred	Profit and Loss
	March 31, 2025	pursuant to Composite	Period ended
		Scheme (Refer note 48)	March 31, 2025
Difference between carrying amount of property, plant and equipment and intangible assets and their tax base	(61.91)	(93.90)	(31.99)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	37.73	33.95	(3.78)
Share-based payment	9.22	9.89	0.67
Business and depreciation loss as per income tax computations available for off-set against future taxable income	55.95	124.84	68.89
<u>Impact of Ind AS</u>			
a) ROU assets - Ind AS 116	(383.47)	(407.80)	(24.33)
b) lease liabilities - Ind AS 116	498.43	512.74	14.31
c) Others	(33.84)	(36.64)	(2.80)
Others	7.80	7.94	0.14
Net deferred tax assets/ (liabilities)	129.91	151.02	21.11

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

	₹ in Crore
	As at
	March 31, 2025
Transferred pursuant to Composite Scheme (Refer Note: 48)	151.02
Deferred tax (credit) / charge recognised in profit and loss during the year (Refer Note - 38)	(22.19)
Deferred tax (credit) / charge recognised in OCI during the year (Refer Note - 38)	1.08
As at the end of the year	129.91

Note:-

(i) Deferred tax assets, being the differences between carrying amount and tax bases of assets and liabilities, have been determined and taken over on April 01, 2024. Business and depreciation losses have been apportioned to the Company in accordance with the requirements of Section 72A(4) of the Income Tax Act, 1961.

(ii) Unabsorbed depreciation does not have any expiry period.

(iii) Corporate tax rate considered for arriving at the above amounts is 25.17% .

NOTE: 11
OTHER NON-CURRENT ASSETS

	₹ in Crore
	As at
	March 31, 2025
Capital advances	2.65
Prepayments	5.51
Balances with government authorities (other than income tax)	33.75
Other receivables	11.84
Total	53.75

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

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 51 for other accounting policies relevant to inventories

	₹ in Crore
	As at
	March 31, 2025
<i>At lower of cost and net realisable value</i>	
Raw materials	233.07
Includes Goods-in-transit ₹ 27.57 Crore	
Work-in-progress	20.22
Finished goods	467.92
Stock-in-trade	1,379.15
Includes Goods-in-transit ₹ 63.19 Crore	
Stores and spares	2.09
Packing materials	5.07
Total	2,107.52

During the year ended March 31, 2025 ₹ Nil is recognised as reversal of provision for obsolescence of inventories carried at net realisable value.

NOTE: 13
CURRENT FINANCIAL ASSETS - LOANS

	₹ in Crore
	As at
	March 31, 2025
Loans and advances to employees	
Unsecured, considered good	5.74
Total	5.74

NOTE: 14
CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

	₹ in Crore
	As at
	March 31, 2025
Security deposits	
Unsecured, considered good	100.13
Unsecured, considered doubtful	7.58
Expected credit loss	(7.58)
Total	100.13

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 15
TRADE RECEIVABLES

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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

	₹ in Crore
	As at
	March 31, 2025
Trade receivables from others	1,204.21
Trade receivables from related parties (Refer Note - 45)	151.34
	1,355.55
Less: Loss Allowances	(30.07)
Total	1,325.48

Break-up for security details:

	₹ in Crore
	As at
	March 31, 2025
Trade receivables	
Secured, considered good	90.47
Unsecured, considered good	1,265.08
	1,355.55

Ageing of Trade Receivables:

	₹ in Crore					
	Outstanding as on March 31, 2025 (for following periods from due date of payment)					
Particulars	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	1,107.10	110.30	84.18	28.52	-	-
(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	-	-	-	0.43	0.59	7.50
Undisputed	-	-	1.50	3.47	3.46	8.50
(ix) Provision on Trade Receivables assessed on individual basis	-	-	-	-	-	-
(x) Expected credit loss	-	-	-	-	-	-
Total	1,107.10	110.30	85.68	32.42	4.05	16.00

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

For terms and conditions relating to related party receivables, refer Note - 45.

Trade receivables are generally non-interest bearing and the credit period generally between 30 to 180 days.

Based on the risk profiling for each category of customer, the Company has not evaluated credit risk where the risk is mitigated by collateral. The Company has therefore evaluated credit risk for departmental, depletion, e-commerce b2b, e-commerce b2c, export and trade customers. The Company follows the simplified approach method for computing the expected credit loss. Additionally, specific provisions are considered taking into account customer related specific information over and above probability of default (PD). Provision matrix takes into account historical credit loss experience adjusted for forward-looking estimates and macro-economic factors. The expected credit loss allowance is based on the ageing of the receivables and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

	₹ in Crore		
	Expected credit loss (%)		
	As at March 31, 2025		
	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	0.00%	0.00%	0.52%
0-90 days	0.00%	0.00%	0.60%
91-180 days	0.00%	0.00%	0.74%
181-365 days	0.00%	0.00%	0.80%
1-2 years	0.00%	0.00%	0.93%
2-3 years	0.00%	0.00%	1.03%

Ageing of receivables on which impairment allowance of doubtful debts is applied

	₹ in Crore		
	As at March 31, 2025		
	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	-	-	521.34
0-90 days	-	-	30.93
91-180 days	-	-	12.77
181-365 days	-	-	6.43
1-2 years	-	-	7.54
2-3 years	-	-	2.54
Total	-	-	581.55

Impact is considered to be immaterial

Movement in the expected credit loss allowance

	₹ in Crore
	As at
	March 31, 2025
Transferred pursuant to Composite Scheme (Refer Note: 48)	30.19
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	-
Specific provision made/ (reversed)	(0.12)
As at the end of the year	30.07

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 16

CASH AND CASH EQUIVALENTS

	₹ in Crore
	As at
	March 31, 2025
Balances with banks	
Current accounts	19.59
Balances with credit card companies	29.87
Cash on hand	0.42
Cheques/ drafts on hand	3.11
Total	52.99

Net debt reconciliation:

As at March 31, 2025

	₹ in Crore				
	Transferred pursuant to Composite Scheme (Refer Note: 48)	Cash flows (net)	Non-cash changes Fair value adjustments	Others	As at March 31, 2025
Investing activities					
Cash and cash equivalents	132.21	(79.22)	-	-	52.99
Current investments	361.75	244.57	-	(489.14)	117.18
Total (a)	493.96	165.35	-	(489.14)	170.17
Financing activities					
Non-current borrowings	1.99	(11.23)	-	10.28	1.04
Current borrowings (including current maturities of non-current borrowings)	1,339.78	(479.32)	-	(10.28)	850.18
Lease liabilities	1,904.30	(640.99)	-	716.95	1,980.26
Total (b)	3,246.07	(1,131.54)	-	716.95	2,831.48
Net debt (b-a)	2,752.11	(1,296.89)	-	1,206.09	2,661.31

NOTE: 17

BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	₹ in Crore
	As at
	March 31, 2025
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)	0.07
Total	0.07

NOTE: 18

CURRENT FINANCIAL ASSETS - OTHERS

	₹ in Crore
	As at
	March 31, 2025
Other receivables	15.90
Lease receivables (from sub-lease arrangements)	60.16
Total	76.06

NOTE: 19

OTHER CURRENT ASSETS

	₹ in Crore
	As at
	March 31, 2025
Prepayments	22.95
Advance to suppliers	107.92
Export incentives	3.59
Balances with government authorities (other than income tax)	168.59
Government grant receivables	1.24
Right to return assets	296.72
Other receivables	15.64
Total	616.65

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 20

EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2025	
	No. of shares	₹ in Crore
Equity share capital		
As at the beginning of the year	-	-
Increase during the year	50,000	0.05
As at the end of the year	50,000	0.05

Issued equity share capital

	As at March 31, 2025	
	No. of shares	₹ in Crore
As at the beginning of the year	-	-
Equity shares issued on incorporation of Company	50000	0.05
As at the end of the year	50,000	0.05

Subscribed and paid-up equity share capital

	As at March 31, 2025	
	No. of shares	₹ in Crore
As at the beginning of the year	-	-
Equity shares issued on incorporation of Company	50000	0.05
As at the end of the year	50,000	0.05

(i) Shares held by Promoters :

Shares held by Promoters as at March 31, 2025		
Promoter name	No. of Shares	% of total shares
Aditya Birla Fashion and Retail Limited	50,000	100.00
Total	50,000	100.00

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

Name of the shareholder	As at March 31, 2025	
	No. of shares held	% of paid-up share capital
Aditya Birla Fashion and Retail Limited	50,000	100.00

(iv) Shares reserved for issue under Employee Stock Option Plan

No shares have been reserved for issue under the Employee Stock Option Plan (ESOP) of the Company.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 21
OTHER EQUITY

	₹ in Crore
	As at
	March 31, 2025
Share suspense account	
As at the beginning of the year	-
Pursuant to Composite Scheme	1,220.26
As at the end of the year	<u>1,220.26</u>
Reserves and surplus	
Retained earnings	
As at the beginning of the year	-
Profit/(Loss) for the period	69.00
As at the end of the year	<u>69.00</u>
Group share options outstanding account	
As at the beginning of the year	-
Pursuant to Composite Scheme	40.00
Share based payment expense	1.49
As at the end of the year	<u>41.49</u>
	₹ in Crore
	As at
	March 31, 2025
Capital reserve	
As at the beginning of the year	-
Pursuant to Composite Scheme	(33.68)
As at the end of the year	<u>(33.68)</u>
Other comprehensive income	
Remeasurement gains/ (losses) on defined benefit plans	
As at the beginning of the year	-
Gains/ (losses) during the period	(3.22)
As at the end of the year	<u>(3.22)</u>
Total	<u>1,293.85</u>
Other equity	
	₹ in Crore
	As at
	March 31, 2025
Share suspense account	1,220.26
Reserves and surplus	
Retained earnings	69.00
Group share options outstanding account	41.49
Capital reserve	(33.68)
Other comprehensive income	
Remeasurement gains/ (losses) on defined benefit plans	(3.22)
Total	<u>1,293.85</u>

The description of the nature and purpose of each reserve within other equity is as follows:

1. Share suspense account

Share suspense is created for the net assets transferred pursuant to the Composite Scheme against which equity shares will be issued and the balance has been transferred to Capital reserve.

2. Retained earnings

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

3. Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in Standalone Statement of Profit and Loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

4. Capital reserve

This reserve is created against the difference in the net assets transferred and issuance of equity share capital in effect to the Composite Scheme. The reserve will be utilised in accordance with the provision of the Act.

5. Remeasurement gains/ (losses) on defined benefit plans

The cumulative balances of gains/ (losses) arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in remeasurement gains/ (losses) reserve will not be reclassified subsequently to Standalone Statement of Profit and Loss.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025
NOTE: 22
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	Effective interest rate	Maturity	As at March 31, 2025
	% p.a.		₹ in Crore
Term loan from others			
Other borrowings (Unsecured) ¹	8.00% - 14.37%	June 30, 2026	0.49
Preference shares			
Cumulative redeemable preference shares	8.00%	March 26, 2029	0.55
Total			1.04

Current maturities of long-term borrowings

	Effective interest rate	Maturity	As at March 31, 2025
	% p.a.		₹ in Crore
Current maturities of long-term borrowings (included in current borrowings)			
Redeemable non-convertible debentures - Series 9 (Unsecured)*	7.97%	January 29, 2026	499.28
Other borrowings (Unsecured) ¹	8.00% - 14.37%	June 30, 2026	1.43
Total (included in Current Borrowings)			500.71

*Net off unamortised charges

Aggregate secured borrowings

Aggregate unsecured borrowings

-

501.75

Note:-

(i) The borrowings above have been transferred to the Company pursuant to Scheme of Arrangement approved between the Company and Aditya Birla Fashion and Retail Limited which has been approved by NCLT on March 27, 2025. The management will initiate the process to assign these borrowings from Aditya Birla Fashion and Retail Limited to the Company.

(ii) The Company has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings.

Details of security and terms of repayment

1. Loans amounting to ₹ 1.92 Crore is repayable in monthly instalments till June 2026.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 23
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

	₹ in Crore
	As at
	March 31, 2025
Liability towards license rights	518.08
Total	518.08

NOTE: 24
NON-CURRENT PROVISIONS

	₹ in Crore
	As at
	March 31, 2025
Employee benefit obligation	
Provision for gratuity (Refer Note - 41)	9.87
Stock Appreciation Rights (SAR)	12.33
Total	22.20

NOTE: 25
OTHER NON-CURRENT LIABILITIES

	₹ in Crore
	As at
	March 31, 2025
Deferred income	19.53
Total	19.53

NOTE: 26
CURRENT - BORROWINGS

	₹ in Crore
	As at
	March 31, 2025
Loans repayable on demand from banks	
Cash credit/ Working capital demand loan (Unsecured)	349.47
Current maturities of long term borrowings (Refer Note - 22)	500.71
Total current borrowings	850.18
Aggregate secured borrowings	-
Aggregate unsecured borrowings	850.18

Note: The borrowings above have been transferred to the Company pursuant to Scheme of Arrangement agreed by NCLT between the Company and Aditya Birla Fashion and Retail Limited ('ABFRL') on March 27, 2025. These borrowings were entered into between the Lenders and ABFRL. The Management will initiate process to assign these borrowings from ABFRL to the Holding Company or its Subsidiary.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 27
TRADE PAYABLES

	₹ in Crore
	As at
	March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	88.85
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,029.42
Total	2,118.27

*Includes payables to related parties (Refer Note: 45).

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

	₹ in Crore
	As at
	March 31, 2025
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*	101.57
Interest due on the above	0.24
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	55.12
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	1.64
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	1.87
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.01

* Includes amount due to creditors for capital supplies/ services amounting to ₹ 12.96 Crore as at March 31, 2025 .

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors.

Ageing of Trade Payables:

	₹ in Crore					
Particulars	Outstanding as on March 31, 2025 (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	84.32	4.05	-	0.00	0.03	88.40
(ii) Others	971.15	973.44	65.80	4.97	12.52	2,027.88
(iii) Disputed dues – MSME	-	-	0.42	-	0.03	0.45
(iv) Disputed dues – Others	0.00	0.01	0.45	0.00	1.08	1.54

NOTE: 28
CURRENT FINANCIAL LIABILITIES - OTHERS

	₹ in Crore
	As at
	March 31, 2025
Interest accrued but not due on borrowings	6.41
Creditors for capital supplies/ services (including dues to micro and small enterprises)	24.77
Derivative contracts	4.96
Employee Payable	102.62
Liability towards license rights	1.41
Total	140.17

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 29

CURRENT PROVISIONS

	₹ in Crore
	As at
	March 31, 2025
Employee benefit obligation	
Provision for compensated absences	57.27
Stock Appreciation Rights (SAR)	33.54
Provision for pending litigations (Refer Note: 44)	50.02
Total	140.83

Movement of provision for pending litigations during the period:

	₹ in Crore
	As at
	March 31, 2025
Transferred pursuant to Composite Scheme (Refer Note: 48)	53.09
Add: provision made during the period	0.78
Less: provision utilised during the period	(3.03)
Less: provision reversed during the period	(0.82)
Closing balance	50.02

NOTE: 30

OTHER CURRENT LIABILITIES

	₹ in Crore
	As at
	March 31, 2025
Advances received from customers	25.36
Deferred revenue*	6.37
Other advances received	0.15
Statutory dues (other than income tax)	36.36
Refund liabilities	499.11
Total	567.35

*** Deferred revenue**

	₹ in Crore
	As at
	March 31, 2025
Transferred pursuant to Composite Scheme (Refer Note: 48)	5.55
Deferred during the period	46.29
Released to the Standalone Statement of Profit and Loss	(45.47)
As at the end of the year	6.37

The deferred revenue relates to the accrual and release of customer loyalty points according to the loyalty programme announced. As at March 31, 2025, the estimated liability towards unredeemed points amounts to ₹ 6.37 Crore.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 31
REVENUE FROM OPERATIONS

Accounting Policy

(I) Revenue from contracts with customers

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

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue from sale of products

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

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

Assets and liabilities arising from right to return

The Company has contracts with customers which entitles them an unconditional right to return.

Right to return assets

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

Refund liabilities

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

The Company has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Income from gift voucher

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

Loyalty points programme

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

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

Income from services

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

Export incentives income

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

Licence fees and royalties

Royalty and licensing revenue is received from customers for usage of the Company's brand name. Revenue is recognised over time based on the terms of contracts with the customer

Commission income

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

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 31
REVENUE FROM OPERATIONS

	₹ in Crore
	Period ended March 31, 2025
Revenue from sale of products	
Sale of products	7,747.46
Revenue from redemption of loyalty points (Refer Note: 30)	45.47
Total revenue from sale of products	7,792.93
Revenue from rendering of services	15.47
Other operating income	
Scrap sales	2.13
Export incentives	8.60
Licence fees and royalties	10.56
Commission income	0.04
Total	7,829.73

(a) Right to return assets and refund liabilities:

	₹ in Crore
	As at March 31, 2025
Right to return assets	296.72
Refund liabilities	499.11

(b) Contract balances:

	₹ in Crore
	As at March 31, 2025
Contract assets	
Trade receivables	1,325.48
Contract Liabilities	
Advances received from customers	25.36
Deferred revenue	6.37

(c) Reconciliation of revenue as recognised in the Standalone Statement of Profit and Loss with the contracted price:

	₹ in Crore
	Period ended March 31, 2025
Revenue as per contracted price	9,762.70
Less:	
Sales return	1,267.02
Discounts	659.58
Loyalty points	6.37
Revenue as per the Standalone Statement of Profit and Loss	7,829.73

Aditya Birla Lifestyle Brands Limited

Notes to the Standalone financial statements for the period ended March 31, 2025

(d) Disclosure of disaggregated revenue recognised in the Standalone Statement of Profit and Loss:

	₹ in Crore
	Period ended March 31, 2025
Revenue from retail operations	4,499.03
Revenue from non-retail operations	3,330.70
	7,829.73
Revenue as per the Standalone Statement of Profit and Loss	7,829.73

(e) Disclosure of disaggregated revenue recognised in the Standalone Statement of Profit and Loss based on geographical location of customers:

	₹ in Crore
	Period ended March 31, 2025
Revenue from customers outside India	180.06
Revenue from customers within India	7,649.67
Revenue as per the Standalone Statement of Profit and Loss	7,829.73

NOTE: 32

OTHER INCOME

	₹ in Crore
	Period ended March 31, 2025
Profit on sale of property, plant and equipment	0.01
Interest income	5.99
Interest income from financial assets at amortised cost	44.68
Gain on retirement of right-of-use assets (Refer Note: 43a)	6.99
Miscellaneous income	19.60
Total	77.27

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 33
COST OF MATERIALS CONSUMED

	₹ in Crore
	Period ended March 31, 2025
(a) Materials consumed	
Inventories at the beginning of the year	186.09
Add: Purchases	1,055.89
	1,241.98
Less: Inventories at the end of the year	233.07
Total	1,008.91
(b) Purchase of stock-in-trade	
Purchase of stock-in-trade	2,146.68
Total	2,146.68
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	
Opening inventories	
Finished goods	419.01
Stock-in-trade	1,568.20
Work-in-progress	20.49
	2,007.70
Less:	
Closing inventories	
Finished goods	467.92
Stock-in-trade	1,379.15
Work-in-progress	20.22
	1,867.29
(Increase)/Decrease in inventories	140.41

Aditya Birla Lifestyle Brands Limited

Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 34

EMPLOYEE BENEFITS EXPENSE

	₹ in Crore
	Period ended March 31, 2025
Salaries, wages and bonus	771.93
Contribution to provident and other funds (Refer Note: 41)	53.41
Share-based payment to employees (Refer Note: 42)	19.76
Gratuity expense (Refer Note: 41)	12.22
Staff welfare expenses	42.59
Total	899.91

NOTE: 35

FINANCE COSTS

	₹ in Crore
	Period ended March 31, 2025
Interest expense on borrowings	94.19
Interest on deposit	42.05
Interest expense on lease liabilities (Refer Note: 4b & 43a)	187.74
Fair value impact on financial instruments at FVTPL	52.97
Total	376.95

NOTE: 36

DEPRECIATION AND AMORTISATION EXPENSE

	₹ in Crore
	Period ended March 31, 2025
Depreciation on property, plant and equipment (Refer Note: 3a)	145.64
Depreciation on right-of-use assets (Refer Note: 4a & 43a)	499.04
Amortisation on intangible assets (Refer Note: 5)	56.97
Total	701.65

Aditya Birla Lifestyle Brands Limited**Notes to the Standalone financial statements for the period ended March 31, 2025****NOTE: 37****OTHER EXPENSES**

	Period ended March 31, 2025
Consumption of stores and spares	6.25
Power and fuel	15.65
Electricity charges	71.23
Repairs and maintenance	
Buildings	0.01
Plant and machinery	0.71
Others	165.10
Insurance	6.54
Rates and taxes	15.05
Processing charges	78.45
Commission to selling agents	92.86
Advertisement and sales promotion	258.40
Transportation and handling charges	120.94
Royalty expenses	14.10
Legal and professional	97.81
Bad debts written off	0.86
Provision for bad and doubtful deposits and advances	1.68
Printing and stationery	9.27
Travelling and conveyance	85.29
Bank and credit card charges	31.43
Payment to auditors (Refer details below)	1.51
Postage expenses	6.67
Foreign exchange loss (net)	16.10
Information technology	109.34
Outsourcing, housekeeping and security	429.94
Miscellaneous	43.08
Total	1,678.27

Payment to auditors:

	Period ended March 31, 2025
For audit fees (including Limited Review fees)	1.20
For tax audit fees	0.15
For other services	0.04
For reimbursement of expenses	0.12
Total	1.51

NOTE: 37a**EXCEPTIONAL ITEMS**

Exceptional items for the period ended March 31, 2025 includes 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.

Aditya Birla Lifestyle Brands Limited
Notes to the Standalone financial statements for the period ended March 31, 2025

NOTE: 38

INCOME TAX EXPENSE

The major components of income tax (income)/ expense are:

In Standalone Statement of Profit and Loss:

Profit or loss section

		₹ in Crore
		Period ended March 31, 2025
Current income tax		
Current income tax charge		-
Current tax relating to earlier years		-
	(A)	-
Deferred tax charge / (credit)		
Relating to origination and reversal of temporary differences		22.19
	(B)	22.19
Total	(A+B)	22.19

In Other Comprehensive Income (OCI)

Deferred tax related to items recognised in OCI during the year

		₹ in Crore
		Period ended March 31, 2025
Deferred tax charge/ (credit) on:		
Net (gains)/ losses on re-measurement of defined benefit plans		(1.08)
Net (gains)/ losses on fair value of equity instruments		-
Total		(1.08)

Reconciliation of tax (income)/ expense and the accounting profit/ (loss) multiplied by India's domestic tax rate

		₹ in Crore
		Period ended March 31, 2025
Accounting Profit/(Loss) before income tax		91.19
Tax expense/ (income) at statutory income tax rate of 25.17%		22.95
Reconciling items:		
Expenses disallowed for tax purposes		0.47
Others		(1.23)
Income tax expenses/ (income) as per Statement of Profit and Loss Account		22.19

NOTE: 39

EARNINGS PER SHARE (EPS)

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

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
		Period ended March 31, 2025
Earnings Per Share (EPS) is calculated as under:		
Profit / (Loss) as per the Statement of Profit and Loss		69.00
Profit/(Loss) for calculation of EPS	(A)	69.00
Weighted average number of equity shares for calculation of Basic EPS	(B)	1,22,02,60,946
Profit / (Loss) per share - basic (₹)	(A/B)	0.57
Weighted average number of equity shares outstanding		1,22,02,60,946
Weighted average number of potential equity shares		-
Weighted average number of equity shares for calculation of Diluted EPS		1,22,02,60,946
Diluted EPS (₹)	(C)	0.57
Nominal value of shares (₹)		10.00

* Includes equity shares under Share suspense which will be issued pursuant to Composite scheme and excludes shares (50,000) which is currently issued to Aditya Birla Fashion and Retail Limited.

Aditya Birla Lifestyle Brands Limited**Notes to the standalone financial statements for the period ended March 31, 2025****NOTE - 40****DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON**

Requirements of Section 135 of the Companies Act, 2023 are not applicable to the Company during the period ended March 31, 2025.

NOTE - 41**GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

The Company operates a gratuity plan through a Trust wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service as per the Payment of Gratuity Act, 1972. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The benefits are payable on termination of service or retirement, whichever is earlier. The benefits vests after five years of continuous service. A part of the gratuity plan is funded and another part is unfunded, hence the liability has been bifurcated into funded and unfunded. The gratuity plan in the Company funded through annual contribution to Insurer Managed Fund (managed by Life Insurance Corporation of India) under its Gratuity Scheme. Post demerger Management will initiate appropriate steps towards transferring of the said fund maintained with LIC in the name of Company.

The Company has contributed to the Insurer Managed Fund (managed by Life Insurance Corporation of India), details of which is available in the table of Investment pattern of plan assets.

The following tables summarise the components of net benefit expense recognised in the Standalone Statement of Profit and Loss and Standalone Balance Sheet.

Net benefit expense recognised through the Standalone Statement of Profit and Loss

	₹ in Crore
	Period ended
	March 31, 2025
Current service cost	11.86
Interest cost on defined benefit obligation	5.57
Interest income on plan assets	(5.21)
	12.22

Aditya Birla Lifestyle Brands Limited

Notes to the standalone financial statements for the period ended March 31, 2025

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, 2025
Opening defined benefit obligation	-
Transfer pursuant to Composite Scheme (Refer note: 48)	77.51
Current service cost	11.86
Interest cost on defined benefit obligation	5.57
Actuarial (gain)/ loss on account of:	
Changes in financial assumptions	3.58
Experience adjustments	0.93
Actuarial (gain)/ loss recognised in OCI	4.51
Benefits paid	(6.36)
Addition/ (deletion) due to transfer of employees	(0.26)
Closing defined benefit obligation	92.83

(ii) Change in fair value of plan assets

	₹ in Crore
	As at
	March 31, 2025
Opening fair value of the plan assets	-
Transfer pursuant to Composite Scheme (Refer note: 48)	72.27
Contributions by the employer	5.27
Interest income on plan assets	5.21
Actuarial gain/ (loss) recognised in OCI	
Actual returns on plan assets excluding amounts included in net interest	0.21
Closing fair value of the plan assets	82.96

Amounts recognised in the Standalone Balance Sheet

	₹ in Crore
	As at
	March 31, 2025
Present value of the defined benefit obligation at the end of the year:	
Funded	92.83
Fair value of plan assets	82.96
Net liability/ (asset)	9.87
Net liability is classified as follows:	
Current	-
Non-current	9.87
Net liability - Funded	9.87

Aditya Birla Lifestyle Brands Limited
Notes to the standalone financial statements for the period ended March 31, 2025

The principal assumptions used in determining gratuity liability for the Company are shown below:

	As at March 31, 2025
Discount rate	6.70%
Salary escalation rate	
Management	8.00%
Staff	7.00%
Workers	5.00%

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, 2025	
	0.50% increase	0.50% decrease
Discount rate Increase/ (Decrease) in DBO (₹ in Crore)	(3.66)	3.93
Salary escalation rate Increase/ (Decrease) in DBO (₹ in Crore)	3.91	(3.68)

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 using the 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.

The maturity profile of the defined benefit obligation are as follows:

	₹ in Crore March 31, 2025
Within the next 12 months (next annual reporting period)	11.05
Between 2 and 5 years	35.74
Between 6 and 10 years	38.34
Beyond 10 years	97.52
Total	182.65

The Company is expected to contribute ₹ 24.03 Crore to the gratuity fund during the year ended March 31, 2026.

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years.

Risk exposure

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

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans. These are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimise risk to an acceptable level.
Inflation Risk	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life Expectancy	The pension plan provides benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Aditya Birla Lifestyle Brands Limited**Notes to the standalone financial statements for the period ended March 31, 2025****Defined contribution plans**

Provident Fund: Contributions are made mainly to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Employees' State Insurance: Employees' State Insurance is a state plan applicable to employees of the Company whose salaries do not exceed a specified amount. The contributions are made on the basis of a percentage of salary to a fund administered by government authority. The obligation of the Company is limited to the extent of contributions made on a monthly basis.

Superannuation Fund: Certain executive staff of the Company participate in Superannuation Fund, which is a voluntary contribution plan.

The Company has no further obligations to the plan beyond its monthly contributions to the Superannuation Fund, the corpus of which is administered by a Trust belonging to demerged company and is invested in insurance products.

National Pension Scheme: Certain executive staff of the Company participate in National Pension Scheme, which is a voluntary contribution plan. The Company has no further obligations to the plan beyond its monthly contributions to a fund administered by a pension fund manager appointed by Pension Fund Regulatory and Development Authority.

Amount recognised as an expense and included in Note - 34 as "Contribution to provident and other funds"

	₹ in Crore
	Period ended
	March 31, 2025
Contribution to Government Provident Fund	38.09
Contribution to Employee Pension Scheme (EPS)	5.97
Contribution to Employee State Insurance (ESI)	6.67
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	0.12
Contribution to Superannuation Fund	0.60
Contribution to Labour Welfare Fund (LWF)	0.09
Contribution to National Pension Scheme (NPS)	1.87
Total	53.41

Note:

1. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.

NOTE- 42

SHARE-BASED PAYMENT

The expense recognised for employee services received during the year is shown in the following table:

	₹ in Crore
	Period ended March 31, 2025
Expense arising from equity-settled share-based payment transactions	1.49
Expense arising from cash-settled share-based payment transactions	18.27
Total	19.76

I. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017

On July 25, 2017, the Nomination and Remuneration Committee ("NRC") and the Board of Directors ("Board") of Aditya Birla Fashion and Retail Limited ('ABFRL') approved the introduction of a Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees, subject to the approval of the Shareholders. Shareholders of ABFRL, 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.

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to ESOPs issued by ABFRL.

i) Details of the grants under Scheme 2017 are below :-

	Options	RSUs
No. of Options/ RSUs	13,71,591	5,19,574
Method of accounting	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Bullet vesting at the end of 3 rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 08, 2017 onwards	September 08, 2017 Onwards
Grant/ exercise price (₹ per share)	150.80 to 178.30	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 147.70 to 176.40 NSE - 147.10 to 176.50	BSE - 147.70 to 176.40 NSE - 147.10 to 176.50
Method of settlement	Equity	Equity

ii) Movement of Options and RSUs granted

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the current year:

	As at March 31, 2025			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	-		-	
Transfer pursuant to Composite Scheme	3,88,363	164.23	84,976	10.00
Granted during the financial year	-	-	-	
Exercised during the financial year [^]	(1,79,903)	177.56	(6,070)	10.00
Lapsed during the financial year	(22,509)	178.30	-	
Outstanding at the end of the financial year	1,85,951	178.30	78,906	10.00
Unvested at the end of the financial year	-		-	
Exercisable at the end of the financial year	1,85,951	177.98	78,906	10.00

[^]The weighted average share price at the date of exercise of these Options and RSUs was ₹310.04 per share and ₹240.75 per share respectively.

The weighted average remaining contractual life for the share Options and RSUs outstanding as at March 31, 2025 is 1 year.

II. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019

On July 26, 2019, the Nomination and Remuneration Committee and the Board of Directors ("Board") of ABFRL, approved introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019"), for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees.

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to ESOPs issued by ABFRL.

i) Details of the grants under Scheme 2019

	Options	RSUs
No. of Options/ RSUs	21,74,990	5,65,591
Method of accounting	Fair value	Fair value
Vesting plan	Graded and Bullet vesting over/ at the end of 2 to 3 years	Bullet vesting at the end of 3 rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting
Grant date	December 02, 2019 Onwards	December 02, 2019 Onwards
Exercise price (₹ per share)	164.10 to 330.75	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 163.85 to 338.00 NSE - 163.80 to 337.55	BSE - 163.85 to 338.00 NSE - 163.80 to 337.55
Method of settlement	Equity	Equity

ii) Movement of Options and RSUs granted are below :

The following table illustrates the number and weighted average exercise prices of, and movements in, share options and RSUs during the year:

	As at March 31, 2025			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	-	-	-	-
Transfer pursuant to Composite Scheme	14,78,113	209.50	2,47,625	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year ^a	(1,47,897)	188.40	(64,821)	10.00
Lapsed during the financial year	(1,17,893)	229.28	-	-
Outstanding at the end of the financial year	12,12,323	217.76	1,82,804	10.00
Unvested at the end of the financial year	1,30,324	-	77,779	-
Exercisable at the end of the financial year	10,81,999	211.98	1,05,025	10.00

^aThe weighted average share price at the date of exercise of these Options was ₹294.22 per share and RSU was ₹311.06 per share.

The weighted average remaining contractual life for the share Options and RSUs outstanding as at March 31, 2025 is 3 years.

I. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019

On February 04, 2019, the NRC and the Board of ABFRL, at their respective meetings had approved the "Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019" ("SARs Scheme 2019"), to grant Stock Appreciation Rights (SAR) in the form of "Option SARs" and "RSU SARs", from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to SARs issued by ABFRL.

i) The details of the Plan are as below:

Details of SARs are below :

	Option SARs	RSU SARs
No. of SARs	13,26,879	6,19,164
Method of accounting	Fair value	Fair value
Vesting plan	May 16, 2019 onwards and graded vesting	Bullet vesting
Exercise period	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019 Onwards	May 15, 2019 Onwards
Grant price (₹ per share)	178.30 to 330.75	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 to 338.00 NSE - 192.80 to 337.55	BSE - 192.45 to 338.00 NSE - 192.80 to 337.55
Method of settlement	Cash	Cash

ii) Movement of SARs granted are below:

The following table illustrates the number and weighted average exercise prices of, and movements in, Option SARs during the year:

	As at March 31, 2025			
	No. of Option SARs	Weighted average exercise price (₹ per share)	No. of RSU SARs	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	-	-	-	-
Transfer pursuant to Composite Scheme	11,01,332	281.70	5,40,391	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year ^a	(1,61,531)	216.09	(50,579)	10.00
Lapsed during the financial year	(2,19,222)	234.80	(20,633)	-
Outstanding at the end of the financial year	7,20,579	238.26	4,69,179	10.00
Unvested at the end of the financial year	3,16,305	-	2,48,206	-
Exercisable at the end of the financial year	4,04,274	228.06	2,20,973	10.00

^aThe settlement happens net of exercise price and the weighted average share price at the date of exercise of these Option SAR and RSUs was ₹318.58 per share and ₹318.04 per share respectively.

The weighted average remaining contractual life for SAR options outstanding as at March 31, 2025 is 2 years and for SAR RSUs outstanding as at March 31, 2025, is 3 years

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.

Aditya Birla Lifestyle Brands Limited
Notes to the standalone financial statements for the period ended March 31, 2025
II. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2024

On August 04, 2024, the NRC and the Board of ABFRL, at their respective meetings had approved the “Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2024” (“SARs Scheme 2024”), to grant Stock Appreciation Rights (SARs) in the form of “Option SARs” and “RSU SARs”, from time to time, to the eligible employees (as defined in the SARs Scheme 2024).

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to SARs issued by ABFRL.

i) The details of the Plan are as below:

	Option SARs	RSU SARs
No. of SARs	18,13,089	5,78,610
Method of accounting	Fair value	Fair value
Vesting plan	Graded vesting over 2 to 3 years	Bullet Vesting at the end 2 to 3 years
Exercise period	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 07, 2024 onwards	August 07, 2024 Onwards
Grant price (₹ per share)	248.55 to 318.90	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 242.15 to 323.90 NSE - 242.30 to 323.05	BSE - 242.15 to 323.90 NSE - 242.30 to 323.05
Method of settlement	Cash	Cash

ii) Movement of SARs granted are below:

The following table illustrates the number and weighted average exercise prices of, and movements in, SARs during the year:

	As at March 31, 2025			
	No. of Option SARs	Weighted average exercise price (₹ per share)	No. of RSU SARs	Weighted average exercise price (₹ per share)
Option SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	18,13,089	317.93	5,78,610	10.00
Exercised during the financial year [^]	-	-	-	-
Lapsed during the financial year	(64,534)	318.90	(16,720)	10.00
Outstanding at the end of the financial year	17,48,555	318.90	5,61,890	10.00
Unvested at the end of the financial year	17,48,555	318.90	5,61,890	10.00
Exercisable at the end of the financial year	-	-	-	-

[^]The settlement happens net of exercise price.

iii) The following table lists the inputs to the model used for SARs as on grant date during the year:

	Options	RSUs
Expected dividend yield (%)	Nil	Nil
Expected volatility (%)	36.62 to 40.35	36.67 to 43.92
Risk-free interest rate (%)	6.77 to 6.94	6.82 to 6.97
Weighted average fair value per SAR (₹)	71.73 to 120.71	211.55 to 271.34
Model used	Binomial model	Binomial model

The weighted average remaining contractual life for the SAR options and SAR RSUs outstanding as at March 31, 2025, is 3 years.

Aditya Birla Lifestyle Brands Limited

Notes to the standalone financial statements for the period ended March 31, 2025

NOTE - 43

COMMITMENTS AND CONTINGENCIES

a) Leases

Lease commitments as lessee

The Company has entered into agreements for taking on lease certain land/residential/ office/ store premises, warehouses, factories, property, plant and equipment on lease and licence basis. The lease term is for periods ranging from 3 to 21 years, with escalation clauses in the lease agreements. Consistent with Industry practice, the Company has contracts which have fixed rentals or variable rentals based on a percentage of sales in the stores, or a combination of both.

Expenses/ Income recognised in the Standalone Statement of Profit and Loss

	₹ in Crore
	Period ended
	March 31, 2025
Other income	
Gain on termination of right-of-use assets (Including exceptional item)	8.93
Rent	
Expense relating to short-term leases	18.06
Expense relating to leases of low value assets	-
Variable rent*	746.64
Rent concession	-
Finance cost	
Interest expense on lease liabilities	187.74
Depreciation and amortisation expenses	
Depreciation on right-of-use assets	499.04
Other expenses	
Processing charges	32.65
Sublease payments received (not shown separately in the Standalone Statement of Profit and Loss)	88.57

* 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, 2025
Within one year	566.20
After one year but not more than five years	1,188.20
More than five years	367.19
Total	2,121.59

The initial non-cancellable period of the lease agreement pertaining to stores are upto 3 years, beyond which there is an option for the Company to continue the lease, which the Company expects to continue for a period of 2 years after the initial non-cancellable period, accordingly 5 years has been considered as the lease term of the stores. Post such period, the Company has the option to exit the lease by giving a notice period and the Company assesses its intention to continue considering location and other economic factors associated with the lease arrangement.

Total cash outflow for leases for the year ended March 31, 2025 is ₹ 1,494.26 Crore.

In accordance with its capital expenditure strategy, the Demerged Company engaged in a sale and leaseback transaction involving certain assets, including furniture and fixtures, and office equipment, pertaining to the Demerged undertaking. These assets and liabilities were assumed as part of the Business Combination (Refer Note 48). The lease agreement spans a duration of 4-5 years, and the transaction has been recorded as right-of-use assets with corresponding lease liabilities.

Lease commitments for leases not considered in measurement of lease liabilities

	₹ in Crore
	As at
	March 31, 2025
Lease commitment for short-term leases	0.95
Lease commitment for leases of low value assets	-
Total	0.95

Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For certain individual stores, upto 100% of lease payment are on the basis of variable payment terms. Variable payment terms are used for a variety of reasons, including minimising the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur.

	₹ in Crore
	March 31, 2025
Particulars	
Increase/ (Decrease) in sales	
Rent	37.33
	(37.33)

Aditya Birla Lifestyle Brands Limited**Notes to the standalone financial statements for the period ended March 31, 2025****b) Capital commitments**

	₹ in Crore
	As at
	March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	39.87
Total	39.87

c) Other commitments

As at March 31, 2025, the Company has committed to provide financial support to Aditya Birla Garments Limited to enable them to meet their commitments within a period of next 12 months.

Aditya Birla Lifestyle Brands Limited
Notes to the standalone financial statements for the period ended March 31, 2025

NOTE - 44
CONTINGENT LIABILITIES NOT PROVIDED FOR

	₹ in Crore
	As at
	March 31, 2025
Claims against the Company not acknowledged as debts	
Commercial taxes	0.10
Excise duty	0.50
Customs duty	3.55
Textile committee cess	0.75
Others*	2.71
Total	7.61

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

The Company's pending litigations comprise of claims against the Company primarily for excise duty, comprising various cases demanding duty on reversal of CENVAT credit on sale of capital goods and for commercial taxes, comprising various cases in respect of short fall in submission of Forms F, H, I and C, disallowance of input credit, etc.

The Company has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its standalone financial statements where financial outflow is not probable. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Company has a provision of ₹ 50.02 Crore as at March 31, 2025 (Refer Note: 29).

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. The Company has made provision as required under the accounting standards for material foreseeable losses on derivative contracts as at March 31, 2025.

Note :- As per the approved Composite Scheme of Arrangement, the Company has assumed contingent liabilities specifically related to the Madura division of the Demerged Company.

NOTE - 45

RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:**Name of related parties****Holding Company**

Aditya Birla Fashion and Retail Limited (till March 26, 2025) *

Parties under common control

Aditya Birla Fashion and Retail Limited (with effect from March 27, 2025)

Wholly owned subsidiary

Aditya Birla Garments Limited

Fellow Subsidiaries (till March 26, 2025) and subsidiaries of parties under common control (with effect from March 27, 2025)

Finesse International Design Private Limited

Indivinity Clothing Retail Private Limited

Sabyasachi Calcutta LLP

Jaypore E-Commerce Private Limited

House of Masaba Lifestyle Private Limited

Key Management Personnel ("KMP") and Directors

Mr. Ashish Dikshit- Director with effect from April 09, 2024

Mr. Jagdish Bajaj- Director with effect from April 09, 2024

Mr. Anil Malik- Director with effect from April 09, 2024

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

	₹ in Crore		
	Year ended March 31, 2025		
	Holding and Fellow Subsidiaries	KMP and Relative of KMP	Other related parties
Sale of goods	241.45	-	-
Reimbursement of expenses recovered from	0.65	-	-
Purchase of goods	69.57	-	-
Reimbursement of expenses paid to	121.18	-	-
Production services given	11.21	-	-
Purchase of capital item	0.07	-	-
Transfer of Post-employment liabilities	0.86	-	-

Balances outstanding

	₹ in Crore		
	As at March 31, 2025		
	Holding and Fellow Subsidiaries	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	7.44	-	-
Amounts owed by related parties	151.34	-	-

Note:-

(a) The above amounts are classified as trade receivables and trade payables (Refer Notes:15 and 27 respectively).

(b) No amounts in respect of the related parties have been written off/ back during the year.

(c) 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, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

(d) Also refer note 48 for disclosure ordering to transfer Madura undertaking from Aditya Birla Fashion and Retail Limited pursuant to a scheme of arrangement.

(e) For the year ended March 31, 2025, the remuneration for Key Managerial Personnel (KMP) has been paid by Aditya Birla Fashion and Retail Limited ('ABFRL') and allocated to the Madura division on an overall basis. Additionally, KMP are entitled to Employee Stock Options (ESOPs), Stock Appreciation Rights (SARs), and Restricted Stock Units (RSUs) issued by ABFRL.

* Pursuant to approval of Scheme by NCLT, shares held by Aditya Birla Fashion and Retail Limited in the Company are deemed to be cancelled.

Aditya Birla Lifestyle Brands Limited
Notes to the standalone financial statements for the period ended March 31, 2025
KMPs interests in the Employee Stock Options, RSUs and SARs

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2025 Number outstanding
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017				
Options - Tranche 1	September 08, 2017	September 07, 2026	178.30	1,12,548
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019				
Options - Tranche 1	December 02, 2019	December 01, 2028	225.25	3,75,000
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	2,60,059
Options - Tranche 4	August 05, 2022	August 03, 2030	275.10	31,096
Options - Tranche 5	September 20, 2022	September 18, 2030	330.75	1,71,023
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019				
Options - Tranche 2	August 18, 2021	August 17, 2027	206.35	37,878
Options - Tranche 4	November 03, 2021	November 03, 2027	288.10	1,70,448
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2024				
Options - Tranche 1	August 7, 2024	August 7, 2029	318.9	4,06,036
Options - Tranche 2	February 27, 2025	February 27, 2031	248.55	2,46,340
Total				18,10,428
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017				
RSUs - Tranche 1	September 08, 2017	September 07, 2025	10.00	91,048
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019				
RSUs - Tranche 1	December 02, 2019	December 01, 2027	10.00	1,13,065
RSUs - Tranche 4	August 05, 2022	August 03, 2030	10.00	9,921
RSUs - Tranche 5	September 20, 2022	September 18, 2030	10.00	54,563
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019				
RSUs - Tranche 2	August 18, 2021	August 17, 2027	10.00	12,563
RSUs - Tranche 4	November 03, 2021	November 03, 2027	10.00	56,533
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2024				
RSUs - Tranche 1	August 7, 2024	August 7, 2029	10.00	61,329
RSUs - Tranche 2	February 27, 2025	February 27, 2031	10.00	61,329
Total				4,60,351

NOTE - 46

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, 2025 are as follows:

As at March 31, 2025

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Level 1	Fair value Level 2	Level 3
₹ in Crore							
Financial assets							
Investments (Refer Notes - 6b)	117.18	-	-	117.18	117.18	-	-
Loans (Refer Notes - 7 and 13)	-	-	6.22	6.22	-	-	-
Security deposits (Refer Notes - 8 and 14)	-	-	276.64	276.64	-	-	-
Trade receivables (Refer Note - 15)	-	-	1,325.48	1,325.48	-	-	-
Cash and cash equivalents (Refer Note - 16)	-	-	52.99	52.99	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	0.07	0.07	-	-	-
Other financial assets (Refer Notes - 9 and 18)	-	-	279.80	279.80	-	-	-
Total	117.18	-	1,941.20	2,058.38	117.18	-	-
Financial liabilities							
Non-current borrowings (Refer Note - 22)	-	-	1.04	1.04	-	-	-
Current borrowings (Refer Note - 26)	-	-	850.18	850.18	-	-	-
Deposits	-	-	524.85	524.85	-	-	-
Trade payables (Refer Note - 27)	-	-	2,118.27	2,118.27	-	-	-
Other financial liabilities (Refer Notes - 23 and 28)	-	-	653.25	653.25	-	-	-
Derivative contracts (Refer Note - 28)	4.96	-	-	4.96	-	4.96	-
Total	4.96	-	4,147.59	4,152.55	-	4.96	-

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The investments made in a subsidiary as at March 31, 2025 is ₹ 35 Crore and is 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 2). Forward contracts were entered into by ABFRL, prior to demerger, to hedge against risk of fluctuations in foreign exchange rates on financial assets and liabilities relating to Madura division. Accordingly the forward contracts have been transferred to the Company, pursuant to the demerger.

b) Investment:

- i) Quoted investments: Valuation has been done based on market value of the investment i.e. fair value (level 1)

B. Risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

a) Market risk

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

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2025, approximately 58% of the Company's borrowings are at a fixed rate of interest.

Interest rate sensitivity

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

Percentage change (%)	₹ in Crore	
	As at March 31, 2025	
	0.5% Increase	0.5% Decrease
Increase/ (decrease) in Profit/ loss before tax	(1.65)	1.65
Increase/ (decrease) in Profit/ loss after tax	(1.23)	1.23

The assumed movement in interest rates for 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency.

The Company manages foreign currency risk by hedging its transactions using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months. As at March 31, 2025, the Company has not hedged its receivables in foreign currency and has hedged 98% of its payables in foreign currency.

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

As at March 31, 2025

	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	USD	4.97	433.08

The details of unhedged foreign currency exposure as at the Standalone Balance Sheet date are as follows:

As at March 31, 2025

	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	EURO	0.05	4.68
	GBP	0.01	0.55
	AUD	0.00	0.02
Trade receivables	USD	0.10	9.64
	EURO	0.06	5.96
	GBP	0.09	8.12
	HKD	0.03	2.32
Bank balances	CNY	0.03	0.33
	BDT	0.18	0.12

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies, with all other variables held constant. The impact on the Company's Profit/ loss before tax is due to changes in the foreign currency rate is as below.

Percentage change (%)	As at March 31, 2025	
	0.5% Increase	0.5% Decrease
Increase/ (decrease) in Profit/ loss before tax	0.11	(0.11)
Increase/ (decrease) in Profit/ loss after tax	0.08	(0.08)

Aditya Birla Lifestyle Brands Limited**Notes to the standalone financial statements for the period ended March 31, 2025****b) Credit risk**

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

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

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

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

Trade receivables

Customer credit risk is managed by each business unit, subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2025, the Company has 24 customers that owed the Company more than ₹ 5.00 Crore each and account for approximately 75% of all the receivables outstanding. There are 158 customers with balances greater than ₹ 0.50 Crore each and account for approximately 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 Company's maximum exposure to credit risk for the components of the Standalone Balance Sheet as at March 31, 2025, is the carrying amount as provided in Note - 15.

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

c) Liquidity risk

The Company monitors its risk of shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. Approximately, 99.88% of the Company's debt will mature in less than one year based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to various sources of funding.

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

As at March 31, 2025

	₹ in Crore			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings*	888.65	1.04	-	889.69
Lease liabilities	566.20	1,188.20	367.19	2,121.59
Other financial liabilities	190.74	236.76	911.76	1,339.26
Deposits	250.55	274.30	-	524.85
Trade payables	2,118.27	-	-	2,118.27
Total	4,014.41	1,700.30	1,278.95	6,993.66

*Includes interest

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations, to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is leader in apparels in the country and has a diversified portfolio of brands.

d) Price risk

The Company invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

The sensitivity analysis has prepared by the Management is based on the financial assets and financial liabilities held at March 31, 2025.

NOTE - 47

CAPITAL MANAGEMENT

The Company's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Company is to borrow funds through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Company (debts excludes lease liabilities):

	₹ in Crore
	As at
	March 31, 2025
Short-term debts (including current maturities of long-term borrowings)	850.18
Long-term debts	1.04
Total borrowings	851.22
Equity (including share suspense)	1,293.90

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

During the year, the Company has not defaulted on any loans payable, and there have been no breach of any financial covenants attached to the borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025.

Note 48: Business Combination

DEMERGER OF MADURA FASHION & LIFESTYLE BUSINESS ("MFL BUSINESS")

The Board at its meeting held on April 19, 2024, subject to necessary approvals, considered and approved the demerger of the Madura Fashion and Lifestyle ('MFL') Business under a Scheme of Arrangement between Aditya Birla Fashion and Retail ('Demerged Company') and Aditya Birla Lifestyle Brands Limited ('Resulting Company'). The Scheme provided for demerger, transfer, and vesting of the MFL Business from the Demerged Company to the Resulting Company on a going concern basis, with the Resulting Company issuing equity shares to the equity shareholders of the Demerged Company as a consideration. The demerger was executed through an NCLT scheme of arrangement. The Scheme provided that all shareholders of the demerged company will hold identical shareholdings in both the companies, post the demerger.

Pursuant to the NCLT's directions, a meeting of the equity shareholders of the Demerged Company was conducted on January 21, 2025, and the Scheme was approved by the requisite majority of equity shareholders. The Demerged Company and the Resulting Company filed a joint petition with the Hon'ble NCLT on January 25, 2025. The Scheme received sanction from the Hon'ble NCLT on March 27, 2025, and a certified copy of the order was received on April 22, 2025 ("Order"). Subsequently, the Demerged and Resulting Company filed the certified copy of the Order and the Scheme with the Registrar of Companies, Mumbai, making the Scheme effective from May 1, 2025. The Record Date was set for May 22, 2025.

Management has evaluated that Promoter along with other promoter group companies (together referred to as 'Promoters') of the demerged company have de-facto control over the MFL division, both before and after the demerger, on account of the factors described below:

1. The Company is a wholly owned subsidiary of Aditya Birla Fashion and Retail Limited ('ABFRL') on the date of transfer;
2. Total cumulative shareholding of the Promoters relative to the size and dispersion of holding of other shareholders;
3. Post issue of shares by the Company to the existing shareholders of the Demerged Company, there would be no potential voting rights other than the equity shares. Further, none of the other shareholders would have any contractual or legal veto rights.

Basis above, the Management has determined that acquisition of MFL division shall be accounted in the books of the Company as a common control capital reorganisation by applying the principles prescribed in Appendix C of Ind AS 103, Business combinations of entities under common control, at the respective book values of assets and liabilities as recorded in the books of ABFRL.

The Company was incorporated on April 9, 2024. However, the approved Scheme provides for an appointed date of April 1, 2024. Accordingly, the Management has given effect to the acquisition of MFL business with effect from the appointed date of April 1, 2024.

Aditya Birla Lifestyle Brands Limited
Notes to the standalone financial statements for the period ended March 31, 2025

Details of assets and liabilities taken over are as follows:

Acquired pursuant to Composite Scheme	₹ in Crore
Assets	
Non-Current Assets	
Property, plant and equipment	454.13
Capital work-in-progress	17.74
Goodwill	692.05
Other intangible assets	552.34
Right to use	1,495.32
Financial assets	
(i) Investment in equity of a subsidiary	35.00
(ii) Loans	0.41
(iii) Security deposits	180.20
(iv) Other financial assets	197.55
Deferred tax assets (net)	151.02
Non-current tax assets (net)	11.09
Other non-current assets	39.74
Total - Non-current assets	3,826.59
Current assets	
Inventories	2,201.29
Financial assets	
(i) Current Investments	361.75
(ii) Loans	7.49
(iii) Security deposits	70.66
(iv) Trade receivables	940.96
(v) Cash and cash equivalent	132.21
(vi) Bank balance other than above	0.05
(vii) Other financial assets	79.12
Other current assets	662.05
Total - Current assets	4,455.58
TOTAL - ASSETS - A	8,282.17
Non-current liabilities	
Financial liabilities	
(i) Borrowings	1.99
(ii) Deposits	261.02
(iii) Lease liability	1,408.17
(iv) Other financial liabilities	506.17
Provisions	7.42
Other non-current liabilities	19.69
Total - Non-current liabilities	2,204.46
Current liabilities	
Financial liabilities	
(i) Borrowings	1,339.78
(ii) Trade payables	
Total outstanding dues of micro enterprises and small enterprises	64.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,886.03
(iii) Deposits	261.02
(iv) Lease liability	496.13
Other financial liabilities	116.15
Provisions	128.62
Other current liabilities	558.57
Total - Current liabilities	4,851.13
Total - Liabilities - B	7,055.59
Net Assets - C (A - B)	1,226.58

Against the net assets of ₹ 1,226.58 Crore, the Company has created share suspense and share based payment reserve of ₹1220.26 crore and ₹40.00 Crore respectively and the balance of ₹(33.68) Crore has been recognised as Capital reserve.

Aditya Birla Lifestyle Brands Limited
Notes to the standalone financial statements for the period ended March 31, 2025

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RATIO DISCLOSURES

	As at March 31, 2025	Reasons for variance more than 25%
Current ratio (times) ¹	1.08	
Debt equity ratio (times) ²	0.39	
Debt service coverage ratio (times) ³	1.52	
Return On Equity (%) ⁴	5.48%	
Inventory turnover (times) ⁵	3.63	
Debtors turnover (times) ⁶	6.91	Refer note below
Trade Payables turnover (times) ⁷	1.57	
Net capital turnover (times) ⁸	5.97	
Net profit margin (%) ⁹	0.88%	
Return On Average Capital Employed (%) ¹⁰	10.88%	
Return On Investment (%) ¹¹	5.69%	

Ratios have been computed as follows:

1. Current ratio = Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)

2. Debt equity ratio = Debt / Equity

Debt = Borrowings (excluding Lease Liabilities accounted as per Ind AS 116) - Cash and Bank Balance (includes fixed deposits) - Liquid Investments

Equity = Equity share capital + Other equity (excluding Ind AS 116)

3. Debt service coverage ratio = Earnings before interest* and tax / [Finance cost* + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]

4. Return on equity ratio = Profit after tax / Average of opening and closing Net Worth

5. Inventory turnover = Revenue from Operations for the period / Average of opening and closing Inventories

6. Debtors turnover = Revenue from Operations for the period / Average of opening and closing Trade Receivables

7. Trade payables turnover = Total Purchases / Average of opening and closing Trade Payables

8. Net capital turnover = Revenue from Operations for the period / Average of opening and closing Working Capital

9. Net profit margin = Profit After Tax / Revenue from Operations

10. Return on Average Capital Employed = Earnings before interest and tax / Average of opening and closing Capital Employed

11. Return on Investment = Earnings before interest and tax / Average of opening and closing Total Assets

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

Note:-

1. The Ratio have been calculated considering the assets and liabilities acquired by the company pursuant to the scheme of arrangement as opening assets and liabilities.

2. The Company was incorporated on April 09, 2024. This is the first financial statements of the Company. Accordingly, explanation of reason for variance more than 25% is not applicable in the current year.

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SEGMENT INFORMATION

Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The company's business activity falls within a single operating business segment of Branded Apparels (Garments and Accessories).

Note 51: Summary of other accounting policies

(a) Fair value measurements and hierarchy

The Company measures financial instruments, such as investments (other than equity investments in subsidiaries) and derivatives at fair value at each Standalone Balance Sheet date.

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

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(b) Foreign currencies

Transactions and balances:

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Standalone Balance Sheet date.

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

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary

items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Standalone Statement of Profit and Loss are also reclassified in OCI or the Standalone Statement of Profit and Loss, respectively).

(c) 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.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Standalone Statement of Profit and Loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

(e) Taxes

Current tax

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

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

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

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.

The Company had adopted the new tax regime as per Section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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

(f) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Standalone Statement of Profit and Loss, during the reporting period in which they are incurred.

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

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

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

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

(g) Intangible assets

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

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

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

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

(h) Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised in Standalone Statement of Profit and Loss as incurred.

At the acquisition date, the 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.

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

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

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

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

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

(i) Impairment of non-financial assets

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

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

(j) Financial instruments

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

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

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

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

All recognized financial assets, are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For trade receivables, the company applies the simplified approach required by Ind AS 109, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

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

(a) Non-derivative financial assets

(i) Financial assets at amortised cost

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

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

Effective Interest Rate (EIR) method:

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

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

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

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

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

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

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

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

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

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

Call options over shares in the acquired subsidiary is initially recognised as a financial asset at fair value, with subsequent changes in fair value recognised in the standalone statement of profit and loss.

(iv) Equity investments

Investment in Subsidiaries is out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries at cost. All other equity investments are measured at fair value as per Ind AS 109. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company has an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Impairment of financial assets:

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

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

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

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

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

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

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

The Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiaries is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiaries its carrying value, and then recognises the impairment loss in the standalone statement of profit and loss.

(b) Non-derivative financial liabilities

(i) Classification as debt or equity

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

(1) Equity instruments:

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

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

(2) Compound financial instruments:

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

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

(3) Financial liabilities:

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

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

Financial liabilities at FVTPL:

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

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

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

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

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

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

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

comprehensive income under other equity and are not subsequently reclassified to the Standalone Statement of Profit and Loss.

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

Financial liabilities subsequently measured at amortised cost:

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

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

(ii) Loans and borrowings

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

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

(iii) Foreign exchange gains and losses

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

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Standalone Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Standalone Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

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

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

De-recognition of financial assets and financial liabilities

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

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

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

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

Offsetting financial instruments

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

(k) Derivative financial instruments

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Standalone Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the Standalone Statement of Profit and Loss when the hedge item affects the Standalone Statement of Profit and Loss or treated as basis adjustment, if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

(l) 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.

(m) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Standalone Statement of Profit and Loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (Refer Note – 44).

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(n) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(b) Defined contribution plan

The Company makes defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the Standalone Statement of Profit and Loss, on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The Company operates gratuity plan through a Trust wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service as per the Payment of Gratuity Act, 1972. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The benefit vests after five years of continuous service and the same is payable on termination of service or retirement, whichever is earlier. The gratuity plan is funded (maintained by an independent insurance company) hence the liability has been categorized as funded. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Standalone Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the Standalone Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Standalone Statement of Profit and Loss.

(d) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation in the Standalone Statement of Profit and Loss.

The Company presents the entire leave as a current liability in the Standalone Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

(o) Share-based payment

Certain employees of the Company have been granted stock-based awards, including stock options, stock appreciation rights (SARs), and restricted stock units (RSUs) of Aditya Birla Fashion and Retail Limited (Demerged

Company), in accordance with the ESOP Policy of ABFRL. In compliance with Ind AS 102 – Share-based Payments, the Company has accounted for these awards using the graded vesting method. The Grant date fair value of equity-settled awards has been used for the purpose of accounting the related expenses. SARs are remeasured at fair value at each balance sheet date, with changes recognized in the Statement of Profit and Loss.

(p) Earnings per share

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

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends. The weighted average number of equity shares outstanding during the period is adjusted for treasury shares and events such as bonus issue, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(q) Cash and cash equivalents

Cash and cash equivalents in the Standalone Balance Sheet and for the purpose of the Standalone Statement of Cash Flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(r) Common control business acquisition

Acquisition of business under common control has been accounted in accordance with "Pooling of interest method", as specified below:

(a) All assets and liabilities acquired are stated at their carrying values as appearing in the financial statements of de-merged company

(b) Shares held by the de-merged company in the Company shall be cancelled

(c) Difference between the carrying amounts of assets and liabilities acquired, face value of the shares cancelled as referred to in (b) above and the amount recorded as share-capital issued to the shareholders of the de-merged company shall be transferred to capital reserve; and

(d) Financial information relating to the acquired business has been accounted from the beginning of the financial year, as if the acquisition had occurred from that date.

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ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has no transactions with or balances due to or from companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS

During the period, the Company was not granted working capital loans secured by current assets; therefore, it was not required to file quarterly statements with any banks or financial institutions.

(v) WILFUL DEFAULTER

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Company has accounted for the Scheme of arrangement with Aditya Birla Fashion and Retail Limited in accordance with the accounting treatment as specified in the Scheme. (Refer Note 48)

(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) UNDISCLOSED INCOME

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

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

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

(x) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS) AND INTANGIBLE ASSETS

The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) and Intangible assets during the current year. The Company did not have any Investment Property during the current year.

(xi) REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

In accordance with the Scheme of Arrangement, the Company has assumed unsecured borrowings from the Demerged Company and, as a result, is not required to register charges with the Registrar of Companies.

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Comparative Financial Information

The Company was incorporated on April 9, 2024 and accordingly comparative numbers have not been presented in these 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

For and on behalf of the Board of Directors of
Aditya Birla Lifestyle Brands Limited

SD/-	SD/-	SD/-	SD/-
A.J. SHAIKH Partner Membership No. : 203637 Place: Mumbai Date : May 23, 2025	ASHISH DIKSHIT (Managing Director) (DIN: 01842066) Place: Mumbai Date : May 23, 2025	VISHAK KUMAR (Deputy Managing Director and CEO) (DIN: 09078653) Place: Mumbai Date : May 23, 2025	
	SD/-	SD/-	
	DHARMENDRA LODHA (Chief Financial Officer) Place: Mumbai Date : May 23, 2025	RAJEEV AGRAWAL (Company Secretary) (M.No: A18877) Place: Mumbai Date : May 23, 2025	

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

*The following discussion is intended to convey management's perspective on the financial condition of our Company and the corresponding results of operations from the date of incorporation till March 31, 2025. You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, should be read together with the Financial Statements included in this Information Memorandum. For further information, see "**Financial Statements**" on page 128 and "**Information Memorandum Summary – Financial Information**" on page 19.*

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "**Forward-Looking Statements**" on page 16 and "**Risk Factors**" on page 24 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements as a result of various factors, including those described below and elsewhere in this Information Memorandum.*

Unless otherwise stated or unless the context otherwise requires, the financial information of our Company used in this section has been derived from the Financial Statements. Unless noted otherwise, some of the industry related information in this section is obtained or extracted from the Industry Reports (which are paid reports and were commissioned by us solely in connection with the Information Memorandum).

Our Financial Year ends on March of each year. Accordingly, unless otherwise stated, all references to a particular Financial year are to the 12-month period ended March 31 of that year.

OVERVIEW

For details in relation to the business of our Company, see "**Our Business**" on page 76.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. Key factors affecting our results are discussed in the section "**Risk Factors**" beginning on page 24.

MATERIAL ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to page 199 of this Information Memorandum.

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

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the year ended March 31, 2025:

Particulars	Year ended March 31, 2025	
	(₹ crore)	Percentage of Total Income
Income		
Revenue from operations	7829.96	99.02%
Other income	77.71	0.98%
Total income (I + II)	7907.67	100%
Expenses		
Cost of materials consumed	1010.33	12.78%
Purchase of stock-in-trade	2121.28	26.83%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	140.41	1.78%
Employee benefits expense	918.42	11.61%
Finance costs	382.00	4.83%
Depreciation and amortisation expense	705.73	8.92%
Rent expense	764.70	9.67%
Other expenses	1683.06	21.28%
Total expenses	7725.93	97.70%
Profit/ (loss) before exceptional items and Tax (III – IV)	181.74	2.30%
Exceptional items	(98.33)	-1.24%
Profit/(Loss) before tax (V+ VI)	83.41	1.05%
Income Tax expense		
- Current tax	-	
- Current tax relating to earlier years	-	
- Deferred tax charge/ (credit)	23.81	0.30%
Total income tax expense	23.81	0.30%
Net profit/(Loss) after tax (VII - VIII)	59.60	0.75%
Other comprehensive income/ (loss)		
Items that will not be reclassified to profit or loss		
(a) Re-measurement gains/ (losses) on defined benefit plans	(4.37)	-0.06%
Income tax effect on above	1.08	0.01%
Total other comprehensive income	(3.29)	-0.04%
Total comprehensive income (IX + X)	56.31	0.71%

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Year ended March 31, 2025
	(₹ crore)
Net cash flows from/ (used) in operating activities	1144.17
Net cash flows from/ (used) in investing activities	6.95
Net cash flows from/ (used) in financing activities	(1230.41)
Net increase/ (decrease) in cash and cash equivalents	(79.29)
Cash and cash equivalents at the end of year/ period	53.06

INDEBTEDNESS

As of March 31, 2025, our total indebtedness was ₹ 781.36 crore which represented a net debt to equity ratio of 0.61. As of March 31, 2025, our total borrowings was ₹ 952.19 crore.

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

The following table sets forth certain information relating to our contingent liabilities not provided for as of March 31, 2025:

Particulars	Amount (₹ crore)
Claims against our Company not acknowledged as debts	
Commercial taxes	0.10
Excise duty	0.50
Customs duty	10.67
Bank Guarantees	
Textile committee cess	0.75
Income Tax	-
Others*	2.71
Total	14.73

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

RELATED PARTY TRANSACTIONS

For information relating to the Company's related party transactions, see the section titled ***“Financial Statements”*** on page 128.

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 2025.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in Information Memorandum, 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 in the uncertainties described in ***“Risk Factors”*** on page 24 onwards.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been affected, and we expect will continue to be affected by the uncertainties described in “*Risk Factors*” beginning on page 24. To our knowledge, except as discussed in this Information Memorandum, 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 uncertainties described in “*Risk Factors*” beginning on page 24. To our knowledge, except as described or anticipated in this this Information Memorandum, 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 this Information Memorandum, including in “*Our Business*” on page 76, 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 and expect competitive conditions in our industry to further intensify as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products. See “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and on pages 24, 64 and 76, respectively, for further details on competitive conditions that we face across our various business segments.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS/SUPPLIERS

We do not have any material dependence on a single or few suppliers. We have a wide customer base and do not have any material dependence on any particular customer.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business is subject to seasonal variations, which include the holidays, festivals and wedding season in India. Seasonality can be expected to cause quarterly fluctuations in our revenues, profitability and margins.

SIGNIFICANT DEVELOPMENTS AFTER March 31, 2025 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as set out elsewhere in this Information Memorandum document, to our knowledge, no circumstances have arisen since March 31, 2025 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.

OUTSTANDING LITIGATIONS AND OTHER MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings (including first information reports) involving our Company, Subsidiary, Directors or Promoter (collectively, “**Relevant Parties**”), Key Managerial Personnel and Senior Management Personnel; (ii) actions taken by regulatory or statutory authorities (including show cause notices issued by authorities) against the Relevant Parties, Key Managerial Personnel and Senior Management Personnel; (iii) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years including outstanding actions, (iv) claims related to direct and indirect taxes (disclosed in a consolidated manner giving the total number of claims and the total amounts involved) against Relevant Parties; and (v) other pending litigation (including civil or arbitration proceedings) as determined to be material pursuant to the Materiality Policy (as defined below). Further, except as disclosed in this section, there are no outstanding litigations involving our Group Companies that may have a material impact on the Company.*

*Pursuant to the Materiality Policy adopted by the Board of Directors on May 23, 2025 (“**Materiality Policy**”), for the purposes of (v) above, any pending litigation involving the Relevant Parties (including tax matters mentioned in point (iv) above would be considered ‘material’ for the purpose of disclosure in the Information Memorandum, if as regards our Company, Subsidiaries and the Directors and Promoters: (i) where the monetary amount of claim/ amount in dispute is in excess of ₹ 2.98 crores, which is 5% of the absolute value of profit or loss after tax of the Company as per the last audited consolidated financial statements; or (ii) where monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company;*

For the purposes of the above, pre-litigation notices received by Relevant Parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by the Board, be considered as litigation until such time that the Relevant Parties are impleaded as a defendant in litigation before any judicial/arbitral forum or governmental authority.

Unless stated to the contrary, the information provided below is as of the date of this Information Memorandum.

All terms defined in a particular litigation disclosure pertain to that litigation only.

Our Company did not have any outstanding litigation proceedings prior to the Effective Date. Pursuant to the transfer of the Demerged Undertaking in accordance with the Scheme, certain litigation proceedings have been transferred to our Company, the details of which are provided below:

I. LITIGATION INVOLVING OUR COMPANY

1. Outstanding litigation against our Company

1. All criminal litigation against our company

Nil

2. All actions taken by regulatory and statutory authorities against our Company

Nil

3. Material civil litigation against our Company

a) O.M.P. (Comm) 278/2022 - Trinath Khera and Anr. v. ABFRL

The present Petition has been filed by the petitioner under Section 34 of the Arbitration and Conciliation Act, 1996 (“**Petition**”) *inter alia* seeking an order setting aside the arbitration

award dated 15.07.2020 passed by the Ld. Sole Arbitrator in Arbitration Case No. DAC/94/09-11 (“Award”). A total of 23 claims were raised by the petitioner in the arbitration proceedings. However, out of the 23 claims raised, only 4 claims were allowed, 5 claims were partially allowed, 12 claims were rejected, and 2 claims were not pressed by the petitioner. The claims raised by the Petitioner were pertaining to the agreement dated 10.08.2005 executed between the petitioner and ABFRL. The petitioner vide the present Petition has sought partial modification of Award dated 15.07.2020 with respect to 9 claims which were rejected/partially allowed by the Ld. Sole Arbitrator. The Hon’ble Delhi High Court *vide* Order dated 09.07.2024 has directed both the parties to place their written submissions on record within two weeks with the copies of judgments. The matter is next listed on 11.07.2025.

b) CS No 88/2016 - Isha Distribution Pvt Ltd. -v- ABFRL

M/s. Isha Distribution House Pvt. Ltd. (“Isha”) was a distributor of ABFRL for West Bengal and Bihar. ABFRL terminated the agreements due to performance related issues and presented the cheque for recovery of outstanding amount of Rs.4.5 Cr from Isha. Aggrieved by the said termination of the agreements by ABLBL, Isha has filed a suit claiming damages of Rs. 175 Cr before the Calcutta High Court. Initially, the suit filed by Isha was dismissed for want of jurisdiction, subsequently a special leave petition (“SLP”) was filed before the Supreme Court by Isha challenging the orders of the High Court. The SLP was partly allowed and the matter was sent back to Calcutta High Court for trial on the merits. Against the said Supreme Court orders, ABFRL filed a review petition which was dismissed. The matter is pending to be listed before the Calcutta High Court for trial.

c) CS/ CJ / 945/ 2017 Anil Lekhi v- ABFRL

ABFRL and Anil Lekhi had entered into agency agreements dated 23.02.2012. In the year 2017, Mr. Lekhi requested ABFRL to surrender all the four shops. The parties decided to mutually settle the matter and accordingly recorded the terms of surrender and settlement vide email dated 22.03.2017. However, Mr. Lekhi has neglected to honor the terms of the settlement. Therefore, to get the settlement terms enforced against Mr. Lekhi, ABFRL filed a suit for permanent injunction and a suit for declaration against Mr. Lekhi. In response, Mr. Lekhi along with its written statement have filed a counter claim of Rs. 4,14,12,857/- for recovery of payment due and compensation/ damages.

2. Outstanding litigation by our Company

1. All criminal litigation by our Company

1. There are 12 cases filed by ABFRL pending before various judicial forums in relation to recovery of amounts due to ABFRL for which cheques issued in favour of ABFRL 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 ₹1.57 crores.
2. ABFRL 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.
3. ABFRL 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.

4. ABFRL (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.
5. ABFRL (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.
6. ABFRL 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.

2. Material civil litigation by our Company

1. A suit for recovery filed by ABFRL against Isha Distribution House Private Limited (IDHPL), arising out of Distributorship Agreement dated 21.05.2008 for the States of Bihar and Jharkhand. The said suit was instituted seeking the recovery of the amount of Rs. 4.1 Cr, due and payable by IDHPL against the goods supplied in terms of the said Distributorship Agreement

II. LITIGATION INVOLVING OUR DIRECTORS

1. Outstanding litigation against our Directors

a. All criminal litigation against our Directors

A first information report (“FIR”) bearing Crime No. 252/2017 was filed against the Managing Director and other officers of the Company. To quash the said FIR a writ petition No. 32586/2017 was filed before the Hon’ble High Court of Karnataka. The Hon’ble High Court granted a stay order dated 20.07.2017. Further, the order dictated that no further investigation or action has to be initiated based on the said FIR.

b. All actions taken by regulatory and statutory authorities against our Directors

Nil

c. Material civil litigation against our Directors

Nil

d. Disciplinary actions including penalties imposed by SEBI or the Stock Exchanges in the last five financial years preceding the date of this Information Memorandum including outstanding actions

Nil

2. Outstanding litigation by our Directors

a. All criminal proceedings by our Directors

Nil

b. Material civil litigation by our Directors

Nil

III. LITIGATION INVOLVING OUR KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL (SMP)

1. Outstanding litigation against our KMP & SMP

a. All criminal litigation against our KMP & SMP

Nil

b. All actions taken by regulatory and statutory authorities against our KMP & SMP

Nil

2. Outstanding litigation by our KMP & SMP

All criminal proceedings by our KMP & SMP

Nil

IV. LITIGATION INVOLVING OUR PROMOTERS

1. Outstanding litigation against our Promoters

a. All criminal litigation against our Promoters

Nil

b. All actions taken by regulatory and statutory authorities against our Promoters

There are no pending regulatory or statutory matter, as on date except certain income tax proceedings.

In Fiscal 2025, Fiscal 2024 and Fiscal 2023, Birla Group Holdings Private Limited was involved in 10 income tax proceedings before various authorities involving an amount of approximately ₹ 21.91 crores*. These matters are currently pending at various stages of adjudication.

* To the extent quantifiable.

c. *Disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five (5) financial years including outstanding action*

Nil

d. Material civil litigation against our Promoters

Nil

2. Outstanding litigation by our Promoters

a. All criminal litigation by our Promoters

Nil

b. Material civil litigation by our Promoters

Nil

V. LITIGATION INVOLVING OUR SUBSIDIARY

1. Outstanding litigation against our Subsidiary

a. All criminal litigation against our Subsidiary

Nil

b. All actions taken by regulatory and statutory authorities against our Subsidiary

Nil

c. Material civil litigation against our Subsidiary

Nil

2. Outstanding litigation by our Subsidiary

a. All Criminal proceedings by our Subsidiary

Nil

b. Material civil litigation by our Subsidiary

Nil

VI. TAX CLAIMS AGAINST OUR COMPANY, DIRECTORS, PROMOTERS, AND SUBSIDIARY

Set out herein below are details of claims relating to direct and indirect taxes involving our Company, Directors, Promoter and Subsidiary:

(₹ In Crores)

Nature of Matter	Number of Matters	Demand Amount Involved
Our Company		
Direct Tax	Nil	NA
Indirect Tax	Nil	NA
Directors		
Direct Tax	Nil	NA
Indirect Tax	Nil	NA
Promoter		
Direct Tax	10	21.91
Indirect Tax	Nil	NA
Subsidiary		
Direct Tax	Nil	NA
Indirect Tax	Nil	NA

VII. LITIGATION INVOLVING OUR GROUP COMPANY

There is no pending litigation involving the Group Companies which has a material impact on the Company.

VIII. OUTSTANDING DUES TO CREDITORS

In accordance with the criteria defined under the Materiality Policy on disclosures under the SEBI ICDR Regulations, the Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of the Company as at the end of the most recent period covered in the consolidated Financial Statements. The consolidated trade payables of the Company as on March 31, 2025, was ₹ 2121 crores. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 106 crores (being 5% of the consolidated trade payables) as on March 31, 2025.

For information about outstanding dues to creditors of the Company, see "*Financial Statements*" on page 128.

The details of outstanding dues (trade payables) owed to micro and small enterprises, material creditors and other creditors by the Company, as at March 31, 2025, are set out below:

(₹ In Crores)

Type of Creditors	Number of Creditors	Aggregate amount involved
Micro, Small and Medium Enterprises	791	89.11
Material Creditors	Nil	NA
Other creditors	3,780	2032.21

The details pertaining to outstanding over dues to the creditors along with names and amounts involved for each such creditor available on the website of the Company at www.ablbl.in

IX. MATERIAL DEVELOPMENTS SINCE THE DATE OF THE LAST BALANCE SHEET

Except as disclosed in this Information Memorandum, there have been no material developments nor have any circumstances arisen, since the date of the last financial information disclosed in this Information Memorandum, which may materially and adversely affect or are likely to affect our trading or profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next twelve (12) months.

GOVERNMENT APPROVALS

*The business activities and operations of the Company require various approvals, licenses, registrations and permits issued by relevant governmental and regulatory authorities under various rules and regulations. The Company has set out below an indicative list of all material approvals obtained by the Company, as applicable, for the purposes of undertaking its business activities and operations (“**Material Approvals**”). Pursuant to Scheme being effective, Permits (as defined under the Scheme), including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall be transferred to the Resulting Company, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Demerged Company to carry on the operations of the Demerged Undertaking. In addition, certain Material Approvals may have lapsed or expired or may lapse in their ordinary course of business, from time to time, and we have applied for renewals for such Material Approvals in the ordinary course of business.*

*For further details in connection with the regulatory and legal framework within which we operate, see the section titled “**Key Regulations and Policies**” on page 89 of the Information Memorandum. For details of risks associated with not obtaining or delay in obtaining the requisite approvals, please see the section titled “**Risk Factors**” on page 24 of the Information Memorandum.*

1. Approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see “**Other Regulatory and Statutory Disclosures – Authority for listing**” on page 313 of the Information Memorandum

2. Incorporation details of the Company

- a) Certificate of incorporation dated April 9, 2024, issued to the Company by the Registrar of Companies, Central Registration Centre.
- b) The CIN of our Company is U46410MH2024PLC42319.

3. Approvals from Taxation Authorities

- a) The permanent account number of the Company is ABACA5076G.
- b) The tax deduction and collection account number of the registered office of our Company is MUMA76899E.
- c) The import export code for our Company is ABACA5076G.

4. The goods and services tax identification number of the registered office of our Company is 27ABACA5076G2ZP. The Company possess other GST registrations for payments under central and applicable state GST legislations.

5. Labour and Employment related approvals

- a) Under the provisions of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, as amended, the registered office of our Company has been allotted EPF code number THTHA3254654000.
- b) Under the provisions of the Employees’ State Insurance Act, 1948, as amended, the registered office of our Company has been allotted the ESI registration number 31001264530000108.

In addition to the labour related approvals mentioned above, we are also required to obtain, where applicable, certain other approvals such as license under the Contract Labour (Regulation and Abolition) Act, 1970.

6. Material approvals in relation to the operations of our Company

Our Company requires various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business in India. These licenses differ on the basis of the location as well as the nature of operations carried out at such locations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company, for our respective businesses and operations, is provided below:

- a) ***Factory Licenses approvals:*** In jurisdictions where our factories/ manufacturing/ warehouses are located, we are required to obtain factories licences for our operations, wherever applicable. Currently, the said licenses stand in the name of Aditya Birla Fashion and Retail Limited and our Company has made the application with the respective authorities to transfer the said licenses in the name of our Company.
- b) ***Environment related approvals:*** We are required to obtain various environment related approvals and consents to operate under the Environment Act, Air Act and Water Act, in respect of our factories, wherever applicable. Currently, the said licenses stand in the name of Aditya Birla Fashion and Retail Limited and our Company has made the application with the respective authorities to transfer the said licenses in the name of our Company.
- c) ***No objection certificates from fire departments:*** In jurisdictions where our corporate office, manufacturing units and retail stores are located, we are required to obtain no objection certificates from the fire departments to undertake and for our operations, wherever applicable. Currently, the said no objection certificates stand in the name of Aditya Birla Fashion and Retail Limited and our Company has made the application with the respective authorities to transfer the said licenses in the name of our Company.
- d) ***Trade license from relevant municipal authorities:*** We are required to obtain trade licenses from the municipal authorities of the respective areas where our retail stores are located. Wherever local laws require such trade licenses, we have obtained the same in the name of ABFRL, and by virtue of the Scheme such licenses shall be transferred to our Company.
- e) ***Shops and establishments registrations:*** In states where our retail stores are located, registration under the respective shops and establishment acts of those states, wherever enacted or in force, is required. The terms of registration, renewal procedure and requirement for such registrations may differ under the respective state legislations. Our Company has made necessary application for amendment of such registration in the name of our Company, wherever applicable.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for Listing

The Scheme was approved by the Board of Directors of the Company and by the Board of Directors of ABFRL at its meeting held on April 19, 2024 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

The Hon'ble NCLT, Mumbai bench, vide its order dated March 27, 2025 (certified true copy of the order received on April 22, 2025) has sanctioned the Scheme under the provisions of Section 230-232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder. The effectiveness of the Scheme was subject to the conditions mentioned in Clause 20 of the Scheme. In the context of the Scheme, "Appointed Date" means April 1, 2024 and "Effective Date" shall be first day of the month immediately succeeding the month in which the conditions mentioned under Clause 20 of the Scheme are fulfilled i.e. May 1, 2025. The certified copy of the Hon'ble NCLT order dated March 27, 2025 was received on April 22, 2025 and filed with the Registrar of Companies by the Company and ABFRL on April 23, 2025. For further details, please see the section titled "*Scheme of Arrangement*" on page 51 of this Information Memorandum.

Observations letters from NSE and BSE in relation to the Scheme were granted vide their letters dated October 28, 2024 and October 30, 2024, respectively.

In accordance with the Scheme, the Equity Shares of the Company, issued subject to applicable regulations, shall be listed and admitted to trading on the BSE and the NSE. Such listing and admission are not automatic and will be subject to fulfilment by the Company, of the respective listing criteria of the Stock Exchanges and such other terms and conditions as may be prescribed by the respective Stock Exchanges at the time of the application made by our Company seeking approval for listing. The Equity Shares allotted pursuant to the Scheme shall remain frozen in the depository system until listing / trading permission is granted by the Designated Stock Exchange. Further, there has been no change in the shareholding pattern of the Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.

Eligibility criteria

The eligibility criteria prescribed under SEBI ICDR Regulations are not applicable since this is not an initial public offering or a rights issue. SEBI vide SEBI Schemes Master Circular has, subject to certain conditions, permitted unlisted issuer companies to make an application for relaxation from strict enforcement of clause (b) to sub-rule (2) of Rule 19 of the SCRR by making an application to SEBI under sub-rule (7) of Rule 19 of the SCRR. The Company has submitted this Information Memorandum, containing information about the Company, making disclosures in line with the disclosure requirement for public issues, as applicable, to the BSE and the NSE, and this Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges i.e. www.bseindia.com and www.nseindia.com.

This Information Memorandum is also made available on our Company's website www.ablbi.in.

SEBI vide its letter no. SEBI/HO/CFD/CFD-RAC-DCR-1/P/OW/2025/15984/1 dated June 13, 2025 granted relaxation under Rule 19(7) of the SCRR from applicability of Rule 19(2)(b) for the purpose of listing of the Equity Shares of the Company.

The Company will publish an advertisement in the newspapers containing its details as per the SEBI Schemes Master Circular.

Prohibition by Securities and Exchange Board of India

As on the date of this Information Memorandum, the Company, its Directors, its Promoter, Promoter Group, and persons in control of the Company are not prohibited from accessing the capital markets or debarred from buying, selling, or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Further, none of the Company's Directors or Promoters is a director or promoter of any other company which is currently debarred from accessing the capital markets by SEBI.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

The Company, Promoter and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as applicable.

Association with the Securities Market

None of the Directors of the Company are associated with the securities market in any manner. Further, other than as disclosed in this Information Memorandum, SEBI has not initiated any action against any entity, with whom the Directors of the Company are associated in the past five years preceding the date of this Information Memorandum.

Fugitive Economic Offences

Neither our Promoter nor our Directors have been declared as Fugitive Economic Offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Declaration as Wilful Defaulter by the Reserve Bank of India

The Company, Promoter and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Information Memorandum will be subject to the jurisdiction of appropriate court(s) of Mumbai only.

Disclaimer Clause of BSE

As required, a copy of this Information Memorandum has been submitted to BSE. BSE vide its letter bearing reference no. DCS/AMAL/TL/R37/3384/2024-25 dated October 30, 2024 approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been included in this Information Memorandum as one of the Stock Exchanges on which our Company's Equity Shares are proposed to be listed.

Disclaimer Clause of NSE

NSE has vide its letter dated October 28, 2024 (bearing reference no. NSE/LIST/41319) granted its letter of "No objection" on the Scheme under Regulation 94 of the SEBI Listing Regulations. As

required by the aforementioned letter, we hereby state that the approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Aditya Birla Lifestyle Brands Limited, its promoters, its management etc.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisement to be published in terms of Part II (A)(5) of the SEBI Schemes Master Circular or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Applications have been filed with the BSE and NSE for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE within a period as approved by SEBI.

Listing Approval from the BSE and the NSE

The Company has obtained in-principle listing approvals from the BSE and the NSE on June 5, 2025 respectively. The Company shall make the applications for receiving final listing and trading approvals from BSE and NSE.

Exemption under securities laws

The Company has been granted an exemption from the application of Rule 19(2)(b) of the SCRR by the SEBI vide the letter no. SEBI/HO/CFD/CFD-RAC-DCR-1/P/OW/2025/15984/1 dated June 13, 2025.

Filing

A copy of this Information Memorandum has been filed with NSE and BSE.

Demat Credit

The Company has executed tripartite agreements with the Depositories i.e. CDSL and NSDL on July 5, 2024, for admitting our Equity Shares in Demat form. The ISIN allotted to the Equity Shares of the Company is INE14LE01019. The Company has credited the New Equity Shares to the demat accounts of the shareholders of Aditya Birla Fashion and Retail Limited whose names were recorded in the Register of Members of Aditya Birla Fashion and Retail Limited or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date i.e. May 22, 2025.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, our Company has not obtained any expert opinions.

Particulars regarding public or rights issues by the Company during the last five years

The Company has not made any public or rights issues since incorporation.

Capital issuances since incorporation

For details of the issuances of Equity Shares by the Company since incorporation, please see the section titled “*Capital Structure*” at page 39 of this Information Memorandum.

Underwriting, Commission or Brokerage paid on previous issues of the Equity Shares in last five years

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares of our Company in the five years preceding the date of this Information Memorandum.

Capital issue during the previous three years by our Company, listed Group Companies and listed Subsidiaries of our Company

The Company has not undertaken a capital issue to the public in the last three years preceding the date of this Information Memorandum. Further, except ABFRL, none of our Subsidiaries or Group Companies are listed on any Stock Exchange as on the date of this Information Memorandum.

Performance vis-à-vis objects – public / rights issue of our Company

This is the first time the Equity Shares of the Company will be listed on the Stock Exchanges.

Performance vis-à-vis objects – Public / rights issue of the listed Subsidiaries / promoter

As on the date of this Information Memorandum, none of our Subsidiaries/Promoter are listed on any Stock Exchange.

Stock Market Data for Equity Shares of the Company

The Equity Shares of the Company are not listed on any Stock Exchange in India.

Outstanding Debenture or Bonds and Redeemable Preference Shares and other instruments issued by our Company

Except with respect to the ESOP and as provided under the Scheme or in this Information Memorandum, as on the date of this Information Memorandum, there are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by our Company.

Disposal of Investor Grievances

MUFG Intime India Private Limited (*Formerly known as Link Intime India Private limited*) is the Registrar and Share Transfer Agent of the Company. The Registrar and Share Transfer Agent of the Company will accept the documents / requests / complaints from the investors / Shareholders of the Company. It is entrusted with handling all share related matters including transmission, transposition, nomination, dividend, change of name / address / signature, registration of mandate / power of attorney, replacement / split / consolidation of share certificate / DEMAT / remat of shares, issue of duplicate certificates, etc. All documents are to be received at the inward department, where the same are classified based on the nature of the queries / actions to be taken and coded accordingly. Our Company or the Registrar and Share Transfer Agent have process and procedures to redress the investor grievances within the prescribed timelines. Our Company has a designated e-mail address i.e., secretarial.abl@abfirl.adityabirla.com for assistance and / or grievance redressal. This email address

is closely monitored to ensure quick redressal of investor grievances. The Company has also constituted a Stakeholders Relationship Committee to specifically look into various aspects of interest of shareholders, debenture holders and other security holders. The Committee's role shall, inter alia, include redressal of the grievances of stakeholders. Further, the Company has not received any investor complaint since incorporation.

The Company has obtained authentication on the SEBI Complaint Redressal (SCORES) Platform and has complied with SEBI Circular number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, as extended by the SEBI Circular number SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated December 1, 2023. Shareholders can submit their grievances by sending e-mail to rajeev.agrawal@abfirl.adityabirla.com or raise complaints on the SCORES Platform. Further, Shareholders can also send their grievances to the Company's email address i.e., secretarial.ablbi@abfirl.adityabirla.com. Our Company has not received any complaint through the SCORES Platform.

Mr. Rajeev Agrawal, Company Secretary and Compliance Officer of the Company is vested with responsibility of addressing the investor grievance in coordination with Registrar & Transfer Agent of our Company.

Name and Contact Address of the Company Secretary and Compliance Officer

Name: Rajeev Agrawal

Address: Piramal Agastya, Building A, 401, 403, 501, 502, LBS Road, Kurla, Mumbai – 400070.

Tel: +91 - 86529 05000

Email: rajeev.agrawal@abfirl.adityabirla.com

Capitalisation of reserves or profits or revaluation of assets

There has been no capitalization of the Company's reserves or profits or revaluation of the Company's assets since incorporation to the date of this Information Memorandum.

**ARTICLES OF ASSOCIATION
OF
ADITYA BIRLA LIFESTYLE BRANDS LIMITED**

The regulations comprised in these Articles of Association have been adopted pursuant to a resolution passed by the members of Aditya Birla Lifestyle Brands Limited (“Company”) at the Extra Ordinary General Meeting held on May 24, 2025, in substitution and to the entire exclusion of the regulations contained in the extant Articles of Association of the Company.

PRELIMINARY

The Company is established with Limited Liability in accordance with and subject to the provisions of the Companies Act, 2013 and the Regulations contained in the “Table F” in the “Schedule I” of the Companies Act, 2013 (“said Table F”), shall be applicable to the Company, as are applicable to a public company limited by shares, so far as they are not inconsistent with any of the provisions contained in these regulations or any modification(s) thereof.

In case of any conflict between the regulations as contained in these presents and the regulations as contained in the said Table F, the regulations of these presents shall prevail and in case of absence of a provision in these presents, dealing with any particular subject matter, the provisions of the said Table F, if any, shall be applicable to the Company.

Accordingly, the regulations for management of the Company and for the observance of the members shall be such as are contained in these Articles.

INTERPRETATION

The marginal notes appearing hereunder shall not affect the meaning and/or interpretation of the regulations in these presents, unless there be something in the subject or context inconsistent therewith.

In these present regulations, the following words and expressions shall have the following meanings, unless repugnant to the subject or context.

“The Company” or “This Company” means Aditya Birla Lifestyle Brands Limited;

“Act” or “The Companies Act, 2013” or “The said Act” or “The act” shall mean the Companies Act, 2013 (Act No. 18 of 2013) and shall include the section(s) or provision(s) thereof and Rules made thereunder including any statutory amendment(s) and/or modification(s) and/or re-enactments thereto for the time being in force and the term shall be deemed to refer to the applicable section(s) thereof which is relatable to the relevant Article in which the said term appears in these presents and any previous company law, so far as may be applicable;

“Annual General Meeting” shall mean the annual general meeting(s) of the Company convened and held in accordance with the Act;

“Alter” and “Alteration” shall include the making of additions, omissions and modifications;

“Articles of Association” or “Articles” means the Articles of Association of the Company as originally framed or as altered from time to time in accordance with the Act;

“Auditors” shall mean the Statutory Auditors appointed under the said Act;

“Beneficial Owner” shall have the meaning assigned thereto in section 2 of the Depository Act;

“Board” or “Board of Directors” shall mean the collective body of the Directors of the Company and shall include committee(s) thereof;

“Body Corporate” includes a company incorporated outside India but does not include:

- a. a corporation sole,
- b. a co-operative society registered under any law relating to co- operative societies, and
- c. any other body corporate (not being a company as defined in the Act) which the Central Government may, by a notification in the Official Gazette specify in this behalf.

“Capital” shall mean the share capital for the time being paid-up and/or issued and/ or authorized to be raised for the purposes of the Company;

“Depositories Act” means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

“Depository” means a company formed and registered under the Act and which has been granted a Certificate of Registration to act as a depository under the Securities and Exchange Board of India Act 1992.

“Directors” shall mean the persons appointed as Directors of the Company, for the time being;

“Dividend” shall include interim dividend unless otherwise stated;

“Document” shall mean and include anything relating to the Company, available in a written form including summons, notice, requisition, order, declaration, form and register, whether issued, sent or received or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form;

“Executor” or “Administrator” means a person who has obtained probate or letters of administration, as the case may be, from some competent court having jurisdiction in India and shall include the executor or Administrator or the holder of a certificate, appointed or granted by such competent court and authorized to negotiate or transfer the shares of the deceased member;

“Extra-ordinary General Meeting” shall mean an extra-ordinary meeting of the Company convened and held in accordance with the Act;

“Financial Year” shall mean have the meaning assigned thereto by the Act;

“Financial Statements” shall mean:

- (i) balance sheet as at the end of the financial year;
- (ii) profit and loss account, for the financial year; cash flow statement for the financial year;

- (iii) a statement of changes in equity, if applicable; and
- (iv) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv);

“In writing” or “Written” shall mean any form of documentation done on behalf of and for the purposes of the Company and shall include an email & such other forms of documentation(s) and/or transmission(s) made in electronic mode;

“Independent Director” shall have the meaning assigned to it in the Act;

“Key Managerial Personnel” shall mean the Managing Director or Chief Executive Officer or Manager; company secretary; Whole-time Director; Chief Financial Officer and such other officer as may be notified from time to time in the Rules or as may be resolved by the Board, to be included in the Key Managerial Personnel of the Company;

“Managing Director” shall have the meaning assigned thereto in the Act;

“Member(s)/ Shareholder(s)” shall mean the duly registered holder of the share(s) of the Company, from time to time, and shall include the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository;

“Memorandum of Association” shall mean the Memorandum of Association of the Company; as originally framed and/or modified and/or amended from time to time;

“Month” shall mean the English calendar month;

“National Holiday” shall mean the day declared to be a national holiday by the Government of India;

“Office” shall mean the registered office of the Company, for the time being;

“Officer” shall have the meaning assigned thereto by the Act;

“Ordinary Resolution” shall have the meaning assigned thereto by the Act;

“Paid up” shall include “credited as paid up”;

“Participant” means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

“Person” shall include any natural or legal person, association of persons, corporation, company, firm etc.;

“Postal Ballot” shall have the meaning assigned thereto by the Act;

“Proxy” shall mean and include a person duly authorized under a power of attorney or otherwise;

“Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

“Registered Owner” means a Depository whose name is entered as such in the records of the Company.

“Register(s)” shall mean the registers, including the register of Members to be maintained pursuant to the provisions of the Act;

“Registrar” shall mean the Registrar of Companies within whose jurisdiction the Registered Office of the Company is situated, for the time being;

“Rs.” shall mean the lawful national currency of India;

“Rules” shall mean any rule(s) made pursuant to the provisions of Section 469 of the Act or such other provisions pursuant to which the Central Government is empowered to make rules and shall include all amendments and/or re-enactments and/or modifications thereof, from time to time;

“Seal” shall mean common seal of the Company;

“Secretary” shall mean the Company Secretary of the Company, included in the Key Managerial Personnel of the Company, appointed pursuant to the provisions of the Act;

“Securities” shall have the meaning assigned thereto by the Act and shall include any security as may be specified by the Securities and Exchange Board of India from time to time;

“SEBI” means the Securities and Exchange Board of India

“Section(s)” shall mean the Section(s) of the Act;

“Share Warrant” shall mean share warrant issued pursuant to provisions of the Act;

“Special Resolution” shall have the meaning assigned thereto by the Act;

“These presents” shall mean these regulations i.e. Articles of Association including all amendments and/or re-enactments and/or modifications thereof and shall include the Memorandum of Association where the context so requires;

“Transfer” means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the securities, shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any securities/shares or of any interest therein or the creation of any third party interest in or over the securities/shares, but excluding any renunciation of any right to subscribe for any securities/shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company;

Words importing the singular number includes the plural number and vice versa. Words importing the masculine gender shall include the feminine gender.

Words importing persons shall, where the context requires, include bodies corporate and companies as well as individuals. Subject as aforesaid, any words and expressions defined in the said Act as modified up to the date on which these presents become binding on the Company shall, except where the subject or context otherwise requires, bear the same meanings in these presents.

The Company shall, on being so required by a Member, send to him within seven days of the requirement and subject to the payment of a fee of Rs. 100/- or such other fee as may be specified in the Rules for each copy of the documents specified in Section 17 of the said Act.

Expressions referring to writing shall be construed as including references to printing lithography, photography and other modes of representing or reproducing words in a visible form.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in the presents.

A. SHARE CAPITAL, VARIATION OF RIGHTS & BUY BACK

<i>Authorised Capital</i>	<i>Share</i> 1	The authorized share capital of the Company shall be the amount as enumerated in the Clause V of the Memorandum of Association, from time to time.
<i>Kinds of Capital</i>	<i>Share</i> 2	<p>The Company may issue the following kinds of shares in accordance with these presents, the Act, the Rules and other applicable laws:</p> <p>(a) Equity share capital:</p> <p>(i) with voting rights; and / or</p> <p>(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</p> <p>(b) Preference share capital.</p>
<i>Shares at the Disposal of and under the control of the Board</i>	3	Subject to the provisions of the Act and these presents, the shares in the capital of the Company shall be under the control of the Board, who may issue and/or allot and/or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of the Act) at a discount and at such time as they may from time to time think fit.
<i>Commission and Brokerage</i>	4	(a) The Board may exercise the power of paying commissions conferred by the Act, to any person in connection of the securities, provided that the rate (%) or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and Rules made thereunder and that the rate or amount of the

commission shall not exceed the rate or amount prescribed in the Act and Rules made thereunder.

(b) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

(c) The Company may also on issue of shares, pay reasonable brokerage as may be lawful.

Company's securities not to be purchased 5

Except as provided in these presents, none of the funds of the Company shall be utilised in the purchase of or lent on the security or securities of the Company and the Company shall not, except as permitted by the provisions of the Act, give any financial assistance for the purpose of or in connection with any purchase of securities of the Company.

Buy Back of Securities 6

Notwithstanding anything contained in these presents but subject to all applicable provisions of the Act or any other Law for the time being in force, the Company may purchase its own shares or any other specified securities.

Increase of Capital 7

The members of the Company may, from time to time, authorize the Board to increase the capital by the creation of new securities, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The new securities shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such securities may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting in conformity with the Act and other applicable laws.

Whenever the capital of the Company has been increased under the provisions of the presents, the Board shall comply with the provisions of the Act.

New Capital to be Part of the Existing Capital 8

Except so far as otherwise provided by the conditions of the issue or by these Presents, any capital raised by the creation of new securities, shall be considered to be a part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

<i>Reduction of Capital</i>	9	<p>The Company may, vide a special resolution passed by its members, reduce in any manner and with & subject to any incident authorized and consent required in accordance with the provisions of the Act and the Rules;</p> <ul style="list-style-type: none"> (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.
<i>Sub-division, Consolidation and Cancellation of Share(s)</i>	10	<p>Subject to the provisions of the Act, the Company may, by ordinary resolution –</p> <ul style="list-style-type: none"> (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
<i>Conversion of Shares into Stock</i>	11	<p>Where shares have been converted into stock-</p> <ul style="list-style-type: none"> (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

		(c)	such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
<i>Issuance of Preference Shares</i>	12		The Company shall be at liberty, without prejudice to its other rights, from time to time to create and issue further preference shares, with or without the right of redemption, ranking in all respects pari-passu with the existing preference shares.
<i>Application of Amounts for Redemption</i>	13		Subject to the provisions of the Act, the Board may at any time as it may determine, but not later than twenty years from the date of issue and allotment of the preference shares, apply the net profits or the moneys of the Company, which may be lawfully applied for the purpose, including any proceeds of a fresh issue of shares made for the purpose of redemption, in redemption of the whole or any part of the preference shares for the time being issued and outstanding at par, together with a sum equal to the arrears of fixed dividend thereon, (whether earned or declared or not) on the date of redemption.
<i>Procedure for Redemption</i>	14		At the time of redemption, each such holder shall be bound to surrender to the Company the certificate or certificates for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such certificate comprises any shares which have not been drawn for redemption the Company shall issue to the holder thereof, a fresh certificate therefor.
<i>Period of Redemption</i>	15		Any of the preference shares not previously redeemed under the foregoing provisions shall be redeemable not later than expiry of twenty years from the date of its issue and allotment at par together with all arrears of the fixed dividend thereon, (whether earned or declared or not) upto the date.
<i>Issuance of Shares with Differential Rights</i>	16		Subject to the provisions of the Act and all other applicable provisions of law, the Company may issue <ul style="list-style-type: none"> (a) securities on a preferential allotment basis; and (b) equity shares with differential rights as to dividend, voting or otherwise.
<i>Further Issue of Shares</i>	17	(a)	Subject to the provisions of the Act, where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the

Company by allotment of further shares then:

- (i) such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances permit, to the capital paid up on those shares at that date;
 - (i) the offer aforesaid shall be made by a notice specifying the number of shares to be offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed under applicable Indian law and not exceeding thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined;
 - (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right;
 - (iii) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- (b) Notwithstanding anything contained in sub-clause (a), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub- clause (a) hereof) if a Special Resolution to that effect is passed by the Company.
- (c) Nothing in sub-clause (iii) of (a) hereof shall be deemed:
- (i) to extend the time within which the offer should be accepted; or
 - (ii) to authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

*Right to Convert
Loans into Capital* 18

Notwithstanding anything contained in clauses(s) above, but subject to the provisions of the Act, the Company may increase

its subscribed capital on exercise of an option attached to the bonds or debentures or loans raised by the Company :

- (a) to convert such bonds or debentures or loans into shares in the Company; or
- (b) to subscribe for shares in the Company.

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

*No Recognition of 19
Equitable Interest*

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

*Variation of Class 20
Rights*

- (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis*

- (b) *mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

*Rights not to be 21
Deemed Varied*

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

B. CAPITALISATION OF PROFITS

- Capitalisation of Profits* 22
- (a) The Company may, in a general meeting, on recommendation of the Board, resolve:
- (i) that it is desirable to capitalize any part of any amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
 - (ii) that such sum be accordingly set free for distribution in the manner specified in the Clause (b) below amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
- (i) paying up any amounts for the time being unpaid on shares held by such members respectively
 - (ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).
- (c) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
- (d) The Board shall give effect to the resolution passed by the Company in pursuance of these Regulations.
- Power of Directors for Declaration of Bonus Issue and actions Ancillary to Capitalisation of Profits* 23
- (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and
 - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
- (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it

thinks fit, in the case of shares or debentures becoming distributable in fraction; and

- (ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

- (c) Any agreement made under such authority shall be effective and binding on all such members.

C. ALLOTMENT OF SHARES & CALLS ON SHARES

*Consideration for 24
Allotment*

- (a) The Board may issue and allot the shares of the Company, for such consideration i.e. cash or otherwise, as may be deemed fit by them.
- (b) Subject to the provisions of the Act and these presents, the Board may issue and allot shares in the capital of the Company towards payment or part payment for any property or assets of any kind whatsoever purchased or transferred or towards satisfaction or part satisfaction of borrowing(s) and/or loan(s) (including Debentures) (in case such option is attached to the terms of such borrowings and/or loan and the same is exercised) or for services rendered to the Company with regard to the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, if the price of such shares is determined by the valuation report of a registered valuer and such issuance and allotment is approved by a special resolution of the Shareholders of the Company.

*Restriction on 25
Allotment*

- (a) The Board shall duly observe the applicable provisions of the Act in making the allotments;
- (b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

- (c) Nothing herein contained shall prevent the Board from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

<i>Allotment on Application to be Acceptance of Shares</i>	26	Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these presents and every person who thus or otherwise accepts any shares and whose name is on the Register, shall, for the purpose of these presents, be a Member.
<i>Return on Allotments to be made</i>	27	The Board shall observe and comply with the provisions of the Act, with regard to the restrictions on allotment of shares to the public and also with regard to return on allotments.
<i>Instalments on Shares</i>	28	If, by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof is payable in instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

<i>Board to have the Right to make Calls on Shares</i>	29	<p>The Board may, from time to time, subject to the provisions of the act, the terms on which any shares may have been issued and subject to the conditions of allotment, vide a resolution passed in that regard, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of shares or by way of a premium) and each Member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board.</p> <p>Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company.</p> <p>Provided further that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p>
<i>Notice for Call</i>	30	Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.
<i>Call When Made</i>	31	The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.
<i>Liability of Joint Holders for a Call</i>	32	The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
<i>Board to Extend Time to Pay Call</i>	33	The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members.

The Board may be fairly entitled to grant such extension, but no Member shall be entitled to such extension, save as a matter of grace and favour.

Calls to Carry Interest 34

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

Dues Deemed to be Calls 35

Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Advances of Uncalled Monies 36

The Board -

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, 12% per annum, or such rate as may be determined by the Board. No voting rights in respect of the moneys so paid in advance shall be exercisable until the moneys shall have become payable. Money so paid in excess of the amount of calls shall not rank for dividend and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as a part of its capital and shall be repayable to the member at any time without notice if the Directors so decide.

Proof of Dues in Respect of Shares 37

On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the members is, or was, when the claim arose, on the register of members of the Company as a holder or one of the holders of

shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given in pursuance of these presents and it shall not be necessary to prove the appointment of the directors who made such call nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Money Due on Shares to be a Debt to the Company 38

The money (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and to be paid by him accordingly.

Members or Heirs to Pay Unpaid Amounts 39

Members (including their heirs, executors or administrators) shall pay to the Company, the portion of the capital represented by his share or shares, which may for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with these Regulations require or fix for the payment thereof.

Partial Payment not to Preclude Forfeiture 40

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

D. FORFEITURE OF SHARES

Board to Have Right to Forfeit Shares 41

If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Notice for Forfeiture of Shares and 42

The notice aforesaid shall—
(a) name a further day (not being earlier than the expiry of

<i>annulment forfeiture:</i>	<i>of</i>	fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
		(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
		The Directors may, at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.
<i>Effect of Forfeiture</i>	43	<p>If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p> <p>Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture, subject to applicable provisions of the Act.</p> <p>There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.</p>
<i>Notice of Forfeiture</i>	44	When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member on whose name such share stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
<i>Forfeited Share to be the Property of the Company</i>	45	Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.
<i>Cancellation Forfeited Share</i>	<i>of</i> 46	A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
<i>Member to be Liable Even After Forfeiture</i>	47	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall,

notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

<i>Claims Against the Company to Extinguish on Forfeiture</i>	48	The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.
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<i>Evidence of Forfeiture</i>	49	A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these presents on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares
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<i>Transfer of Forfeited Share</i>	50	<p>Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the Register in respect of the share sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.</p>
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The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

The transferee shall thereupon be registered as the holder of the share; and

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

<i>Certificate of Forfeited Shares to be Void</i>	51	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
<i>Non-payment of Sums Liable to Attract Forfeiture</i>	52	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
<i>Board Entitled to Cancel Forfeiture</i>	53	Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

The provisions of these presents relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

E. SHARE CERTIFICATES

<i>Issue of Share Certificates</i>	54	<p>(a) Every person whose name is entered as a member in the register of members shall be entitled to receive, within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –</p> <ul style="list-style-type: none"> (i) one certificate for all his shares without payment of any charges; or (ii) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first. <p>Every certificate shall be under the seal of the Company and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>(b)</p>
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- Further, a person subscribing to shares offered by the
- (c) Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

- The provisions of the these presents relating to issue of certificates shall mutatis mutandis apply to issue of
- (d) certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

Dematerialisation

55

- (a) Notwithstanding anything contained in these presents, the Company shall be entitled in accordance with the provisions of the Depositories Act, to dematerialise any or all of its shares, debentures and other securities and to offer any shares, debentures or other Securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debentures/ other Security holders with the details of Members/ Debenture holders/ other Security holders holding shares, debentures or other Securities both in materialised and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of the existing shares or any future issue.
- (b) The Company may exercise an option to issue, dematerialise, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.
- (c) Notwithstanding anything to the contrary or inconsistent contained in these presents, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form

pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

- (d) Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.
- (e) All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.
- (f) Except as ordered by a court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the beneficial owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.
- (g) Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

- (h) The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that state or country.
- (i) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
- (j) Notwithstanding anything contained in the Act, or these presents, to the contrary, where securities are held in a Depository, the record of the beneficial ownership may be served by such Depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.
- (k) Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.
- (l) The shares in the capital shall be numbered progressively according to their several denominations, provided however that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialized form.
- (m) Except as specifically provided in these presents, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in

physical form subject to the provisions of the Depositories Act, 1996.

- (n) Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.
- (o) If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly.

The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company.

The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

- (p) Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.
- (q) The provisions of these presents, relating to dematerialisation of shares shall *mutatis mutandis* apply to any other securities including debentures (except where the Act otherwise requires) of the Company.

Joint Ownership of 56 Shares

- (a) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

The company shall not be bound to register more than three persons as the joint holders of any share.

- (b) Notwithstanding anything contained in these presents, the Board may at its absolute discretion, refuse sub-division of share certificates or debenture certificates into denomination of less than marketable lots except
- (c)

where sub-division is required to be made to comply with a statutory provision or an order of a competent court of law or a request from a member to convert holding of odd lot into transferable/marketable lot.

- (d) If any share stands in the names of two or more persons, the person first named in the Register shall be considered to be the Member of the Company, w.r.t. receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares, in which case the joint holders of share shall be severally as well as jointly liable.
- (e) The provisions of these presents, relating to joint ownership of shares shall *mutatis mutandis* apply to any other securities including debentures (except where the Act otherwise requires) of the Company.

*Director to Sign Share 57
Certificates*

A Director may sign a share certificate electronically or by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials used for the purpose.

*Issue of New 58
Certificate in Place of
one Defaced, Lost or
Destroyed*

- (a) If any certificate is worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender of such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution and issuance of such indemnity in favour of the Company, as the Company may deem to be adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued on payment of such fees as prescribed under the act.

PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

- Notwithstanding what is stated above the Board shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.
- (b)

The provisions of the these presents relating to issue of new certificates in Place of one Defaced, Lost or Destroyed shall mutatis mutandis apply to any other securities including debentures (except where the Act otherwise requires) of the Company.

- (c)
- Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- (d)

Renewal of Share Certificate 59

- (a) When a new share certificate has been issued in pursuance of the above Article, the reason for issuance of the same shall be explicitly stated on the face of such certificate and the word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate.

- (b) Further, particulars of every such share certificate shall be entered in a separate Register maintained for purposes of maintaining records of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks"

column.

- The provisions of these presents relating to renewal of share certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including
- (c) debentures (except where the Act otherwise requires) of the Company.

*Responsibilities to 60
Maintain Records*

The Managing Director of the Company or if the Company has no Managing Director, every Director of the Company or such other officer of the Company specifically entrusted with the responsibility, shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

F. LIEN

*Company's lien on 61
shares*

- (a) The company shall have a first and paramount lien—
- (i) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (b) The company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.

*Sale of Shares on 62
Which Lien Held*

The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made:

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of

the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

*Process for Sale of
Shares on Which Lien
Held* 63

- (a) To give effect to any such sale, the Board may authorise any of its officers to transfer the shares sold to the purchaser thereof.
- (b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- (d) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (e) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

G. TRANSFER AND TRANSMISSION OF SHARES

Process of Transfer 64

- (a) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
- (b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Register of Transfers 65

Company shall keep and maintain a "Register of Transfers" and particulars of every transfer or transmission of any shares shall be fairly and distinctly entered therein. Nothing contained in

these Articles shall apply to transfer of securities held in Dematerialized form/ Depository.

Endorsement of Transfer 66

In respect of any transfer of shares registered in accordance with the provisions of these presents, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars, on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

Instrument of Transfer 67

The instrument of transfer of any share shall be in writing and the provisions of Section 56 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of shares and registration thereof.

The Company shall use a common form of transfer in all cases.

In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

Directors may Refuse to Register Transfer 68

Subject to the provisions of Section 58 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these presents or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in shares or debentures of the Company.

The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

Closing Register of Transfers and of Members 69

The Board shall be empowered, on giving not less than seven days notice by advertisement in a newspaper circulating in the district in which the Office of the Company is situated, to close

the transfer books, Register, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient.

<i>Transfer of Partly Paid Shares</i>	70	Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.
<i>Transfers Not Permitted</i>	71	No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian.
<i>Retention of Instruments of Transfer</i>	72	All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.
<i>Title to Shares of Deceased Members</i>	73	On the death of a member, the survivor or survivors where the member was a joint holder and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.
		Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of probate or letter of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.
<i>Transmission of Shares</i>	74	Subject to the provisions of the Act and these Presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these presents may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article or of his title, either by registering himself as the holder of the shares or elect to have some person nominated by him and approved by

the Board, be registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Rights on 75
Transmission

A person entitled to a share by transmission shall, subject to the Directors' right to retain such dividends or money, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

Provided that the Board may at any time to give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

Instrument of 76
Transfer to be
Stamped

Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the dividend in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such dividend to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

Share Certificates to be Surrendered 77

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 56) properly stamped and executed instrument of transfer.

No Fee on Transfer or Transmission 78

No fee shall be charged for:

- (a) registration of transfers, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document; and
- (b) sub-division and/ or consolidation of shares and debentures and sub-division of letters of allotment and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

Company Not Liable to Notice of Equitable Rights 79

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

<i>Transfer Transmission Debentures</i>	<i>and of</i>	80	The provisions of these Articles, shall, <i>mutatis mutandis</i> , apply to the transfer of or the transmission by law of the right to debentures of the Company.
<i>Nomination Facility</i>		81	<p>(a) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.</p> <p>Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.</p> <p>(c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.</p> <p>Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.</p> <p>(d)</p> <p>Any person who becomes a nominee by virtue of the provisions of Section 72 upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either</p> <p>(i) To be registered himself as holder of the shares or debentures as the case may be, or</p> <p>(e) (ii) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or</p>

debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a death certificate of the deceased shareholder or debenture holder as the case may be.

- (f) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

- A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall
- (g) be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the
- (h) notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 72 at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

*Applicability to the 81a.
Debentures*

Provisions of these presents shall apply mutatis mutandis to Debentures to the extent applicable.

H. GENERAL MEETINGS

<i>General Meetings</i>	82	<p>(a) The Company shall, in addition to any other meetings hold a general meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.</p> <p>The Board may, whenever it thinks fit, convene an</p> <p>(b) Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.</p>
<i>Extraordinary Meetings on Requisition</i>	83	The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 100 of the Act.
<i>Notice for General Meetings</i>	84	<p>Notice of every meeting shall be given to every member of the Company in any manner authorised by sub-sections (1) and (2) of Section 20 of the Act.</p> <p>All general meetings shall be convened by giving not less than clear twenty- one days notice i.e. excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 102 of the Act.</p> <p>Notice shall be given to all the shareholders and to such persons as are under the Act and/or these presents entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member or other person to whom it should be given shall not invalidate the proceedings of any general meeting.</p> <p>The members may participate in general meetings through such modes as permitted by applicable laws.</p>
<i>Shorter Notice Admissible</i>	85	With the consent of not less than 95 percent of the members of the Company entitled to vote at such meeting, any general meeting may be convened by giving a shorter notice than twenty one days.
<i>Special and Ordinary Business</i>	86	(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of

- (i) consideration of the financial statements and the reports of the Directors and Auditors,
- (ii) declaration of dividend,
- (iii) the appointment of Directors in place of those retiring; and
- (iv) the appointment of and the fixing up of the remuneration of the auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 102 of the Act shall be annexed to the notice of the meeting.

Quorum at General Meetings 87

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

Chairman of General Meeting 88

The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company.

Election of Chairman 89

If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of the directors to be Chairperson of the meeting.

If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of them to be Chairperson of the meeting.

An individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

Adjournment of Meeting 90

(a) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon a requisition of members under Section 100 of the Act shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place, unless the same shall be a public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum be not present within

half an hour from the time appointed for the meeting, those members who are present, and not being less than two persons, shall be a quorum and may transact the business for which the meeting was called.

- (b) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting at Meeting

91

At any general meeting, a resolution put to the vote at the meeting shall, unless a poll is demanded under section 109 or the voting is carried out electronically, be decided on a show of hands.

A declaration by the Chairman of the meeting of the passing of a resolution or otherwise by show of hands under sub-section (1) and an entry to that effect in the books containing the minutes of the meeting of the company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

Voting Rights of Members

92

- (a) On a show of hands every member holding equity shares and present in person shall have one vote.

- (b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his share of the paid up equity share capital.

- (c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

		(d) A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
<i>Voting by Joint-holders</i>	93	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
<i>Voting by Member of Unsound Mind</i>	94	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll vote by proxy.
<i>Business Pending Poll</i>	95	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
<i>Decision by Poll</i>	96	If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.
<i>Poll to be Immediate</i>	97	A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.
<i>No Right to Vote Unless Calls are Paid</i>	98	No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
<i>Casting Vote of Chairman</i>	99	In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member.
<i>Passing Resolutions by Postal Ballot</i>	100	(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Sub Rule 16 of

Rule 22 of the Companies (Management and Administration) Rules, 2014 or other applicable law to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

- Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014, as amended from time.
- (b)

I. PROXIES AND REPRESENTATIVES OF BODIES CORPORATE

<i>Proxy</i>	101	On a poll, votes may be given either personally or by proxy.
<i>Instrument of Proxy</i>	102	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
		An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
<i>Validity of Proxy</i>	103	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
Authorised Representative of Bodies Corporate	104	A body corporate (whether a Company within the meaning of the Act or not) may, if it is a member of the Company, by resolution of its Board of Directors or other Governing Body, authorise such person as it thinks fit, to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. If such body corporate be a creditor (including a holder of debentures) of the Company, it may by resolution of the Board of Directors or other Governing Body, authorise such person as it thinks fit, to act as its representative at any meeting of any creditor of the Company

held in pursuance of the Act or any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

A person authorised by a resolution as aforesaid, shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were a member, creditor or holder of debentures of the Company. He shall be counted for the purpose of ascertaining whether a quorum of members is present.

The production at the meeting of a copy of such resolution duly signed by one Director of such body corporate the Company or by the Managing Director/Manager or other duly authorised officer thereof and certified by him or them as being a true copy of the resolution may, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment.

J. BOARD OF DIRECTORS

<i>Number of Directors</i>	105	Subject to the provisions of the Act, the number of directors shall not be less than three and not more than fifteen.
<i>First Directors</i>	106	The first Directors of the Company were: <ul style="list-style-type: none"> a. Mr. Ashish Dikshit b. Mr. Jagdish Bajaj c. Mr. Anil Kumar Malik
<i>Share Qualification Not Necessary</i>	107	Any person, whether a member of the Company or not, may be appointed as a Director and no qualification by way of holding shares shall be required of any Director.
<i>Director's Power to Fill-up Casual Vacancy</i>	108	Subject to the provisions of the Act and these Presents, the Board shall have a power to appoint any person as a Director, to fill a casual vacancy at any time & from time to time and any Director so appointed to fill a casual vacancy shall hold office only upto the date till which the Director in whose place he is appointed would have held office, if it had not been vacated.
<i>Nominee Directors</i>	109	(a) The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, body corporate, corporation that he or it shall have the right to appoint /remove his or its nominee on the Board of the Company upon such terms and conditions as the Company may deem fit. Such nominee and their

successors in office appointed under this Article shall be called Nominee Directors of the Company.

- (b) The Nominee Directors as appointed above shall be entitled to hold office until required to retire by rotation or requested to retire by the person, firm, body corporate, corporation who may have appointed him/them. If required to retire by rotation, the Nominee Directors will be entitled to stand for re-election. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the person, firm, body corporate, corporation who appointed such Nominee Director may appoint any other Director in his place. The Nominee

Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid, a Nominee Director shall be entitled to the same, rights and privileges and be subject to the same obligation as any other director of the Company.

(c) To appoint a nominee director on the Board of the Company at the earliest and not later than one month from the date of receipt of nomination from the debenture trustee(s) in the event of:

- (i) two consecutive defaults in payment of interest to the debenture holders; or
- (ii) default in creation of security for debentures or
- (iii) default in redemption of debentures.

<i>Additional Directors</i>	110	(a)	The Board of Directors shall have a power to appoint one or more persons as Additional Directors at any time & from time to time provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed.
		(b)	An additional Director so appointed shall hold office up to the date of the next Annual General Meeting of the Company and shall be eligible for appointment by the Company as a Director at that Meeting subject to provisions of the Act.
<i>Alternate Directors</i>	111	(a)	The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an

independent director under the provisions of the Act.

- (b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
- (c) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Remuneration of Directors 112

- (a) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (b) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by the members of the Company.
- (c) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
 - (i) in attending and returning from meetings of the Board or any committee thereof or general meetings of the company; or
 - (ii) in connection with the business of the company.
- (d) The fees payable to a Director for attending a Meeting of the Board or Committee thereof or a General Meeting shall be decided by the Board from time to time, within the maximum limits of such fees that may be prescribed by the Act or the Central Government or if not so prescribed, in such manner as the Board may decide from time to time in conformity with the provisions of law.
- (e) The Directors shall be paid such further remuneration (if any) either on the basis of percentage on the net profit of the Company or otherwise as the Company in General Meeting may from time to time determine and such further remuneration shall be divided amongst the directors in such proportion and manner as the Board may from time to time determine.

<i>Remuneration for Extra Services</i>	113	If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a member of any Committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.
<i>Continuing Director May Act</i>	114	The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.
<i>Vacation of Office of Director</i>	115	The Office of a Director shall be deemed to have been vacated under the circumstances enumerated under Section 167 of the Act.
<i>Equal Power to Director</i>	116	Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

K. ROTATION AND RETIREMENT OF DIRECTOR

<i>One-Third of Directors to Retire Every Year</i>	117	<p>(a) Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.</p> <p>(b) A retiring Director shall be eligible for re-appointment and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.</p>
<i>Which Director to Retire</i>	118	The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

<i>Retiring Director to Remain in Office Till Successors Appointed</i>	119	Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up the vacancy and not to appoint the retiring director, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the retiring Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned Meeting.
<i>Directors Not Liable for Retirement</i>	120	<p>Subject to the provisions of the Act, the Company in general meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.</p> <p>Independent Directors of the Company appointed in terms of the provisions of the Act shall not be subject to retirement by rotation.</p>
<i>Increase or Reduction in the Number of Directors</i>	121	Subject to the provisions of Section 149, 150 and 152 of the Act, the Company may by an Ordinary Resolution passed by the members of the Company, increase or reduce the number of its Directors.
<i>Power to Remove Director by Ordinary Resolution</i>	122	Subject to the provisions of the Act, the Company may by an Ordinary Resolution passed by the members of the Company, remove any Director before the expiration of his period of office and may appoint another person instead.
<i>Right of Persons Other Than Retiring Directors to Stand for Directorship</i>	123	A person not being a retiring Director shall, in accordance with Section 160 of the Act, be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has served on the Company, a notice signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be, along with the prescribed deposit amount under the Act, which shall be refunded to such person or as the case may be, to such member if the person succeeds in getting elected as a Director.

- Directors may 124* (a) Subject to the provisions of Section 185, 188, 184 and
Contract with the 190 and other applicable provisions, if any, of the Act
Company read with Rules made thereunder, the Directors shall not
be disqualified by reason of his or their office as such
from contracting with the Company either as vendor,
purchaser, lender, agent, broker, lessor or otherwise nor
shall any such contract, or arrangement entered into by
or on behalf of the Company with such Director or with
any company, body corporate or partnership in which he
shall be a member or otherwise interested be avoided nor
shall any Director so contracting or being such member
or so interested be liable to account to the Company for
any profit realized by such contract or arrangement by
reason only of such Director holding that office or of
fiduciary relation thereby established. However, such
Directors shall disclose the nature of such interest at the
meeting of Directors at which the contract or
arrangement is determined if the interest then exists or
in any other case at the first meeting of the Directors
after the acquisition of the interest.
- (b) A general notice such as is referred to in Section 184 of
the Act shall be sufficient disclosure under this Article
as provided in that Section.

- Director for 125* Directors of the Company may be or become a Director of any
Companies Promoted company promoted by the Company or in which it may be
by the Company interested as vendor, shareholder or otherwise and no such
Director shall be accountable for any benefits received as a
Director or member of such Company subject to compliance
with applicable provisions of the Act.

L. PROCEEDING OF BOARD OF DIRECTORS

- Meetings of the Board 126* (a) The Board shall meet at least once in every three months
for such business and proceedings as it thinks fit in
accordance with the provisions of the Act, provided that
at least four such meetings shall be held in every year.
- (b) The Chairman of the meeting may, at any time and the
Company Secretary or such other Officer of the
Company as may be authorised in this behalf on the

requisition of Director shall at any time summon a meeting of the Board, notice of which shall be given to every Director.

- (c) The Directors may participate in Board Meetings through such modes as permitted by applicable laws.

Quorum 127 Quorum for a meeting of the Board shall be one-third of its total strength or two directors, whichever is higher and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

Chairperson of Board 128 (a) The Board may at each of its meeting, elect a Chairperson to preside at the meeting and to exercise the powers and perform the duties ordinarily vested in a Chairperson of a meeting.

(b) Alternatively, the Board may elect any director as its permanent Chairperson and a Vice-Chairperson to preside at its meetings and to exercise the powers and perform the duties ordinarily vested in a Chairman.

(c) If at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Vice- Chairperson shall take the chair and exercise the power and perform the duties vested in a Chairman. If such Vice- Chairperson is also not present at the meeting, the directors present may choose one of the Directors present to be the Chairperson of the meeting.

Questions Decided *How* 129 (a) Save as otherwise expressly provided in the Act, a meeting of the Board, for the time being at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of Votes.

- (b) In case of an equality of votes, the Chairman shall have a casting vote in addition to his vote as Director.

<i>Delegation of Powers</i>	130	<p>(a) The Board may, subject to the provisions of the Act, delegate any of its powers to any committee(s) of the Board, consisting of such members as it thinks fit.</p> <p>(b) Any committee so formed shall, in the exercise of the power so delegated conform to the regulations that may be imposed on it by the Board.</p>
<i>Election of Chairman of Committee</i>	131	<p>(a) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.</p> <p>(b) The quorum of a committee may be fixed by the Board of Directors and applicable provisions of these presents shall <i>mutatis mutandis</i> apply to the meetings of such committee(s).</p>
<i>Validity of Acts Done by Board or a Committee</i>	132	All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.
<i>Resolution by Circulation</i>	133	The Board may pass a circular resolution in writing in accordance with the provisions of Section 175 of the Act.
<i>Powers of Board</i>	134	Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or by the memorandum or these Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the memorandum or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting. No regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that Regulation had not been made.

<i>Pre-incorporation Expenses</i>	135	The Board may pay all expenses incurred in getting up and registering the Company.
<i>Maintenance of Foreign Register</i>	136	The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
<i>Borrowing Powers</i>	137	<p>(a) The Board of Directors may from time to time but with such consent of the Company in general meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a general meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose and in particular, but subject to the provisions of Section 179 and 180 and other applicable provisions of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and may secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.</p> <p>Provided that every resolution passed by the Company in general meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board of Directors.</p> <p>(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or Managing Director or to any other person</p>

permitted by applicable law, if any, within the limits prescribed.

- (c) Subject to provisions of the above sub-clause and applicable laws, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.
- (d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

<i>Assignment of Debentures</i>	138	Debentures may be assignable free from any equities between the Company and the person to whom the same may be issued.
<i>Term of Issue of Debentures</i>	139	Subject to applicable law, any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by a Special Resolution.
<i>Register of Charges</i>	140	The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.
<i>Charge of Uncalled Capital</i>	141	Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may be authorized to, subject to the provisions of the

Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

*Subsequent Assigns of
Uncalled Capital* 142

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

*Charge in Favour of
Director for Indemnity* 143

Subject to applicable law, if the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

*Powers to be
Exercised by Board
only by Meeting* 144

(a) The Board of Directors shall exercise powers as mentioned in Section 179 of the Act read with the Rules made thereunder on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board.

(b) The Board of Directors may by a resolution passed at a meeting delegate to any committee of Directors or the Managing Director or to any person permitted by applicable law the powers specified below:

- (i) to borrow monies
- (ii) to invest the funds of the company;
to grant loans or give guarantee or provide security in respect of loans;

(c) Every resolution delegating the power set out in sub clause (b) (i) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (b) (ii) above shall specify the total amount, up to which the fund may be invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (b) (iii) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the

maximum amount of loans which may be made for each such purpose in individual cases.

<i>Making Liability of Directors Unlimited</i>	145	The Company may, by Special Resolution in a general meeting, alter its memorandum of association so as to render unlimited the liability of its Directors or of any Director or manager in accordance with the provisions of the Act.
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M. MANAGING DIRECTOR(S) AND/OR WHOLE-TIME DIRECTOR(S)

<i>Managing Directors/ Whole-time Directors</i>	146	<p>(a) Subject to the provisions of the Act, the Board may from time to time and with such sanction of the Central Government required by the Act, appoint one or more of the Directors to the office of the Managing Director (which expression shall include Joint Managing Director/s) and/ or Whole-time Directors for such term and subject to such remuneration, terms and conditions as it may think fit.</p> <p>(b) The Board may from time to time resolve that there shall be either one or more Managing Directors and/ or Whole-time Directors.</p> <p>(c) In the event of any vacancy arising in the office of a Managing Director and/or Whole-time Director, the vacancy shall be filled by the Board, subject to the approval of the members.</p> <p>(d) If a Managing Director and/or Whole-time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/ Whole Time Director.</p>
<i>Terms of Appointment of Managing Director</i>	147	<p>(a) Subject to the provisions of Section 152 of the Act and other applicable laws, the Managing Director and/or Whole-time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or Whole-time Director and he shall be subject to the same provisions as to qualifications, resignation and removal as the other Directors of the Company.</p> <p>(b) The remuneration of the Managing Director or Whole-time Director shall from time to time be fixed in accordance with the provisions of the Act and may be by way of a fixed salary or commission or participation in profits or by any or all of these modes or in any other</p>

form and may be in addition to the remuneration for attendance at Board Meetings as may be provided under the other provisions of these presents and may provide for minimum remuneration in case of loss, inadequacy or absence of profits.

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| <i>Powers and Duties of Managing Director or Whole-time Director</i> | 148 | (a) | The Managing Director or Whole-time Director shall, subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise all powers exercisable by the Directors, save and except such powers to be exercised by the Board or by Company in General Meeting as per the provisions of the Act or by these Articles, shall be and Board may, confer upon and entrust the Managing Director or Whole-time Director with such powers as may be thought expedient by the Board, for such objects and purposes and upon such terms and conditions and with such restrictions. Such powers may from time to time be revoked, withdrawn, altered or varied partially or fully by the Board. |
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The Board of Directors may, whenever there are more than one Managing Director, decide whether they should act jointly or severally, and may if they think fit, delegate powers separately to one or more Managing Directors.

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| <i>Reimbursement of Expenses</i> | 149 | | The Managing Directors/ whole time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part-time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees. |
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N. Manager, CEO, Company Secretary and CFO

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| <i>Manager</i> | 150 | (a) | Subject to the applicable provisions of the Act, the Board may from time to time, after obtaining such sanctions and approvals as may be necessary, appoint an individual to be a Manager of the Company for a period not exceeding five years at a time and upon such terms and conditions as they may deem fit and may from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him |
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from office, and appoint another in his place. A Director may be appointed as the Manager of the Company.

- (b) The remuneration of the Manager, shall from time to time be fixed in accordance with the provisions of the Act and may be by way of fixed salary or commission or participation in profits or by any or all of these modes or partly in one way and partly in another.

- (c) A Manager so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a resolution of the Board or General Meeting, and shall be subject to the obligations and restrictions imposed in that behalf by the Act.

Chief Executive Officer, Company Secretary and Chief Financial Officer 151

- (a) Subject to the applicable provisions of the Act, a Chief Executive Officer, Company Secretary and Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Company Secretary and Chief Financial Officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

- (c) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, Chief Executive Officer, Company Secretary or Chief Financial Officer.

O. COMMON SEAL

Custody of Common Seal 152

Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

<i>Procedure for affixing of the Seal</i>	153	(a)	The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.
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Save as otherwise expressly provided by the Act, a document or proceeding requiring authentication by the Company may be signed by a Director or the Secretary or any other Officer authorised in that behalf by the Board and need not be under its Seal.

P. DIVIDEND

<i>Manner of declaration of Dividends</i>	154		The Company may declare dividends in general meeting, but no dividend shall exceed the amount recommended by the Board however the Company in general meeting may declare a lesser dividend.
<i>Interim Dividends</i>	155		Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
<i>Setting Aside of Reserves and carry forward of profits</i>	156	(a)	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

		(b)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
<i>Dividend to be Paid in Proportion to Amount Paid-up</i>	157	(a)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
		(b)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
		(c)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
<i>No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom and Retention of dividends</i>	158	(a)	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
		(b)	The Board may retain the dividend payable upon shares in respect of which any person is entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.
<i>Remittance of Dividends</i>	159	(a)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.

- (b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (c) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto, by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
- (d) A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer and subject to the provisions of these presents, no dividend shall be payable to any person whose name does not appear on the register of members except with the authority, special or general, of the Board.

<i>Receipt of one holder sufficient</i>	160	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
<i>Notice of Dividend</i>	161	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
<i>No interest on Dividends</i>	162	No dividend shall bear interest against the Company.
<i>Waiver of Dividends</i>	163	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Q. INSPECTION AND COPIES

<i>Inspection of Registers</i>	164	The Company shall maintain all Registers, Books and Documents as required to be maintained by the Company under the Act from time to time. The said Registers, Books and Documents shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act during business days during 2.00 p.m to 4.00 p.m or as otherwise may
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be determined by the Company in General Meeting. A company may on payment of fee not exceeding Re. 5 per page or such other reasonable fee as may be prescribed by the Board provide a copy of each of the above documents.

- Copies of Documents* 165 A company shall on payment of fee not exceeding Re. 5 per page or such other reasonable fee as may be prescribed by the Board in compliance with Section 17 of the Act, send a copy of each of the following documents to a member within seven days of the request being made by him-
- (a) the Memorandum of Association of the Company;
 - (b) these Articles;
 - (c) every agreement and every resolution referred to in sub-section (1) of section 117, if and so far as they have not been embodied in the memorandum and these Articles.
- Inspection of Registers* 166 The register of charges and the instrument of charges kept by the company shall be open for inspection-
- (a) by any member or creditor of the company without fees;
 - (b) by any other person on payment of fees not exceeding Rs. fifty for each inspection on a day.

R. ACCOUNTS & ANNUAL RETURN

- Books of Account to be Kept* 167 (a) The Board shall cause the accounts to be kept of
- all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditures take place on accrual basis and according to the double entry system of accounting;
 - all sales and purchases of goods by the Company; and
 - the assets, credits and liabilities of the Company.
- (b) If the Company has a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office and proper summarized returns made upto date at such intervals as may be deemed fit by the Board, shall be sent by Branch Office to the Company at its Office or to such other place in India, where the main books of the Company are kept.
- (c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

<i>Where Books of Accounts to be Kept</i>	168	The books of accounts shall be kept at the Registered Office or at such other place in India as the Board deems fit.
<i>Inspection by Members</i>	169	<p>(a) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules..</p> <p>(b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
<i>Annual Return</i>	170	The Company shall make the requisite annual returns in accordance with Section 92 of the Act.

S. AUTHENTICATION OF DOCUMENTS

<i>Authentication of Documents and Proceedings</i>	171	Save as otherwise expressly provided in the Act or these presents, a document or proceeding requiring authentication by the Company may be signed by any Director (including the Managing Director), Key Managerial Personnel, Manager or an authorized Officer of the Company and need not bear its seal and shall be so authenticated in the manner provided in Rule 8 of Companies (Registration Offices and Fees) Rules, 2014.
<i>Execution of negotiable instruments</i>	172	All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

T. AMALGAMATION

<i>Amalgamation</i>	173	The Company, subject to the provisions of the Act and Rules made thereunder and also subject to the provisions of these presents, may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate.
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U. WINDING UP

<i>Winding up of the Company</i>	174	<p>Subject to the provisions of the Act and rules made thereunder—</p> <p>(a) If the company shall be wound up, the liquidator may,</p>
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with the approval of the members, obtained by way of a special resolution and with any other approval required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

V. INDEMNITY AND INSURANCE

*Director's and 175
Officers' Right to
Indemnity*

- (a) Subject to the provisions of the Act, every Director (including the Managing Director), Key Managerial Personnel, Manager and other Officer or employee of the Company, shall be indemnified by the Company against any liability incurred by them on behalf of the Company and it shall be the duty of Directors, to pay, out of the funds of the Company, all costs and losses and expenses (including traveling expenses) which any Director (including the Managing Director), Key Managerial Personnel, Manager and other Officer or employee of the Company may incur or become liable to, by reason of any contract entered into or act or deed done by him in his capacity as such Director (including the Managing Director), Key Managerial Personnel, Manager, Secretary and other Officer or employee of the Company, in any way in the discharge of his duties in such capacity.

Subject as aforesaid every Director, Managing Director, Manager, Company Secretary or other Officer or employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding, whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application

under Section 463 of the Act in which relief is given to him by the Court.

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| <i>Insurance</i> | 176 | The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel, for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable under the law but would have acted honestly and reasonably, in fact. |
| <i>Directors and other Officers not responsible for acts of others</i> | 177 | Subject to applicable law, no Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act or conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, Company or corporation with whom any money securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through wilful misconduct or neglect or dishonesty. |

W. SECRECY CLAUSE

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| <i>Secrecy</i> | 178 | Save as provided in these presents and the Act, no member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the specific permission of Company/ the Board in that regard or to require discovery of or any information respecting any detail of the Company's trading or any mailer which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and sharing of which in the opinion of the Board will be inexpedient in the interest of the Company. |
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X. GENERAL POWER

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| <i>General Power</i> | 179 | Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so |
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authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

	Subscriber Details				
S. No.	Name, Address, Description and Occupation	DIN/PAN/ Passport Number	Place	DSC	Date
1	<p>ADITYA BIRLA FASHION AND RETAIL LIMITED</p> <p>Address: Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla Mumbai - 400 070</p> <p>Authorised Representative Name: Anil Malik S/o: Late Kishan Kumar Malik Address: A 4307, Altamonte, Omkar, Western Express Highway Malad (E) – 400097 Occupation: Service</p>	00170411	Mumbai	Sd/-	08/04/2024
2	<p><i>Mr. Ashish Dikshit Nominee of Aditya Birla Fashion and Retail Limited</i></p> <p><i>s/o: Amarnath Dikshit Address: E405,RahejaResidency, 8th C Main Road, Koramangala, 3rd Block, Bangalore 560034</i></p> <p>Occupation: Service</p>	01842066	Mumbai	Sd/-	08/04/2024
3	<p>Name: Ms. Sonia Bhandari Nominee of Aditya Birla Fashion and Retail Limited D/o: Mr. Shiv Kumar Gupta</p> <p>Address: J-402, Prateek Laurel, Plot Gh 001, Sector 120, Noida, Gautam Budh Nagar Noida Uttar Pradesh 201301 India Occupation: Service</p>	02948682	Mumbai	Sd/-	08/04/2024

4	<p>Name: Mr. Manoj Binod Fitkariwala</p> <p>Nominee of Aditya Birla Fashion and Retail Limited</p> <p>S/o: Mr. Binod Fitkariwala Address: Flat No. 2003, Tower A, Enigma by Oberoi Realty, LBS Road, just before Johnson and Johnson, Mulund West Mumbai Maharashtra 400080 India Occupation: Service</p>	AAAPF7867J	Mumbai	Sd/-	08/04/2024
5	<p>Name: Mr. Abhishek Ananda Hegde</p> <p>Nominee of Aditya Birla Fashion and Retail Limited S/o: Mr. Ananda Hegde Address: D/9, Neelkanth Narayan, Opp. Jondhale High School, Dombivali West, Kalyan Maharashtra 421202 Vishnunagar Thane India</p> <p>Occupation: Service</p> <p>Occupation:Service</p>	AGSPH4439C	Mumbai	Sd/-	08/04/2024
6	<p><i>Name: Ms. Yoshita Susmit Vora Nominee of Aditya Birla Fashion and Retail Limited</i></p> <p><i>D/o: Mr. Susmit Vora Address: A/603, Radhe, Pashabhai Park, Race Course, Vadodara Gujarat 390007 Racecourse Vadodara India</i></p> <p><i>Occupation: Service</i></p>	AGNPV8102H	Mumbai	Sd/-	08/04/2024
7	<p>Name: Mr. Rajesh Annamalai</p> <p>Nominee of Aditya Birla Fashion and Retail Limited S/o: Mr. Annamalai Address: 1202, Yucca Block, Nahar Amrit Apts, Chandivali, Opp to</p>	ABLPA4734F	Mumbai	Sd/-	08/04/2024

	Nahar International School, Mumbai Mumbai Maharashtra 400072 Mumbai Mumbai India Occupation: Service				
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MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following contracts and documents will be available for inspection at the Registered Office of the Company 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, from 10:00 a.m. to 5:00 p.m. on working days from the date of filing of this Information Memorandum with the Stock Exchanges until the listing of the Equity Shares on the Stock Exchanges. The said documents will also be available for inspection through electronic mode on the specific request from the concerned person made on the designated e-mail id of our Company i.e. secretarial.ablblr@abfirl.adityabirla.com.

Material contracts and documents for inspection

- a) Certificate of incorporation of the Company dated April 9, 2024.;
- b) Resolution of the Board of Directors of Company dated April 19, 2024, approving the Scheme of Arrangement;
- c) Memorandum and Articles of Association of the Company, as amended till date;
- d) Scheme of Arrangement among Aditya Birla Fashion and Retail Limited and Aditya Birla Lifestyle Brands Limited and their respective shareholders and creditors;
- e) Observation letter no. DCS/AMAL/TL/R37/3384/2024-25 dated October 30, 2024, for the Scheme of Arrangement from BSE;
- f) Observation letter no. NSE/LIST/41319 dated October 28, 2024, for the Scheme of Arrangement from NSE;
- g) Order of the National Company Law Tribunal, Mumbai bench, dated March 27, 2025 (certified true copy received on April 22, 2025.), approving the Scheme of Arrangement;
- h) Tripartite Agreement dated July 5, 2024, with NSDL, Registrar and Share Transfer Agent and the Company;
- i) Tripartite Agreement dated July 5, 2024, with CDSL, Registrar and Share Transfer Agent and the Company;
- j) Statement of Tax Benefit dated May 28, 2025 issued by Ankush Gupta & Associates, Chartered Accountants;
- k) BSE letter no. DCS/AMAL/TS/R37/3650/2025-26 dated June 5, 2025 granting in-principle approval for listing;
- l) The NSE letter no. NSE/LIST/160 dated June 5, 2025 granting in-principle approval for listing;
- m) Industry Report titled "Industry Assessment of Indian Apparel Market" dated May 5, 2025 prepared and issued by Wazir Advisors;
- n) Letter from SEBI dated June 13, 2025 bearing reference no. SEBI/HO/CFD/CFD-RAC-DCR-1/P/OW/2025/15984/1 granting relaxation from the applicability of Rule 19(2)(b) of SCRR as per the SEBI Circular as amended from time to time for the purpose of listing of the equity shares of Aditya Birla Lifestyle Brands Limited.
- o) Financial Statements of Aditya Birla Lifestyle Brands Limited for the period ended March 31, 2025.

Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if required in the interest of the Company or if required by other parties thereto, without reference to the Shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other applicable laws.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or the rules, circulars, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Information Memorandum are true and correct.

For and on behalf of the **Board of Directors of Aditya Birla Lifestyle Brands Limited**



Name: Ashish Dikshit

Designation: Managing Director

DIN: 01842066

Date: June 19, 2025

Place: Mumbai



DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or the rules, circulars, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Information Memorandum are true and correct.

For and on behalf of the **Board of Directors of Aditya Birla Lifestyle Brands Limited**



Name: Rajeev Agrawal

Designation: Company Secretary & Compliance Officer

Membership No. : ACS 18877

Date: June 19, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India or the rules, guidelines and regulations issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or the rules, circulars, guidelines or regulations issued thereunder, as the case may be. I further certify that all statements and disclosures made in this Information Memorandum are true and correct.

For and on behalf of the **Board of Directors of Aditya Birla Lifestyle Brands Limited**



Name: Dharmendra Lodha

Designation: Chief Financial Officer

PAN No: ACEPL0188Q

Date: June 19, 2025

Place: Mumbai

