A FORCE FOR GOOD

ADITYA BIRLA
LIFESTYLE BRANDS

ANNUAL REPORT **2024-25**
ADITYA BIRLA LIFESTYLE BRANDS LIMITED

OUR GROUP PURPOSE STATEMENT

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

Dear Shareholders,

FY25 was a study in resilience and dynamism, shaped by the push and pull of uncertainty and the powerful force of adaptive leadership. For the Aditya Birla Group, it has been a year of unprecedented growth and renewal. The Group has been an engine of big bets, moving with conviction across multiple frontiers.

We witnessed, in vivid form, the breadth, depth, and scale of our businesses, reflected in the sheer simultaneity of strategic moves. New platforms were launched and rapidly scaled— in paints, in jewellery retail, and in B2B e-commerce. At the same time, we deepened leadership in our core sectors like cement, metals, fibre, chemicals, and financial services.

Each move was consequential on its own. Together, they reflect a rare dynamism. A kind of corporate choreography. What enables it? A distinctive alchemy of capital strength, institutional talent, brand equity, sectoral expertise, and trust, carefully built over decades. It is this combination that has allowed us to move swiftly and with clarity, even amidst global uncertainty.

Global Outlook: Making Sense of an Uncertain World

The global economy in 2024 proved unexpectedly steady, growing at 3.3%, only a shade below the 3.5% posted a year earlier, despite persistent noise and disruption. According to the International Monetary Fund, this resilience held firm against an unsettled backdrop of inflationary pressures, geopolitical fault lines, and fragmenting trade ties. The United States, driven by buoyant consumer and government spending, led the developed world with GDP growth of 2.8%. Yet this strength stood in contrast to more subdued performances across Asia and Europe.

China's recovery, once a cornerstone of global momentum, remained hesitant. Sluggish consumer demand and ongoing stress in the property sector weighed heavily. In parallel, investment levels across major economies stagnated, productivity gains stalled, and public debt remained a growing concern.

Geopolitical tensions, now more durable than episodic, compounded market uncertainty. A more fragmented world economy, shaped by competing spheres of influence and rising trade friction, added further complexity.

Yet not all signals were dim. Inflation eased dropping from 6.6% in 2023 to 5.7% in 2024, reflecting tighter monetary policy and a marked softening of supply chain disruptions. Central banks in advanced economies began pivoting away from restrictive stances, making financial conditions more supportive, though not without caution.

Looking ahead, global growth is expected to moderate to 2.8% in 2025 before edging up to 3.0% in 2026. Much of the drag is expected from advanced economies, with their collective growth projected to slow from 1.8% to 1.4%.

Monetary easing and subsiding inflation offer some tailwinds. Still, vulnerabilities persist. Geopolitical conflict, high borrowing costs, and deteriorating trade dynamics remain formidable obstacles. Inflation is projected to fall further to 4.3% in 2025 and 3.6% in 2026, but service sector inflation remains sticky, and trade disruptions could yet spark fresh cost pressures.

Merchandise trade, long the engine of global growth, faces an uncertain future. New tariffs and retaliatory measures risk pulling global trade volumes into contractionary territory. Encouragingly, recent bilateral trade deals suggest that diplomacy is not entirely off the table, even as rhetoric hardens.

India in 2024-25: Standing Strong in a Fractured World

India emerged as an outlier of stability and momentum in a world adrift. With projected GDP growth of 6.4–6.5%, it retained its crown as the fastest-growing major economy. The final quarter surged to 7.4%, powered by construction, manufacturing, and sustained government capital outlay.

Policy credibility, macroeconomic resilience, and diversified growth engines underpinned this performance. Consumption rebounded and exports rose. Agriculture benefited from favourable monsoons and strong foodgrain output. Services, still India's growth mainstay, grew by 7.2%, accounting for over half of gross value added.

India's export story was particularly telling. Merchandise and services exports reached an all-time high of US$ 824.9 billion, up 6.01% year-on-year, a feat few economies could match amid global headwinds.

Inflation, a lingering concern globally, trended down decisively. The headline rate eased to 4.6%, from 5.4% a year earlier, helped by effective supply-side interventions, softening input costs, and timely monetary policy adjustments. The Reserve Bank of India moved from tightening to a neutral stance in October 2024, then back to accommodative in April 2025.

The financial system stood firm. Balance sheets strengthened and asset quality improved. Loan growth remained in double digits. Yields softened across government and corporate debt, reinforcing investor confidence.

India enters the new fiscal year with tailwinds intact. GDP growth is projected at 6.5%, with risks well-balanced. Consumption is expected to pick up further. Public investment will likely remain a key growth lever, while fiscal consolidation continues.

Manufacturing momentum is expected to build, supported by the Production Linked Incentive (PLI) scheme and the new National Manufacturing Mission. Infrastructure will remain a priority, buoyed by initiatives under Gati Shakti, higher allocations for affordable housing, and a renewed push under the Asset Monetisation Plan.

The external sector outlook, though exposed to global turbulence, remains cautiously optimistic. Ongoing trade negotiations and regional partnerships offer a buffer against a volatile trade landscape.

While global financial market volatility, geopolitical tensions, and trade fragmentation pose downside risks, India's sound macroeconomic fundamentals, robust financial sector, and commitment to sustainable growth position the economy to remain the fastest-growing major economy in 2025-26.

Aditya Birla Group: Investing in People, Leading with Purpose

In an era of disruption and dynamism, the Aditya Birla Group has held firm to a foundational conviction that people are the ultimate differentiator. In FY25, this belief took on new urgency and new scale. Our investments in talent, culture, and capability were not just deepened, but future aligned.

Through the year, 13,233 professionals joined us in the management cadre across businesses, 76% of whom were under the age of 35. This surge in Gen Z hiring marks a deliberate pivot to next-generation talent that is digital-first, agile, and ambitious. Diversity hiring accounted for 18%, reflecting our continued commitment to inclusion as a business strategy.

A robust pipeline of talent is the cornerstone of any sustainable business. Internal hiring rose to 76% at senior levels (up from 72%) and to 70% at mid- and junior levels (from 54%), reinforcing our commitment to growing from within. Among critical senior leadership roles, 67% were filled by planned successors, 19% by other internal talent, and only 14% externally. These figures reflect a healthy blend of self-reliance and fresh perspective. The engine behind this momentum is a mix of structured leadership programmes, mobility frameworks, and strong mentorship architecture.

Learning and development remained the cornerstone of our people strategy. Gyanodaya, our Leadership and Learning Centre, inaugurated a new 158,000 sq. ft. campus with cutting-edge infrastructure and immersive learning technologies. Over 6,300 learners attended programmes across future skills, leadership, and functional competencies. The Gyanodaya Virtual Campus, our digital learning platform, saw participation from 92% of our workforce, touching nearly 60,000 employees.

Our Learning Fest, a three-month Group-wide initiative, brought future-critical themes like digital transformation, data analytics, growth mindset, and inspirational leadership, to the fore. More than 10,000 employees participated, from factory floors to corporate offices, reflecting a culture where learning is universal.

Equally, we recognise that high performance must be underpinned by wellbeing. The Group took significant strides in mental and physical health support this year. Awareness programmes, counselling services, and a network of trained Emotional First Aiders provided critical care to over 1,400 employees and family members. In Mumbai, 99.5% of eligible employees completed annual health check-ups. Across the Group, businesses tailored wellness initiatives to local contexts, ensuring impact with

Employee engagement levels remain among the highest in the industry. Our internal survey, ABG Vibes 2025, reported a 91% engagement score. 87% of employees indicated a strong intent to build long-term careers within the Group. These numbers not only exceed external benchmarks but also speak to the emotional equity we have built over time.

Our people philosophy extends beyond the workplace. Through the A World of Opportunities Foundation, 203 scholarships were awarded to students from underprivileged backgrounds. Over 33,000 employees contributed ₹6.7 crore, reflecting a deep culture of giving. Since inception, nearly 5,000 scholarships have been granted, and more than 2,000 alumni are now gainfully employed across India. Meanwhile, our Deep Volunteering programme enabled 250 employees to contribute directly to grassroots causes, with 16 selected for immersive NGO engagements in remote areas—living, learning, and giving back.

The year culminated with meaningful external recognition. The Aditya Birla Group was named a Top Employer 2025 in India by the Top Employers Institute and featured among Forbes World's Best Employers. These accolades reaffirm our belief that our people are the key to our continued success. And in building a world of opportunities for our people, we deepen our own purpose as a Force for Good.

Your Company's Performance

FY25 represents a landmark year that set the foundation for our independent journey. With the demerger and listing completed, we are now poised to pursue focused growth, innovation and value creation as a distinct purpose-driven entity.

A Defining Year of Independence and Growth

The demerger of Aditya Birla Lifestyle Brands Limited (ABLBL) from Aditya Birla Fashion and Retail Limited (ABFRL) in May 2025, followed by its listing in June, represents a significant turning point in your Company's journey. This transition has enabled ABLBL to operate as an independent entity with strategic clarity, operational agility and a singular focus on scaling leadership in the western and premium lifestyle fashion segments.

Backed by a high-margin core business, a dynamic emerging brands portfolio and a future-ready operating model, ABLBL is poised to drive sustainable growth and long-term value creation.

This milestone underscores our deep conviction in the long-term potential of India's fashion industry and ABLBL's readiness to lead the next phase of growth.

Navigating Industry Trends with Confidence

The Indian fashion industry is experiencing structural shifts, fueled by rising incomes, rapid urbanization and growing consumer aspirations. With India's per capita GDP expected to rise from $2,500 to over $4,000 in the next five years, the market is witnessing a clear shift toward premiumization and increasing brand preference across lifestyle categories.

Your Company, Aditya Birla Lifestyle Brands Limited is uniquely positioned to capitalize on these emerging trends. Our portfolio is thoughtfully curated to cater to the evolving fashion needs of Indian consumers across multiple price points, age groups and lifestyle occasions.

With a strong presence in both core and emerging segments of western wear, we are deepening our engagement with new-age consumers while continuing to strengthen our leadership in traditional categories. This dual focus enables your Company to drive growth while staying aligned with India's dynamic fashion landscape.

FY25 Performance Highlights

FY25 was a challenging year for the retail sector, marked by weak consumer sentiment, particularly in the first half. Despite these headwinds, your Company demonstrated agility, driven by the strength of its brand portfolio.

For the financial year ended March 2025, your Company reported revenues of ₹7,830 crore with EBITDA of ₹1,270 crore, translating to an EBITDA margin of 16.2%, a 100-basis points improvement over the previous year. This performance highlights our resilience and adaptability in a dynamic market, even as we continue to invest in future-ready growth and transformation initiatives.

Your Company has built one of the largest and most diverse retail footprints in the country, with a presence that spans across Exclusive Brand Outlets (EBOs), departmental stores, value stores and e-commerce platforms.

- *3,253 exclusive brand outlets, including value-format stores*
- *37,000+ multi-brand outlets, primarily catering to the innerwear segment*
- *7,000+ Shop-in-Shops within major departmental store chains*
- *Well-positioned across top e-commerce platforms, in addition to our own brand.com channels*

A Portfolio Anchored in Strength and Innovation

ABLBL houses some of India's most iconic and trusted fashion brands that continue to make their mark in the market through deep consumer insights, differentiated product offerings and strong execution.

Louis Philippe, Van Heusen, Allen Solly and Peter England

Your Company's flagship lifestyle brands continue to demonstrate strong leadership across multiple categories, powered by superior retail execution, innovative design capabilities and deep consumer trust and equity. These brands form the core growth engine of our business, seamlessly blending timeless appeal with a contemporary edge to cater to the ever-evolving fashion sensibilities of Indian consumers.

In response to shifting consumer preferences, our brands have actively expanded beyond their core offerings, venturing into more casual, active and occasion-driven segments. This strategic expansion enables us to balance the strength of our established core portfolio with the agility to tap into high-growth, future-ready categories and segments.

Additionally, our brands continue to strengthen their direct-to-consumer presence, leveraging both digital and physical channels to deliver enhanced, personalized customer experiences. By deepening engagement and driving innovation across formats, we are building resilient, consumer-centric brands that are well-positioned to lead in the next phase of the Indian fashion evolution.

Van Heusen Innerwear, American Eagle and Reebok

Our emerging brands portfolio is scaling rapidly, each brand targeting high-growth, underpenetrated segments of the Indian market.

Van Heusen Innerwear continues to expand its presence in the innerwear and athleisure space, backed by differentiated product offerings, comfort-first design and growing brand affinity. American Eagle has established a strong foothold among Gen Z and millennial consumers through its denim-first positioning and aspirational lifestyle appeal. Reebok, with its strong global heritage in sportswear and fitness, is undergoing a successful brand revitalization in India and is seeing steady traction across both performance and lifestyle categories.

Together, these brands represent the next wave of growth for ABLBL, combining category innovation with strong consumer relevance and omnichannel reach.

A Culture of Operational Excellence and Digital Agility

Your Company's tech-enabled operations and agile execution culture continue to drive efficiencies across the value chain. With data-led decision-making, customer-centric strategies and supply chain transformation, we are building a future-ready organization that is efficient, scalable and responsive to market dynamics. The integrated omni-channel ecosystem ensures a seamless and consistent customer experience across touchpoints, with over 50% of your Company's store network now omni-enabled.

Your Company's EBO network is largely driven by a franchise-led, asset-light approach, which supports scalable growth and wider reach. These franchise relationships are a core strength and integral to our retail strategy.

At the heart of this ecosystem are the state-of-the-art manufacturing facilities, which continue to serve as the backbone of your Company's operations. With an annual production capacity exceeding 30 million units, these manufacturing capabilities have more than doubled over the past 4 years, enabling us to keep pace with fast-evolving fashion trends and consumer preferences. We proudly employ over 15,000 associates, a majority of whom are women, reinforcing our dedication to both economic empowerment and workforce diversity.

Commitment to Sustainability

At ABLBL, sustainability is deeply embedded in our values and business strategy. From responsible sourcing and the use of eco-friendly materials to waste reduction and energy efficiency across our manufacturing facilities and stores, we are integrating sustainability into every aspect of our operations.

Several of our facilities have achieved Zero Water and TRUE Zero Waste certifications, underscoring our long-standing commitment to building a business that is not only profitable, but also inclusive and environmentally responsible.

Looking Ahead: A Future Built on Purpose and Possibility

With a robust brand portfolio, a strong capital foundation and a focused leadership team, ABLBL is well-positioned to capture the next wave of consumer demand in India's rapidly evolving fashion and lifestyle market.

Our strategic priorities for the coming years are clear - We aim to comprehensively address all meaningful wearing occasions—from formal and casual wear to innerwear, athleisure and sportswear, across a full spectrum of categories, including apparel, footwear and accessories. By doing so, we are building a future-ready business that meets the diverse and growing fashion needs of Indian consumers, while driving sustainable, double digit CAGR growth.

As we embark on this exciting new phase, I would like to thank all our shareholders, franchisees, customers and partners, for their trust and support. We are confident that with our passionate team, strong brands and focused strategy, your Company will continue to shape the future of premium lifestyle fashion in India.

We look forward to your continued partnership on this journey.

Conclusion

I have long believed that the stronger we grow, the greater the impact we create. Growth, for us, is a force multiplier. It compels us to widen the aperture— to think more boldly about the difference we can make. It energises us to leverage our scale, resources, and leadership to deliver disproportionately better outcomes for all our stakeholders—employees, consumers, partners, investors, and society at large.

This dynamic interplay, of purpose and performance, underpinned by our proven ability to synthesise capital, talent, and ideas, is what will shape a truly transformative future. And through this journey, we will continue to demonstrate, with quiet conviction, the enduring power of business as a force for good.

Kumar Mangalam Birla

Dear Shareholders,

It gives me immense pleasure to present to you the first Integrated Annual Report of your Company, Aditya Birla Lifestyle Brands Limited (ABLBL) for FY 2024-25.

FY25 was a landmark year as we successfully completed the demerger of the Madura Fashion & Lifestyle business from Aditya Birla Fashion and Retail Limited (ABFRL) into ABLBL on 1st May 2025. Subsequently ABLBL became a listed entity in June 2025.

This bold step was not merely a structural change. It was a strategic leap forward, unlocking sharper focus, capital discipline, and the agility needed to scale new frontiers in India's premium fashion and lifestyle landscape.

Today, ABLBL stands as India's leading premium lifestyle company driven by timeless brands, deep consumer connect, long standing franchisee relationships and a strong culture of innovation and execution.

Your Company's portfolio consists of –

- *Lifestyle Brands of Louis Philippe, Van Heusen, Allen Solly, Peter England and Simon Carter*
- *Emerging Brands of Reebok, Van Heusen Innerwear and American Eagle*

Adapting with Purpose in a Dynamic Market

The fashion and lifestyle sector experienced headwinds from a general slowdown in consumer discretionary spending. In spite of the challenges, your Company remained firmly focused on driving profitable growth. We responded swiftly to shifting market dynamics through strategic cost alignment, thoughtful product mix adjustments and disciplined operational execution, prioritizing markets and channels that drove growth.

In FY25, ABLBL recorded normalized revenues of ₹7,830 crore, driven by steady consumer demand in its core categories and a continued strategic focus on building momentum in its emerging categories. The company reported a normalized EBITDA of ₹1,270 crore, representing a margin of 16.2% — an improvement of 100 basis points year-over-year. This performance underscores its ongoing emphasis on operational efficiency and disciplined execution of strategic growth priorities.

Powering Growth Through Brands That India Trusts

At the heart of ABLBL lies an exceptional portfolio of brands that for decades have defined how India dresses. Louis Philippe, Van Heusen, Allen Solly, and Peter England are more than just apparel brands. They are powerhouses, responsible for shaping consumer's fashion wardrobe.

All our lifestyle brands have earlier surpassed the Rs. 1,000 Cr. revenue mark, with two exceeding Rs. 2,000 crores—making them among the very few brands in the Indian fashion industry to achieve such scale.

In FY25, these lifestyle brands contributed ₹6,575 crore in revenue and delivered an EBITDA margin of 19.3 percent, underscoring their enduring strength and operational efficiency. These brands posted strong positive like-to-like growth on a network of over 2900 stores reaffirming the salience of these brands amongst Indian consumers and also underscoring the exceptional quality of retail execution.

Despite a tough macroeconomic environment, our core brands maintained strong momentum, driven by a relentless focus on product innovation, brand relevance, and customer experience. From reimagining workwear to tapping into casual and youth wear trends, these brands continue to evolve with the Indian consumer, staying both timeless and contemporary.

Fueling the Next Frontier with Emerging Brands

In parallel, our emerging brands including Reebok, American Eagle, and Van Heusen Innerwear are scaling rapidly. These businesses are designed for the next generation of consumers and are already shaping new conversations in athleisure, innerwear, youth casualwear and performance sportswear.

Reebok has witnessed strong brand revival under our stewardship, with investments in product, retail, and storytelling positioning it as a key player in India's growing fitness culture. American Eagle continues to gain mindshare among youth, offering global denim-led casualwear to Indian consumers. Meanwhile, Van Heusen Innerwear has firmly established itself as a credible player in a large market with an opportunity to build premium brand.

This emerging brand portfolio delivered positive EBITDA in FY25, highlighting the improving profitability profile across brands that continue to be the growth driver for the portfolio. Together, these brands are not just diversifying our portfolio, they are future-proofing it.

Scaling with Strength: Our Platform Advantage

A key enabler of our growth is our robust pan-India presence, with over 3,200 stores across the country. This expansive footprint, supported by growing omni-channel capabilities and strong unit economics, ensures we are present wherever our consumers are in the digital and physical retail stores.

What truly differentiates ABLBL is our ability to scale without compromising agility. Our retail expansion is underpinned by a predominantly franchise-led, asset-light model, enabling scalable growth and broad market reach. These long-standing franchise partnerships are a key strength and form the cornerstone of our retail strategy. Supporting this ecosystem are our advanced state-of-art manufacturing facilities, with an annual production capacity of over 30 million units.

Our integrated operating model enables precision in merchandising, speed in decision-making and an unwavering focus on profitability. These strengths powered our performance in FY25, delivering continued margin expansion.

Our financial position remains strong, with net debt at ₹781 crore and a clear roadmap for full repayment within the next two to three years through internal free cash flow generation. This strong foundation allows us to confidently reinvest in growth, innovation and talent.

The Digital Leap

We remain deeply committed to advancing our digital and e-commerce capabilities across all brands. Leveraging our own e-commerce platform, developed in-house, we have successfully built individual brand websites, mobile applications, and virtual stores, with a seamless transition into one other, enabling unified consumer engagement across channels.

Significant strides have also been made in modernizing core IT systems and strengthening data analytics and AI-driven insights, aimed at enhancing operational efficiency and delivering an elevated, high quality customer experience.

Today, over 50% of our stores are fully omni-channel enabled, offering customers a continuous online-to-offline journey. Our e-commerce business, generated over ₹1,000 crore in revenue this year, emphasing the strength of our portfolio for our ecommerce partners.

Commitment to Sustainability

At ABLBL, sustainability is not a standalone initiative—it's a core principle that guides how we operate and grow. We are embedding environmentally conscious practices across our value chain, from sourcing responsibly and adopting sustainable materials to improving energy efficiency and minimizing waste in both our manufacturing units and retail spaces.

Looking ahead to Sustainability 3.0, ABLBL is accelerating its Net-Zero transition by increasing renewable energy usage, scaling circular economy practices, and embedding digital technologies across operations. Strategic priorities include achieving green building certifications aligned with LEED and IGBC standards, expanding textile-to-textile recycling, adopting sustainable packaging and leveraging digital tools to build a more agile, resource-efficient and sustainable ecosystem.

The Road Ahead: A Bold Vision

The business model is built on strong fundamentals backed by robust financials and a trusted consumer franchise network. With a strong brand portfolio, deep ecosystem partnerships and a winning team, ABLBL is poised to remain at the forefront of India's premium lifestyle and fashion industry in the years ahead. Looking forward, ABLBL is on a mission to double its scale and expand margins significantly over the next five years. This will be driven by:

- *Strengthening our leadership in casual wear while continuing our strong foothold in the formalwear category*
- *Scaling our emerging categories including athleisure, sportswear, innerwear and youth fashion*
- *Accelerating omni-channel investments and digital commerce capabilities*
- *Leveraging latest technology for an efficient and sustainable supply chain*
- *Building aspirational yet inclusive brands with a sharp focus on design, quality and value*

We are not just growing in scale;
We are growing with focus and purpose.

Conclusion

To our employees, partners, franchisees and vendors, thank you for being part of this historical moment as we begin a momentous journey in the Indian apparel landscape. Your commitment, resilience, and ambition continues to inspire us.

To our customers, you are at the heart of everything we do. Your trust fuels our innovation, and your feedback shapes our evolution. To our shareholders, thank you for your belief in our vision. We are committed to driving long-term, sustainable value; positioning ABLBL as the undisputed leader in India's premium western fashion and lifestyle space. As we embark on this exciting new chapter, I am confident that ABLBL will not only grow faster and stronger but will also build brands that resonate with the India of today and tomorrow.

Warm regards,

Ashish Dikshit

Managing Director
Aditya Birla Lifestyle Brands Limited

Board Of Directors

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

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

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

Vishak Kumar
Deputy Managing Director and CEO
I E F G
T M R S

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

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

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

Preeti Vyas
Independent Director
E G I M T S
CSR

Venkatesh Satyaraj Mysore
Independent Director
C E F G H I M R

Yogesh Chaudhary
Independent Director
E G I T S R
CSR | RMSC | SRC

Pankaj Sood
Non-Executive Director
C E F G H
I M R S T

Average Age

54 Years

28 Years — 74 Years

Board Independence

55% Independent

45% Non-Independent

Skills & Competencies

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

Committee Composition

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

Chairperson | Member

For detailed profile of Directors refer https://www.ablbl.in/corporategovernance/

Key Executives

Puneet Malik
CEO of Innerwear Business

Jacob John
President of Premium Brands

Narahari N
Senior Vice President
Central Servicing

Key Managerial Personnel

Rajeev Agrawal
Company Secretary & Compliance Officer

Dharmendra Lodha
Chief Financial Officer

FY 2024-25

Revenue Highlights

₹ 7,830 Cr.
Revenue From Operations

₹ 1,270 Cr.
Ebitda

4.6 Mn. Sqft
Retail Space

20,000+
Permanent Employees

3,253
Stores

LOUIS PHILIPPE

Louis Philippe is India's leading premium menswear brand, celebrated for its heritage, craftsmanship, and modern outlook since 1989. Over the years, it has become the destination for men who appreciate fine tailoring, luxurious fabrics, and designs that balance classic appeal with contemporary trends. From impeccably tailored formals to sophisticated casual wear, premium linens and refined accessories, Louis Philippe offers a complete wardrobe for the discerning gentleman. Every creation reflects a commitment to detail, ensuring that the Louis Philippe man is impeccably turned out, no matter the occasion.

Pioneering innovation has been at the heart of Louis Philippe's journey, with signature lines like Permapress wrinkle-free shirts, Athwork modern formal wear, Louis Philippe Casuals, premium Louis Philippe Jeans, sustainable Green Crest, and the exclusive Luxure collection. Loved by over half a million customers, the brand's iconic crest remains a mark of excellence and refined taste, inspiring men to dress not just with style, but with distinction.

VAN HEUSEN

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

ALLEN SOLLY

Allen Solly has been a trailblazer in India's fashion landscape since 1993. At first the brand revolutionised this space with the bold concept of Friday Dressing; then with its unconventional positioning it created cultural shifts across the years. Bring your Pet to Work, Own your Shape, Everyday is Friday, Be Who You Want To Be are just some of its memorable campaigns.

Allen Solly has now become the No. 1 men's brand in Top of Mind Recall*. It was also rated in the top 2 most loved fashion brands in India by TIME Magazine in 2024.

A pioneer in bringing fresh and exciting fashion to young India, the brand's expanded portfolio caters to the ever-evolving needs of the modern consumer.

Allen Solly now serves fashion across lifestyle needs for Men right from Workwear to True Casuals and Weddings.

It caters to the contemporary woman with premium workwear, smart casuals and one of the largest offerings of handbags.

The brand appeals to Gen Alpha who are not constrained by norms, by serving up a Juniors range which allows them to express themselves across home, play and celebratory occasions.

In its latest campaign, "Legs now turn Heads", Allen Solly channels the infectious energy of salsa and hip-hop. With sharp choreography, young faces and vibrant styling- it captures the heart of a generation that dresses the way it lives, free and unapologetic.

*Source: Kantar Brand Track

PETER ENGLAND

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

AMERICAN EAGLE

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

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

Reebok

Reebok is a bold, disruptive and iconic sports, fitness and lifestyle brand which strives to inspire human movement. We carry an irreverent and unapologetic attitude towards life and create products that embody this spirit. Through our high-performance products and technologies, we ignite action with experimentation and a challenger mindset. We bring the best of performance, and support everyone in their personal journeys. We use our voice to look out for each other and build a world which ensures that sport is afforded by all. Reebok believes, that Sport is Everything. Move with purpose, and move freely, with Reebok.

VAN HEUSEN® INNERWEAR

Van Heusen Innerwear and Athleisure is one of the most innovative and fashion forward brands launched in the year 2016, aiming to redefine the category codes in mid premium segment. The brand is built on the pillars of innovation, performance, sophistication, and fashion. They offer a wide range of styles across innerwear, athleisure, activewear and loungewear catering to ever evolving lifestyle of new age consumers.
The brand is available across a network of 150+ exclusive stores along with an expansive footprint across 34,000+ multi brand outlets and major large-format retail chains. Van Heusen Innerwear was also recognized as “Best Men’s Innerwear Brand” for the year 2023 by Myntra.

SIMON CARTER LONDON

The Company was built on Simon’s love for all things vintageand different. The brand philosophy is rooted in a tradition ofeclectic English style, taking classic forms and adding a twist of eccentricity. Simon Carter is about quality and refinement in a particularly witty and eclectic style. The menswear collection is defined by its use of print and colour, offering men the opportunity to develop their own sense of style and allowing their distinct personality to shine through. With a potent blend of candid observations and artistic flavour, Simon Carter creates the most intriguing clothes for men in top wear, bottom wear along with complimenting accessories that accentuate an ensemble.

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REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Company's directors hereby present the 1st Annual Report of the Company together with the audited financial statements of the Company for the period from April 9, 2024 to March 31, 2025 ("year under review/ period under review").

STATE OF COMPANY'S AFFAIRS

The Company has been incorporated on April 9, 2024. The Board of Directors of the Company ('Board') at its meeting held on April 19, 2024, had approved a Scheme of Arrangement amongst the Company, Aditya Birla Fashion and Retail Limited ("ABFRL") and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("Demerger Scheme"). ABFRL had made an application to the Stock Exchanges for its "No Observation Letter".

The Company and ABFRL had jointly filed the Company Application with Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") and subsequently filed the joint petition with the Hon'ble NCLT. The Demerger Scheme was sanctioned by Hon'ble NCLT on March 27, 2025.The Effective Date for the Demerger Scheme was May 1, 2025.

The Appointed Date for the Scheme was April 1, 2024. Accordingly, the financial statements of the Company for the period under review were prepared to give effect to the Demerger Scheme.

Your Company's financial performance for the period ended on March 31, 2025 is summarized as below:

(Amount ₹ in Crores)

Particulars	Standalone	Consolidated
Period ended on March 31, 2025		
Revenue from Operations	7,830	7,830
EBITDA	1,268	1,269
Finance Cost	377	382
Depreciation and amortisation	702	706
Profit / (Loss) before Tax	91	83
Deferred Tax (change/credit)	22	24
Net Profit/(Loss) After Tax	69	60

BUSINESS OVERVIEW

Building a Lifestyle Powerhouse

Post-demerger, the Company operates a robust portfolio of lifestyle brands, including market-leading names such as **Louis Philippe, Allen Solly, Van Heusen, Peter England, and Simon Carter**, alongside youth-focused **American Eagle,** sportswear brand **Reebok,** and innerwear business under **Van Heusen Innerwear**. The Company's strategy is centered on scaling core brands, expanding product portfolios, and deepening distribution across channels—driving sustainable, long-term growth in the premium lifestyle space.

History

In the years leading up to the 2000s, Louis Philippe, Van Heusen, Allen Solly, and Peter England established a dominant presence in India's formal and premium office wear segment. Each brand successfully carved out a unique niche, strategically catering to distinct consumer needs.

In 1999, the Aditya Birla Group (ABG) acquired Madura Garments, gaining ownership or exclusive licensing rights for all four brands. By 2004, the business transitioned from a wholesale-driven model to a retail-led strategy, rapidly expanding its exclusive brand outlet network and deepening direct consumer engagement. Over time, the brands expanded beyond their formalwear roots, entering casual wear, sportswear, kids wear, and women's apparel, broadening their relevance in everyday fashion. The group further ventured into the innerwear category with Van Heusen, building a trade-led distribution model, and later diversified into youth western wear and sportswear by adding global brands like American Eagle and Reebok to its portfolio.

A Robust, Scalable Business with Strong Fundamentals

Today, ABLBL operates as a formidable premium lifestyle platform, participating in a large and growing total addressable market (TAM) with a proven and scalable operating model.

Over the years, the business has achieved a **leadership position**, consistently delivering:

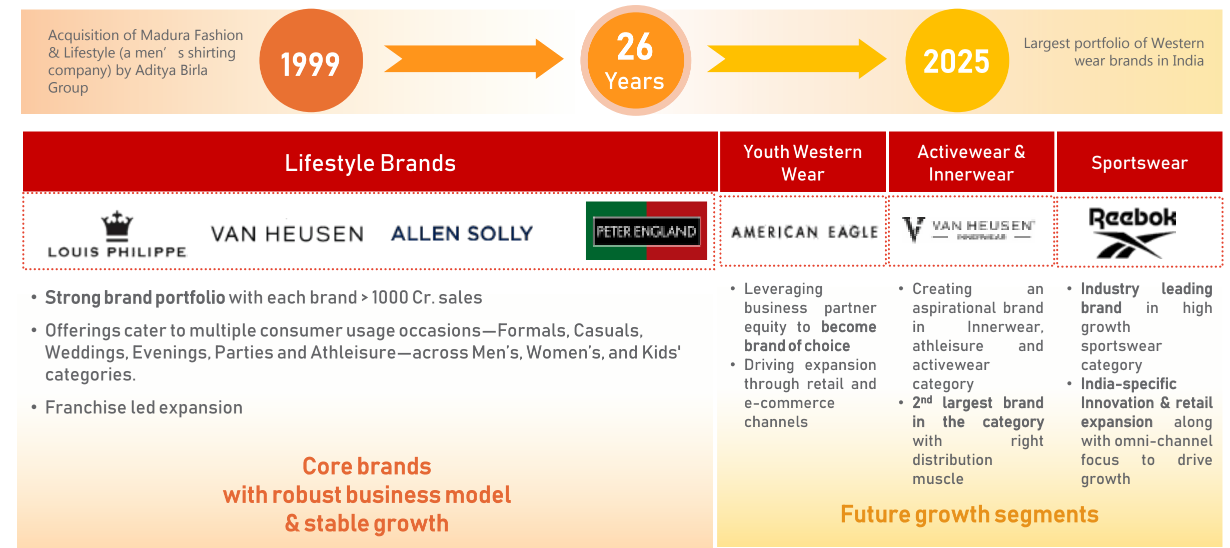
- Steady revenue growth
- Strong and stable profitability
- Positive cash flow
- High Return on Capital Employed (ROCE)

In addition to its core categories, ABLBL has strategically expanded into high-growth segments such as innerwear, sportswear, and youth casual wear, positioning itself for continued momentum.

Post de-merger and listing, ABLBL is set for the next phase of growth, suitably funded by internal cash generation. The Company is targeting to double its size over the next five years, aiming for double-digit CAGR alongside improved profitability. Having consistently delivered positive operating cash flows (pre-Ind AS), it now aspires to become a dividend-distributing entity soon and plans to achieve a debt-free status within next 2–3 years.

A Future-Ready Premium Lifestyle Platform

ABLBL stands today as India's most formidable premium lifestyle brand platform—built on the backbone of strong operational excellence perfected over years and powered by strong brands, innovation led culture and industry leading talent.



FY25 ABLBL Performance Highlights

ABLBL continued to demonstrate a robust and profitable growth trajectory, with a marked improvement in performance during the second half of the year. The business delivered mid single-digit like-to-like retail growth, driven by consistently robust retail execution, continued product innovation, and a sharp focus on enhancing customer experience. At the same time, the Company strategically rationalized low-margin channels and enhanced the overall quality of its distribution network.

ABLBL reported normalized revenue of ₹ 7,830 crores with an normalized EBITDA margin of 16.2%, a 100-bps improvement over the previous year.

As on March 31, 2025, ABLBL had 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.

a) Lifestyle Brands

Your Company's Lifestyle Brands segment comprises four of India's most iconic apparel brands — Louis Philippe, Van Heusen, Allen Solly, and Peter England. Each brand is uniquely positioned to cater to diverse consumer preferences across formal and casual wear categories, while consistently reinforcing their distinct value propositions:

- **Louis Philippe:** Lead excellence in fashion, responsibly
- **Van Heusen:** Empower achievers to build a better world
- **Allen Solly:** Make dressing-up fun, responsibly
- **Peter England:** Make High-Quality Fashion affordable

With one of the strongest and most versatile brand portfolios in the Indian fashion industry, the Lifestyle Brands segment continues to set industry benchmarks and redefine market standards. Spanning multiple categories, price points, and consumer occasions, the brands have maintained deep-rooted consumer trust and aspirational appeal, reaffirming their salience amongst Indian shoppers.

In FY25, the Lifestyle Brands delivered a revenue of ₹ 6,575 crore and an EBITDA margin of 19.3%, reflecting both operational excellence and brand strength

Despite a challenging external environment, the Lifestyle Brands have retained leadership across core categories, driven by:

- Timeless design and innovation
- Consistent product upgradation with modern blends and premium finishes
- A differentiated brand identity and strong customer recall

The brands have strengthened their portfolio by catering to a broad spectrum of price points, while actively pursuing product premiumization and category expansion. This includes deeper plays in casual wear, wedding collections and non-apparel segments, ensuring relevance across evolving consumer needs.

Aligned with a strategy of profitable expansion, the Lifestyle Brands undertook multiple initiatives in FY25:

- Product premiumization to drive higher value per transaction
- Markdown management to protect margins and reduce discount dependency
- Rationalization of low-profitability channels and selective network optimization

These measures have contributed to robust like-to-like sales growth while continuously improving the profitability profile of the business.

As of March 31, 2025, the Lifestyle Brands network includes 2,900+ stores (including value stores), a franchisee-led expansion model supporting scalable growth and a robust omnichannel ecosystem, integrating offline and digital retail for seamless consumer engagement.

The Lifestyle Brands continue to stand as a testament to the Company's legacy of innovation, quality and customer-centricity. As India's fashion landscape evolves, these brands are well-positioned to lead the next phase of growth—shaping consumer preferences, redefining trends, and setting new standards for how India dresses.

Lifestyle brands (Retail KPIs)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
LTL value growth	5%	5%	-20%	46%	40%	-8%	4%
No. of Stores*	1,980	2,253	2,379	2,522	2,650	2,679	2,489
Total Retail Area* (Mn. sq.ft.)	2.56	2.83	3.01	3.24	3.55	3.73	3.50

*excluding value stores

b) Emerging Brands

American Eagle

American Eagle has continued to strengthen its foothold in the Indian market, building on its global reputation for trend-driven, comfortable casualwear. The brand's positioning resonates deeply with India's young, aspirational demographic, quickly establishing it as one of the top choices for premium denim and casual fashion in the country. In FY25, the brand recorded impressive double-digit year-over-year growth, fueled by robust like-to-like retail performance and an expanding distribution footprint.

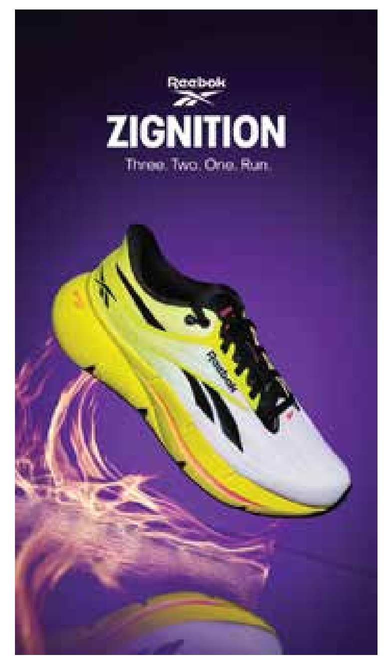
Today, American Eagle operates 68 stores across 30+ cities, alongside a growing presence in over 200 departmental stores and multi-brand outlets. This expanding geographic footprint reflects the brand's rising popularity and increasing traction among Indian consumers.

Reebok

Reebok, a globally recognized sportswear brand, continues to make strong strides in the Indian market with its high-performance footwear, apparel, and accessories. Since its acquisition in FY2022, Reebok has significantly strengthened the company's presence in the youth-oriented activewear segment, complementing the lifestyle portfolio with its rich heritage in fitness, innovation, and athleisure.

Operating on a well-established and profitable retail model, Reebok has witnessed renewed consumer interest, fueled by the rising adoption of active lifestyles and the growing focus on health and wellness across both urban and semi-urban markets. In FY25, the brand expanded its footprint by opening 25 new stores, taking its total presence to over 170 exclusive outlets nationwide.

Over the past year, Reebok has strategically diversified its product range across key categories such as walking, running, training, and lifestyle wear, while reinforcing its positioning in the fast-growing athleisure market. Innovations like MAXFOAM+, SPACEFOAM for Women, ZIGNITION, FLOATZIG, and NANOGYM have further elevated its appeal amongst India's fitness-conscious and style-driven youth.



Van Heusen Activewear, Athleisure and Innerwear

Your Company's foray into the innerwear and athleisure segment through **Van Heusen Innerwear & Athleisure** has witnessed noteworthy success since its launch in 2016. The brand has rapidly scaled operations, driven by a sharp product strategy, continuous innovation and strong channel execution. Today, Van Heusen's innerwear and athleisure range is available across **36,500+ trade outlets and 100+ Exclusive Brand Outlets (EBOs)**, with an additional **1,500+ new counters added in FY25**. The brand also maintains a strong presence across leading departmental stores and e-commerce platforms, driving comprehensive consumer coverage across channels.

Van Heusen Innerwear offers a thoughtfully curated collection for **men, women, and kids**, blending stylish designs with advanced product features that prioritize comfort, fit, and everyday wearability. The brand continues to drive growth in this segment through **fabric innovation, ergonomic fits and category expansion**. Key product innovations include **Classic+, Vitals, Layer Zero, and Invisibles**, each catering to specific consumer needs while maintaining the brand's hallmark of sophistication and quality.

Marketing efforts have been significantly scaled up, with **national television campaigns and strategic collaborations with influencers** to amplify brand reach and deepen consumer engagement. These initiatives are crafted to enhance Van Heusen's visibility in this category and strengthen its connect with India's evolving lifestyle-conscious audience.

By seamlessly combining **style, comfort, and functionality**, Van Heusen Innerwear & Athleisure is well-positioned to capture the growing demand in India's premium athleisure lifestyle and fitness apparel market.

BUSINESS STRATEGY

1. Accelerate growth of core brands and expand market share

Our Lifestyle Brands continue to execute a multi-pronged growth strategy, expanding across diverse product categories and consumer segments. While men's wear remains the core, we've made strong strides into casual wear, women's wear, kids wear, wedding wear, accessories, and non-apparel, broadening our portfolio to attract new consumers and enhance customer lifetime value. A key focus remains on expanding into untapped and high-potential markets, complemented by efforts to deepen consumer engagement through compelling storytelling and community-building initiatives. Simultaneously, investments in strengthening brand.com platforms with hyperlocal, personalized experiences are set to elevate the digital journey, enabling stronger consumer connections and driving sustained growth.

2. Build Powerful Brands in targeted New High Growth Segments

Our strategic approach is aimed towards building a leadership position in large total addressable markets and high growth segments through strong and distinct brands. We have identified key growth areas including innerwear, sportswear and denim wear, where we have already established a meaningful presence via brands Van Heusen, Reebok and American Eagle.

Reebok is set to drive rapid retail expansion in India while continuously innovating in high-performance products. American Eagle will prioritize expanding its distribution network through Exclusive Brand Outlets (EBOs) and Large Format Stores (LFS). Van Heusen Innerwear will continue to expand its trade network while scaling a profitable retail model.

We are well-positioned to have a significant play in casual wear segment through our diverse brand portfolio of leading brands.

3. Expand our Distribution Footprint

We have built a comprehensive and robust distribution network that spans both offline and online channels, ensuring widespread accessibility of our brands across the country. Our offline presence is among the largest in the western branded apparel space, with a growing number of exclusive brand outlets strategically located nationwide. As of March 2025, our retail network includes 3250 stores, covering ~4.6 Mn sq.ft. Additionally, our brands are present in various multi-brand outlets and shop-in-shops within large-format departmental stores, enabling deep market penetration and visibility.

Having established a strong footprint in our core markets, we are now focused on expanding into newer geographies, particularly those with rising fashion aspirations and growing consumer spending. Our brand equity, combined with high customer recall and loyalty, serves as a strong foundation as we enter untapped regions. Tier II and III cities represent a significant growth opportunity. These markets are benefiting from steady improvements in infrastructure, lifestyle and digital adoption, making them increasingly relevant to India's consumption story.

4. Continue to Focus on Product Innovation and Upgradation in Established and Emerging Categories

We continue to place strong emphasis on product innovation and enhancement to ensure our offerings remain high-quality, trend-right, and aligned with evolving consumer expectations. This focus spans both our well-established categories and high-growth emerging segments, supported by consistent investments in research and development to create functional, stylish, and comfort-driven products.

Our Lifestyle Brands are leading the way in introducing new, trend-forward product extensions. For instance, Indo-fusion collections offer a fresh, modern reinterpretation of traditional wedding attire—bridging the gap between ethnic aesthetics and contemporary styling. Peter England has ventured into sports-inspired collections, seamlessly blending athletic functionality with everyday fashion. Reebok, known 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.

5. Technology and Digital-Led Continual Improvement in Operating Efficiency

A core pillar of our growth strategy is the continued deployment of technology-driven solutions to enhance operational efficiency and improve customer experience across both retail and e-commerce ecosystems.

By leveraging predictive analytics and AI, we are automating critical functions such as Assortment planning, Buying decisions and Markdown and pricing optimization. We are investing in Product Lifecycle Management (PLM) systems to streamline operations, reduce lead times, and improve supply chain agility. Our demand-driven auto-replenishment models and next-generation warehouse management systems support the scalable growth of offline & online operations and ensure prompt, omnichannel fulfillment.

We are scaling initiatives such as Buy Online, Ship-from-Store and multi-warehouse fulfillment optimization, building a faster, more reliable and cost-effective delivery network.

Through this ongoing digital transformation, we are creating a tech-enabled, customer-centric retail organization that is agile, scalable and well-positioned to thrive in the rapidly evolving fashion and retail landscape.

DIRECTORS' RESPONSIBILITY STATEMENT

The audited financial statements of your Company for the period under review ("financial statements") are in conformity with the requirements of the Companies Act, 2013 read with the rules made thereunder ("Act") and the Accounting Standards. The financial statements reflect the form and substance of transactions carried out during the year under review and present your Company's financial condition and results of operations, fairly and reasonably.

Your directors confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) accounting policies selected have been applied consistently and reasonable & prudent judgments and estimates were made, so as to give a true and fair view of the state of affairs of your Company as at the end of the period under review and the profit/loss of your Company for the period under review;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts of your Company have been prepared on a 'going concern' basis;

e) adequate internal financial controls were laid down & followed by your Company and such internal financial controls were operating effectively;

f) proper systems have been devised by your Company to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively and

g) the Company has been in Compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

SHARE CAPITAL

As on March 31, 2025, the authorized as well as paid-up capital of the Company was ₹ 5,00,000 (Rupees Five Lakh Only) divided into 50,000 equity shares of ₹ 10/- (Rupees Ten Only) each.

Consequent to effectiveness of the Demerger Scheme, the Authorized Share Capital of the Company was increased as follows:

Authorized Capital	Pre-Demerger Scheme (As on March 31, 2025)	Post-Demerger Scheme (As on May 1, 2025)
Equity Share Capital	50,000 equity shares of ₹ 10 each	2,00,00,00,000 equity shares of ₹ 10 each
Preference Share Capital	Nil	5,55,000 preference shares of ₹ 10 each

Paid-up share capital

As on March 31, 2025, the issued and paid-up capital of the Company was ₹ 5,00,000 comprising of 50,000 Equity Shares of face value of ₹ 10/- each.

In accordance with the sanctioned Demerger Scheme, 1 (one) fully paid-up equity share of the Company having face value of ₹ 10/- each for every 1 (one) fully paid-up equity share of ₹ 10 (Rupees Ten) each of ABFRL shall be issued and allotted by the Company to the equity shareholders of ABFRL. The record date was fixed as May 22, 2025 for this purpose. The equity shares of the Company shall be listed on BSE Limited and the National Stock Exchange of India Limited ("Stock Exchanges").

DISCLOSURES IN TERMS OF THE PROVISIONS OF THE COMPANIES ACT, 2013

The Company is in the process of making exemption application under Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957 in accordance with the Securities and Exchange Board of India the Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and filing of information memorandum with the Stock Exchanges as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

In view of this, the Board of the Company has been re-constituted in compliance with the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Company has also adopted various policies as required under rules/ regulations of Securities and Exchange Board of India.

A. BOARD OF DIRECTORS ("Board")

(i) Number of meetings

The Board met 6 (Six) times during the period under review. The maximum gap between any two consecutive meetings was less than 120 (one hundred and twenty) days, as stipulated under Section 173(1) of the Companies Act, 2013 and the Secretarial Standards issued by Institute of Company Secretaries of India.

(ii) Appointment/Re-appointment/Cessation

A. Appointment/Re-appointment

The Company was incorporated with following as the first directors:

Sr. No.	Names	DIN	Designation	Date of Appointment
1.	Mr. Ashish Dikshit	01842066	Non-Executive Director	April 9, 2024
2.	Mr. Anil Malik	00170411	Non-Executive Director	April 9, 2024
3.	Mr. Jagdish Bajaj	08498055	Non-Executive Director	April 9, 2024

The composition of the Board of Directors as on date of this report:

S. No.	Names	DIN	Designation	Date of appointment & Tenure
1.	Mr. Ashish Dikshit*	01842066	Managing Director	not-liable to retire by rotation
2.	Mr. Vishak Kumar	09078653	Deputy Managing Director & Chief Executive officer	w.e.f. May 1, 2025 liable to retire by rotation

S. No.	Names	DIN	Designation	Date of appointment & Tenure
3.	Ms. Ananyashree Birla	06625036	Non-Executive Director	w.e.f. May 20, 2025 liable to retire by rotation
4.	Mr. Aryaman Vikram Birla	08456879	Non-Executive Director	w.e.f. May 20, 2025 liable to retire by rotation
5.	Mr. Arun Adhikari	00591057	Independent Director	w.e.f. May 20, 2025 until January 19, 2029
6.	Mr. Nish Bhutani	03035271	Independent Director	w.e.f. May 20, 2025 until May 19, 2030
7.	Ms. Preeti Vyas	02352395	Independent Director	w.e.f. May 20, 2025 until May 19, 2030
8.	Mr. Sunirmal Talukdar	00920608	Independent Director	w.e.f. May 20, 2025 until December 5, 2026
9.	Mr. Venkatesh Satyaraj Mysore	01401447	Independent Director	w.e.f. May 20, 2025 until May 19, 2030
10.	Mr. Yogesh Chaudhary	01040036	Independent Director	w.e.f. May 20, 2025 until May 19, 2030
11.	Mr. Pankaj Sood	05185378	Non-Executive Director	w.e.f. May 23, 2025 liable to retire by rotation

**re-designated as Managing Director w.e.f May 1, 2025.*

B. Cessation/ Retirement by rotation

During the period under review, no director has resigned / ceased from the Board of your Company.

After the period under review, w.e.f. from May 20, 2025, Mr. Anil Malik and Mr. Jagdish Bajaj ceased to be the directors of the Company. The Board placed on record sincere appreciation towards their valuable contribution to the Company.

Further in accordance with the provisions of the Companies Act, 2013 and the Articles of Association, Mr. Vishak Kumar, Deputy Managing Director & Chief Executive officer, (DIN: 09078653) is due to retire by rotation at the ensuing 1st Annual General Meeting and being eligible, has offered himself for re-appointment.

Resolution seeking his re-appointment along with his profile as required as per Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India forms part of the Notice of the 1st Annual General Meeting of the Company.

C. Board Evaluation

During the period under review, the Company did not cross the threshold limits requiring Annual evaluation of the Board and of individual Directors, therefore the evaluation process was not carried out.

D. Declaration of Independence

The Company has received necessary declaration from each Independent Director of the Company stating that:

(i) they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and

(ii) they have registered their names in the Independent Directors' Databank.

The Board of Directors are of the opinion that the Independent Directors of your Company are people of integrity, and they hold eminent expertise, relevant experience and proficiency to be appointed as the Independent Directors.

B. Key Managerial Personnel ("KMP's")

During the year under review, the Company was not required to appoint Key Managerial Personnel pursuant to the provisions of Section 2 (51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

As on date of this report, the Company has following KMPs:

a. Mr. Ashish Dikshit, Managing Director;

b. Mr. Vishak Kumar, Deputy Managing Director and Chief Executive Officer;

c. Mr. Dharmendra Lodha, Chief Financial Officer and

d. Mr. Rajeev Agrawal, Company Secretary and Compliance Officer.

C. Committees of the Board

During the year under review, the Company was a wholly-owned subsidiary of Aditya Birla Fashion and Retail Limited. Accordingly, the constitution of various committees was not mandatory.

After the year under review, the Board of Directors of the Company at its meeting held on May 20, 2025, has constituted the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management & Sustainability Committee in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The composition of various committees is detailed below:

S. No.	Name of Committee	Composition	Designation	Chairperson/ Member
a.	**Audit Committee**	Mr. Sunirmal Talukdar	Independent Director	Chairperson
		Mr. Nish Bhutani	Independent Director	Member
		Mr. Arun Adhikari	Independent Director	Member
b.	**Stakeholders Relationship Committee**	Mr. Yogesh Chaudhary	Independent Director	Chairperson
		Mr. Arun Adhikari	Independent Director	Member
		Mr. Ashish Dikshit	Executive Director	Member
c.	**Nomination & Remuneration Committee**	Mr. Arun Adhikari	Independent Director	Chairperson
		Mr. Sunirmal Talukdar	Independent Director	Member
		Mr. Nish Bhutani	Independent Director	Member
d.	**Corporate Social Responsibility Committee**	Mr. Ashish Dikshit	Executive Director	Chairperson
		Mr. Nish Bhutani	Independent Director	Member
		Mr. Yogesh Chaudhary	Independent Director	Member
		Ms. Preeti Vyas	Independent Director	Member
e.	**Risk Management and Sustainability Committee**	Mr. Sunirmal Talukdar	Independent Director	Chairperson
		Mr. Arun Adhikari	Independent Director	Member
		Mr. Yogesh Chaudhary	Independent Director	Member

The terms of reference of these committees are available on the Company's website at https://www.ablbl.in/

D. Corporate Social Responsibility ("CSR")

During the period under review, the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 related to CSR were not applicable to the Company and as such, the details about the CSR Policy as mentioned in section 134(3)(o) of the Companies Act, 2013 read with rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 were not applicable.

The Board of Directors of the Company at its meeting held on May 23, 2025, with a vision "to actively contribute to the social and economic development of the communities in which your Company operates and in doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index, Be a force for good" has adopted a CSR policy which is available on the website of the company i.e., https://www.ablbl.in/

The scope of the CSR Policy is as under:

i. Planning Project or programmes which the Company plans to undertake falling within the purview of Schedule VII of the Act and

ii. Monitoring process of such project or programmes.

E. Related Party Transactions

All related party transactions entered into during the period under review were approved by the Board from time to time and the same are disclosed in the financial statements of your Company. The contracts/ arrangements/ transactions entered into by the Company with its related parties, during the period under review, were:

- in "ordinary course of business" of the Company;
- on "an arm's length basis" and
- not "material".

Accordingly, Form No. AOC-2, prescribed under the provisions of Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, for disclosure of details of related party transactions, which are "not at arm's length basis" and also which are "material and at arm's length basis", is not provided as an annexure to this Report.

F. Subsidiaries, joint ventures, associate companies

As on March 31, 2025, the Company does not have any subsidiaries, joint ventures and associate company.

Pursuant to the effectiveness of the Scheme, Aditya Birla Garments Limited has become the wholly owned subsidiary of the Company.

In accordance with applicable accounting standards, a statement containing the salient features of financial statements of your Company's subsidiaries and associate in Form No. AOC-1 is annexed as **Annexure I** to this Report.

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto and the SEBI Listing Regulations, the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of your Company's subsidiary have been placed on the website of your Company viz. https://www.ablbl.in/

The Company does not have any material subsidiary.

G. Vigil Mechanism

As on March 31, 2025, the provision relating to establishment of vigil mechanism, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with rule 7 of the Companies (Meeting of Board and its Power) Rules 2014 were not applicable to the Company. The Board of Directors of the Company at its meeting held on May 23, 2025 adopted Vigil Mechanism/Whistle Blower Policy of the Company.

H. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Considering that the Company has not commenced its business operations, no comment is required on conservation of energy and technology absorption.

Details of foreign exchange earnings for the period under review is ₹ 188.37 Crore and foreign exchange outgo is ₹ 798.58 Crore.

I. Auditors and Auditors report

Auditor	Auditors Report
Statutory Auditor	• The Board at its meeting held on May 23, 2025, upon the recommendation of Audit Committee approved the appointment of Price Waterhouse & Co Chartered Accountants LLP (FRN: 304026E/E-300009), as the Statutory Auditors of the Company, subject to the approval of Members, to hold office from the conculsion of 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting of the Company. Price Waterhouse & Co Chartered Accountants LLP (FRN: 304026E/E-300009), have given their consent to act as the Statutory Auditors of the Company and have also given a confirmation to the effect that their appointment if made would be in compliance with the provisions of section 141 of the Companies Act, 2013, at the ensuing 1st Annual General Meeting of the members of the Company.
	• Further, the Auditors' Report "with an unmodified opinion", given by the Statutory Auditors on the financial statements of the Company for financial year 2024-25, is disclosed in the financial statements forming part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditor in their Report for the year under review.
	• The notes to the financial statements are self-explanatory and do not call for any further comments.
Secretarial Auditor	• Based on the recommendation of the Board in its meeting held on May 23, 2025, M/s. Mitesh Shah & Associates, Company Secretaries, is proposed to be appointed as secretarial auditors of the Company to hold office for a term of 5 (five) consecutive years, i.e. from the ensuing Annual General Meeting ("AGM") until the conclusion of the 6th AGM of the Company, covering the period from the financial year 2025-26 till filancial year 2029-30, subject to the approval of shareholders at ensuing AGM, as per Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Cost Auditor	• During the year under review, your Company was not required to maintain cost records under Section 148(1) of the Act. Hence, the provisions related to appointment of Cost Auditor is not applicable.

Details in respect of frauds reported by auditors under Sub-Section (12) of Section 143 of the Companies Act, 2013

During the period year under review, the Statutory Auditors have not reported any instances of fraud committed against the Company by its officers or employees to the Central Government under Section 143(12) of the Companies Act, 2013.

J. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF YOUR COMPANY WHICH HAVE OCCURRD BETWEEN MARCH 31, 2025 AND THE DATE OF THE REPORT.

- On April 22, 2025, Company had received the certified copy of NCLT order dated March 27, 2025, sanctioning Demerger Scheme;
- On May 1, 2025 Demerger Scheme has become effective, being first day of the month following the month in which all conditions precedents are satisfied. Appointed Date as per the Scheme was April 1, 2024;
- W.e.f. May 1, 2025 Mr. Vishak Kumar, appointed as Deputy Managing Director & Chief Executive Officer of the Company, pursuant to the Demerger scheme.
- W.e.f. May 1, 2025 Company has approved the appointment of Mr. Ashish Dikshit as Managing Director.

K. OTHER DISCLOSURES

In terms of the applicable provisions of the Companies Act 2013, your Company additionally discloses that, during the year under review:

- there was no change in the nature of business of your Company;
- there was no revision in the financial statements.
- it has not accepted any deposits from the public falling under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2025, there were no deposits which were unpaid or unclaimed and due for repayment, hence, there has been no default in repayment of deposits or payment of interest thereon;
- it has not issued any shares with differential voting rights;
- it has not issued any sweat equity shares;
- it does not engage in commodity hedging activities;
- no significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status operations of your Company in future except as stated in Directors Report
- it has not transferred any amount to the Reserves;
- it has not paid or declared any dividend during the period under review;
- it has not made application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 and
- it has not made any one-time settlement for the loans taken from the Banks or Financial Institutions.

It is further disclosed that particulars of the loans, guarantees and investments, as required under Section 186 of the Companies Act, 2013 are disclosed in the financial statements of your Company for the period under review.

L. ANNUAL RETURN

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, the Annual Return in Form no. MGT-7 is available on the website of the Company i.e., https://www.ablbl.in/

M. INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

Your Company has put in place adequate internal control systems that are commensurate with the size of its operations. Internal Control system comprise of policies and procedures are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information, and compliance.

N. DISCLOSURES PURSUANT TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As of March 31, 2025, the Company had no employees on its rolls. Pursuant to the effectiveness of the Demerger Scheme, the employees of Aditya Birla Fashion and Retail Limited, who were engaged in Madura Fashion and Lifestyle business of ABFRL were transferred to the Company.

Your Company has in place a policy on Prevention of Sexual Harassment at Workplace, which is in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). The objective of this policy is to provide an effective complaint redressal mechanism if there is an occurrence of sexual harassment.

This policy is applicable to all employees, irrespective of their level and it also includes 'Third Party Harassment' cases i.e., where sexual harassment is committed by any person who is not an employee of the Company.

Your Company has also set up an Internal Complaints Committee at each of its administrative office(s) which is duly constituted in compliance with the provisions of the POSH Act. Further, the Company also conducts interactive sessions for all the employees, to build awareness amongst employees about the policy and the provisions of POSH Act.

The disclosures pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") pertains exclusively to the employees transferred from ABFRL to the Company.

The details of complaints related to sexual harassment exclusively to the employees transferred from ABFRL to the Company for the period under review are as follows:

Sr. No.	Particulars	Received during the year	Disposed off during the year	Pending for more than 90 days	Pending as on March 31, 2025
1	Employees (On roll)	7	7	1	1
2	Others (Off roll/3rd party)	5	4	1	1
	Total	**12**	**11**	**2**	**2**

ACKNOWLEDGEMENT

We take this opportunity to thank all the customers, members, investors, vendors, suppliers, business associates, bankers and financial institutions for their continuous support. We also thank the Central and State Governments and other regulatory authorities for their co-operation.

We acknowledge the patronage of the Aditya Birla Group and above all, we place on record our sincere appreciation for the hard-work, solidarity and contribution of each and every employee of the Company in driving the growth of the Company.

For and on behalf of the Board of Directors

Ashish Dikshit	**Vishak Kumar**
Managing Director	Deputy Managing Director & Chief Executive Officer
DIN: 01842066	DIN: 09078653
Place: Mumbai	Place: Mumbai
Date: May 23, 2025	Date: May 23, 2025

Disclaimer:

Certain statements in the Business Overview may not be based on historical information or facts and may be "forward looking statements" within the meaning of applicable securities laws and Regulations, including but not limited to those relating to general business plans and strategy of the Company, its future outlook and growth prospects, future developments in its businesses, its competitive and regulatory environment and management's current views and assumptions, which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government Regulations, tax regimes, competitor's actions, economic developments, within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise. The Business Overview does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's securities. (The financial figures have been rounded off to the nearest Rupee One Crore.)

ANNEXURE I

FORM AOC - 1
PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013 READ WITH RULE (5) OF COMPANIES (ACCOUNTS) Rules, 2014

FORM AOC - 1PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013 READ WITH RULE (5) OF COMPANIES (ACCOUNTS) RULES, 2014

Statement containing salient features of the consolidated financial statement of Subsidiaries or associate companies / Joint Ventures

Part "A" - Subsidiaries

(Amount ₹ in Crores)

Sr. No.	Particulars	Aditya Birla Garments Limited[1]
1	Date since when subsidiary was acquired	May 1, 2025
2	Reporting period	2024-2025
3	Reporting currency	INR
4	Share capital/Partner's capital account	35.00
5	Reserves & surplus	-17.44
6	Total assets	141.41
7	Total liabilities	123.85
8	Investments	-
9	Turnover	25.61
10	Profit/(Loss) before taxation	-7.85
11	Provision for taxation	1.62
12	Profit/(Loss) after taxation	-9.47
13	Proposed Dividend	-
14	% of shareholding	100.00%

Note:

Aditya Birla Garments Limited became a wholly owned subsidiary of the Company pursuant to the effectiveness of the Scheme of Arrangement between the Company and Aditya Birla Fashion and Retail Limited w.e.f. May 1, 2025.

Part "B" - Associate - Nil

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

DHARMENDRA LODHA
(Chief Financial Officer)

Place: Mumbai
Date : May 23, 2025

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

Standalone Financial Statements

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.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill (Refer Note 5 to the standalone financial statements) The Company has goodwill of ₹ 627.67 crores at March 31, 2025. 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, *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment annually. 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. Impairment assessment of goodwill requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill is considered to be a key audit matter.	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Company's controls to assess impairment of goodwill on an annual basis. • Evaluated whether the 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.

Key audit matter	How our audit addressed the key audit matter
Provision for Inventory obsolescence	Our audit procedures included the following:
(Refer Notes 2.4(c) and 12 to the standalone financial statements) The Company held inventories of ₹ 2,107.52 crores at March 31, 2025. In accordance with Ind AS 2, *Inventories*, inventories are carried at lower of cost or net realizable value. The Company operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost. Management has a policy to recognize provisions for inventory considering assessment of future trends and the Company's past experience related to its ability to liquidate the aged inventory. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimate.	• 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.
Provisions for discount and sales returns (Refer Note 2.4(d) to the standalone financial statements) The Company has recognised provisions for unsettled discounts and sales returns amounting to ₹ 289.84 crores and ₹ 499.11 crores, respectively, at March 31, 2025. Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer. Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts. The estimate of sales returns and discounts depends on contract terms, forecasts of sales volumes and past history of quantum of returns. The expected returns and discounts that have not yet been settled with the customers are estimated and accrued. Determination of provisions for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Company's controls to assess the adequacy of provision for discounts and sales returns. • Evaluated the periodic account reconciliations prepared by the management during the 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. • 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.

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.

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).

(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.

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 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 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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSJQ9630

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

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.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSJQ9630

Place: Mumbai
Date: May 23, 2025

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

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 (₹ 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	Refer Note 1
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	
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	
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	
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.

(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 (₹ 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.

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 services 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 (₹ In crores)	Paid amount (₹ In crores)	Unpaid amount (₹ 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
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 ₹ 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.

(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.

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.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSJQ9630

Place: Mumbai
Date: May 23, 2025

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**

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

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

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

DHARMENDRA LODHA
(Chief Financial Officer)
Place: Mumbai
Date : May 23, 2025

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

STANDALONE 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	7,829.73
II	Other income	32	77.27
III	**Total income (I + II)**		**7,907.00**
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	43a	764.70
	(h) Other expenses	37	1,678.27
	Total expenses		**7,717.48**
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)**		**91.19**
VIII	**Income tax expense**		
	(a) Current tax	38	-
	(b) Current tax relating to earlier years	38	-
	(c) Deferred tax	38	22.19
			22.19
IX	**Profit/(Loss) for the year (VII - VIII)**		**69.00**
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		**(3.22)**
XI	**Total comprehensive income for the year (IX + X)**		**65.78**
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**
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

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

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

DHARMENDRA LODHA
(Chief Financial Officer)
Place: Mumbai
Date : May 23, 2025

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

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**
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

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

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(Chief Financial Officer)
Place: Mumbai
Date : May 23, 2025

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

STANDALONE 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		**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**

STANDALONE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2025

₹ in Crore

	Notes	Period ended March 31, 2025
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**
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

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

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

DHARMENDRA LODHA
(Chief Financial Officer)
Place: Mumbai
Date : May 23, 2025

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

(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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

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.

NOTES TO THE STANDALONE 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	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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

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.

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).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 aprroval 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 invloved in manufacturing of garments.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTE: 6
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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

₹ in Crore

	As at March 31, 2025
(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 forseeable 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.

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**

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:

₹ in Crore

	Standalone Balance Sheet		Standalone Statement of Profit and Loss
	As at March 31, 2025	As at April 01, 2024 Transferred pursuant to Composite Scheme (Refer note 48)	Period ended 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
Impact of Ind AS			
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%.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

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
At lower of cost and net realisable value	
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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

Ageing of Trade Receivables:

₹ in Crore

Particulars		Outstanding as on March 31, 2025 (for following periods from due date of payment)						
		Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	1,107.10	110.30	84.18	28.52	-	-	1,330.10
(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		**1,107.10**	**110.30**	**85.68**	**32.42**	**4.05**	**16.00**	**1,325.48**

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:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

₹ 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**

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		As at March 31, 2025
			Fair value adjustments	Others	
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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

(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.

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	**1,220.26**
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	**69.00**
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	**41.49**

₹ 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	**(33.68)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

Other comprehensive income

Remeasurement gains/ (losses) on defined benefit plans

	₹ in Crore
	As at March 31, 2025
As at the beginning of the year	-
Gains/ (losses) during the period	(3.22)
As at the end of the year	**(3.22)**
Total	**1,293.85**

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	**1,293.85**

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.

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 initaite 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.

NOTE: 23
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

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).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 Cpmpany'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.

₹ 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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

(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**

(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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

(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**

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**

₹ in Crore

	Period ended March 31, 2025
(b) Purchase of stock-in-trade	
Purchase of stock-in-trade	2,146.68
Total	**2,146.68**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

₹ in Crore

	Period ended March 31, 2025
(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**

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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

NOTE: 37
OTHER EXPENSES

₹ in Crore

	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:	
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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

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**

NOTES TO THE STANDALONE 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		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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

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:

	As at March 31, 2025	
Sensitivity level		
Discount rate	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)	(3.66)	3.93
Salary escalation rate	0.50% increase	0.50% decrease
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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

i) Details of the grants under Scheme 2017 are below :-

	Options	RSUs
No. of Options/ RSUs	1,371,591	519,574
Method of accounting	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting
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	**388,363**	**164.23**	**84,976**	**10.00**
Granted during the financial year	-	-	-	
Exercised during the financial year^	(179,903)	177.56	(6,070)	10.00
Lapsed during the financial year	(22,509)	178.30	-	
Outstanding at the end of the financial year	**185,951**	**178.30**	**78,906**	**10.00**
Unvested at the end of the financial year	-	-		
Exercisable at the end of the financial year	**185,951**	**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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

i) **Details of the grants under Scheme 2019**

	Options	RSUs
No. of Options/ RSUs	2,174,990	565,591
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 3rd 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 338.00NSE - 163.80 to 337.55	BSE - 163.85 to 338.00NSE - 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	1,478,113	209.50	247,625	10.00
Granted during the financial year	-	-	-	
Exercised during the financial year^	(147,897)	188.40	(64,821)	10.00
Lapsed during the financial year	(117,893)	229.28	-	-
Outstanding at the end of the financial year	**1,212,323**	**217.76**	**182,804**	**10.00**
Unvested at the end of the financial year	**130,324**	-	**77,779**	
Exercisable at the end of the financial year	**1,081,999**	**211.98**	**105,025**	**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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

i) **The details of the Plan are as below:**

Details of SARs are below :

	Option SARs	RSU SARs
No. of SARs	1,326,879	619,164
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	1,101,332	281.70	540,391	10.00
Granted during the financial year	-	-		
Exercised during the financial year^	(161,531)	216.09	(50,579)	10.00
Lapsed during the financial year	(219,222)	234.80	(20,633)	
Outstanding at the end of the financial year	**720,579**	**238.26**	**469,179**	**10.00**
Unvested at the end of the financial year	**316,305**		**248,206**	
Exercisable at the end of the financial year	**404,274**	**228.06**	**220,973**	**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.

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	1,813,089	578,610
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	578,610	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**	**561,890**	10.00
Unvested at the end of the financial year	**17,48,555**	**318.90**	**561,890**	10.00
Exercisable at the end of the financial year	-	-	-	-

^The settlement happens net of exercise price.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

Particulars	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

Particulars	March 31, 2025	
Increase/ (Decrease) in sales	**Increase by 5%**	**Decrease by 5%**
Rent	37.33	(37.33)

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.

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.

NOTES TO THE STANDALONE 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)

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	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

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	112,548
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019				
Options - Tranche 1	December 02, 2019	December 01, 2028	225.25	375,000
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	260,059
Options - Tranche 4	August 05, 2022	August 03, 2030	275.10	31,096

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2025 Number outstanding
Options - Tranche 5	September 20, 2022	September 18, 2030	330.75	171,023
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	170,448
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2024				
Options - Tranche 1	August 7, 2024	August 7, 2029	318.9	406,036
Options - Tranche 2	February 27, 2025	February 27, 2031	248.55	246,340
Total				**1,810,428**
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	113,065
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				**460,351**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

₹ in Crore

	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)	-	-	276.64	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)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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:

₹ in Crore

	As at March 31, 2025	
Percentage change (%)	**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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

As at March 31, 2025

	As at March 31, 2025	
Percentage change (%)	**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)

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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	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**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

Acquired pursuant to Composite Scheme	₹ in Crore
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.

NOTE - 49
RATIO DISCLOSURES

	As at March 31, 2025	Reasons for variance more than 25%
Current ratio (times)[1]	1.08	Refer note below
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	
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.

NOTE - 50
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).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 identiûable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee beneût 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

- 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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) <u>Short-term employee benefits</u>

Short-term employee benefits are recognised as an expense on accrual basis.

(b) <u>Defined contribution plan</u>

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) <u>Defined benefit plan</u>

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) <u>Compensated absences</u>

The employees of the Company are entitled to compensated absences. The employees can carry forward a

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

(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
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

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

DHARMENDRA LODHA
(Chief Financial Officer)
Place: Mumbai
Date : May 23, 2025

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

Consolidated Financial Statements

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.

Key audit matter	How our audit addressed the key audit matter
Provision for Inventory obsolescence (Refer Notes 12 and 2.4(c) to the consolidated financial statements) The Group held inventories of Rs. 2,108.82 crores at March 31, 2025. In accordance with Ind AS 2, *Inventories*, inventories are carried at lower of cost or net realizable value. The Group operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost. Management has a policy to recognize provisions for inventory considering assessment of future trends and the Group's past experience related to its ability to liquidate the aged inventory. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimate.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for inventory obsolescence. • Evaluated the methodology used by the management to determine the provision for inventory obsolescence. • 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.
Provisions for discount and sales returns (Refer Note 2.4(d) to the consolidated financial statements) 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. Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer. Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts. The estimate of sales returns and discounts depends on contract terms, forecasts of sales volumes and past history of quantum of returns. The expected returns and discounts that have not yet been settled with the customers are estimated and accrued. Determination of provisions for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for discounts and sales returns. • Evaluated the periodic account reconciliations prepared by the management during the 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. • 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.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill (Refer Note 5 to the consolidated financial statements) The Group has goodwill of Rs.627.67 crores at March 31, 2025. 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, *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment annually. 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. Impairment assessment of goodwill requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill is considered to be a key audit matter.	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Holding Company's controls to assess impairment of goodwill on an annual basis. • Evaluated whether the 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.

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.

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.

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.

(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(h)(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).

(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.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSJR3450

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

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.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSJR3450

Place: Mumbai
Date: May 23, 2025

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSJR3450

Place: Mumbai
Date: May 23, 2025

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**

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

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

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

DHARMENDRA LODHA
(Chief Financial Officer)
Place: Mumbai
Date : May 23, 2025

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

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

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

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(Managing Director)
(DIN: 01842066)
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(DIN: 09078653)
Place: Mumbai
Date : May 23, 2025

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(Chief Financial Officer)
Place: Mumbai
Date : May 23, 2025

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

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		
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		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)	Total other equity	
As at April 01, 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**
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)
Place: Mumbai
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Place: Mumbai
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(Chief Financial Officer)
Place: Mumbai
Date : May 23, 2025

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2025

₹ in Crore

	Notes	Period ended March 31, 2025
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)
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

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

As per our report of even date

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

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 23, 2025

For and on behalf of the Board of Directors of
Aditya Birla Lifestyle Brands Limited

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

DHARMENDRA LODHA
(Chief Financial Officer)
Place: Mumbai
Date : May 23, 2025

RAJEEV AGRAWAL
(Company Secretary)
(M.No: A18877)
Place: Mumbai
Date : May 23, 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

- 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.

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 buildings	5 years
Borewells (pipes, tubes and other fittings)	Freehold buildings	5 years
Plant and machinery (other than retail stores)	Plant and equipment	15 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 years

(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	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

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									

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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)	-	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.

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

- 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.

he 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

(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:							
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

NOTE: 5

(a) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

	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.

NOTE: 6
CURRENT INVESTMENTS

₹ in Crore

	As at March 31, 2025
Current Investments (Carried at fair value through profit and loss (FVTPL)	
Quoted investments	
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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

₹ in Crore

	Consolidated Balance Sheet		Consolidated Statement of Profit and Loss
	As at March 31, 2025	As at April 01, 2024 transferred pursuant to Composite Scheme (Refer Note: 48)	**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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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
At lower of cost and net realisable value	
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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, 2023
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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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
Total	**1,352.13**

Ageing of Trade Receivables:

₹ in Crore

Particulars	Outstanding as on March 31, 2024 (for following periods from due date of payments)						
	Not Due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

₹ 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**

NOTES TO THE CONSOLIDATED 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	19.66
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

₹ in Crore

	Transferred pursuant to Composite Scheme (Refer Note: 48)	Cash flows (net)	Non-cash changes		As at March 31, 2025
			Fair value adjustments	Others	
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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

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	**1,220.26**
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	**59.60**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

	₹ in Crore As at March 31, 2025
Group share based payment reserve	
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	**41.49**
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	**(41.58)**
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	**(3.29)**
Total	**1,276.48**
Other equity	
Share suspense account	1,220.26
Reserves and surplus	
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	**1,276.48**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTE: 22
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	Effective interest rate % p.a.	Maturity	As at March 31, 2025 ₹ 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 % p.a.	Maturity	As at March 31, 2025 ₹ 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

Details of security and terms of repayment

1. Loans amounting to ₹ 1.92 Crore is repayable in monthly instalments till June 30, 2026.
2. 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).

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.

NOTES TO THE CONSOLIDATED 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)	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

*** 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

₹ 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**

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
	7,829.96
Revenue as per the Consolidated Statement of Profit and Loss	**7,829.96**

(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	**7,829.96**

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	**77.71**

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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

₹ in Crore

	Period ended March 31, 2025
(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**

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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

NOTE: 37
OTHER EXPENSES

₹ in Crore

	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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

Payment to auditors:

₹ in Crore

	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.

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)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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**

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.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

The additional information required by Ind AS 108 is as below :-

₹ in Crore

		Period ended March 31, 2025
(a)	**Revenue from customer (based on geographical location of customers):**	
	India	7,649.90
	Outside India	180.06
	Total	**7,829.96**

₹ in Crore

		Year ended March 31, 2025
(b)	**Location of non - current assets (excluding deferred tax assets):**	
	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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

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**

	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**

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:

₹ in Crore

	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	0.50% increase		0.50% decrease	
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan		(3.66)		3.93
Unfunded plan		(0.03)		0.03
Salary escalation rate	0.50% increase		0.50% decrease	
Increase/ (Decrease) in DBO (₹ in Crore)				
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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

Amount recognised as an expense and included in Note - 34 as "Contribution to provident and other funds"

₹ in Crore

	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)	7.02
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	0.12
Contribution to Labour Welfare Fund (LWF)	0.09
Contribution to National Pension Scheme (NPS)	1.86
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 3rd 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 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 3rd 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

i) The details of the Plan are as 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.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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 Options	Weighted average exercise price (₹ per share)	No. of RSUs	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.

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
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	499.06
Other expenses	
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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

Particulars	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

Particulars	March 31, 2025	
Increase/ (Decrease) in sales	**Increase by 5%**	**Decrease by 5%**
Rent	37.33	(37.33)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

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.

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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 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

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.

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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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				
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

₹ in Crore

	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	-	-

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial liabilities							
Non-current borrowings (Refer Note - 22)	-	-	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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:

	As at March 31, 2025	
Percentage change (%)	**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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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	
Percentage change (%)	**0.50% increase**	**0.50% decrease**
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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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:

	₹ in Crore
Acquired pursuant to Composite Scheme	
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**

	₹ in Crore
Acquired pursuant to Composite Scheme	
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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

	₹ in Crore
Acquired pursuant to Composite Scheme	
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**

	₹ in Crore
Acquired pursuant to Composite Scheme	
Current liabilities	
Financial liabilities	
(i) Borrowings	1,345.50
(ii) Trade payables	
Total outstanding dues of micro enterprises and small 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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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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	115.78%	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%	(34.95)	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**

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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;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

- 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

- 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

(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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

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.

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

As per our report of even date

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

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 23, 2025

For and on behalf of the Board of Directors of
Aditya Birla Lifestyle Brands Limited

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

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

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

Registered Office:
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