

Price Waterhouse & Co Chartered Accountants LLP

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

Opinion

1. We have audited the accompanying financial statements of Aditya Birla Garments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and loss and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

We have nothing to report in this regard.



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

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

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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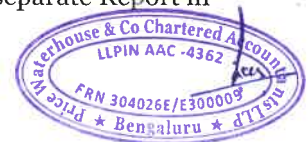
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- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, in the absence of sufficient appropriate audit evidence, we are unable to verify whether the backup of 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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on April 1, 2025, 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 12(b) above on reporting under Section 143(3)(b) and paragraph 12(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".



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- (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 does not have any pending litigations which would impact its financial position.
 - ii. The Company was not required to recognise a provision as at March 31, 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 applicable accounting standards, for material foreseeable losses, if any, on derivatives contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 41(v)(A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 41(v)(A) to the financial statements);
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 41(v)(B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 41(v)(B) to the financial statements); and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.
 - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by certain users with specific access and the audit trail is not maintained for direct database changes. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with, or not preserved by the Company as per the statutory requirements for record retention.



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13. 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



Praveen C G

Partner

Membership Number: 214797

UDIN: 25214797BMOEGS8345

Place: Bengaluru

Date: May 8, 2025

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Garments Limited on the financial statements as of and for the year ended March 31, 2025
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Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Aditya Birla Garments Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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 financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Garments Limited on the financial statements as of and for the year ended March 31, 2025
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Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

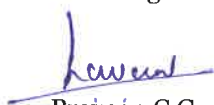
Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 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



Praveen C G
Partner

Membership Number: 214797
UDIN: 25214797BMOEGS8345

Place: May 8, 2025
Date: Bengaluru

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

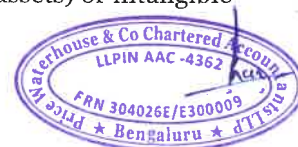
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Aditya Birla Garments Limited on the financial statements as of and for the year ended March 31, 2025
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In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The 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 Note 3.1 to the financial statements, are held in the name of the Company, except for the following:

Descripti on of Property	Gross carrying value	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	26	Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)	No	Since November 27, 2024	The Company has entered into an agreement for sale. Registration of sale deed shall commence upon complying with the conditions specified by APIIC i.e. commencement of commercial production.

- (d) The Company has chosen cost model for its property, plant and equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including Right of Use assets) or intangible assets does not arise.



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Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Aditya Birla Garments Limited on the financial statements for the year ended March 31, 2025

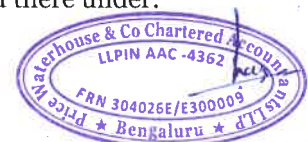
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- (e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, and the discrepancies noted in such quarterly return or statements with the unaudited books of account. Also, refer Note 41 (xii) to the financial statements.
- iii. (a) The Company has made investments in one mutual fund scheme and granted unsecured loans to employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

Particulars	Loans (Rs. In Lakhs)
Aggregate amount granted/provided during the year	0.40
Balance outstanding as at balance sheet date in respect of the above	0.08

(Also, refer Note 12 to the financial statements)

- (b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted or investments were made are not prejudicial to the Company's interest.
- (c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.
- (f) There were no loans which were granted during the year, including to promoters/ related parties that were repayable on demand or without specifying any terms or period of repayment.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.



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- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and service tax, provident fund and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, professional taxes and other statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 41 (xiii) to the financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has utilised funds raised on short-term basis aggregating Rs 1453 Lakhs for long-term purposes.

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

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

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



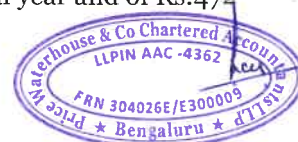
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- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. The Company is not mandated to have an internal audit system during the year.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has 4 CICs as part of the Group as detailed in Note 41 (x) to the financial statements.
- xvii. The Company has incurred cash losses of Rs.634 Lakhs in the financial year and of Rs.472 Lakhs in the immediately preceding financial year.



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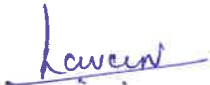
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- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and letter of intent from Aditya Birla Fashion and Retail Limited, the Holding Company, to enable the Company to meet its financial liabilities as and when they fall due for the foreseeable future, 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 Company does not have subsidiaries or joint ventures or associate companies and does not prepare Consolidated Financial Statements. Accordingly, the reporting under clause 3(xxi) of the Order is not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009



Praveen C G

Partner

Membership Number: 214797

UDIN: 25214797BMOEGS8345

Place: Bengaluru

Date: May 8, 2025

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

	Notes	As at 31-Mar-2025	As at 31-Mar-2024
Assets			
Non-current assets			
Property, plant and equipment	3.1	13,028	5,000
Right-of-use assets	4.1	83	86
Capital work-in-progress	3.3	131	3,901
Intangible assets	3.2	2	4
Financial assets	5	116	116
Deferred tax assets (net)	6.1	-	162
Current tax asset	6.2	8	12
Other non-current assets	7	29	298
Total non-current assets		13,397	9,579
Current assets			
Inventories	8	131	8
Financial assets			
Trade receivables	9	56	698
Cash and cash equivalents	10	7	14
Bank Balance other than above	11.1	52	11
Other financial assets	11.2	12	5
Loans	12	0	1
Other current assets	13	486	359
Total current assets		744	1,096
Total Assets		14,141	10,675
Equity and Liabilities			
Equity			
Equity share capital	14	3,500	3,500
Other equity	15	(1,744)	(790)
Total Equity		1,756	2,710
Liabilities			
Non-current liabilities			
Financial liabilities			
Non-current Borrowings	16	7,640	5,803
Lease liabilities	4.2	1	1
Other financial liabilities	21	-	220
Provisions	17	51	24
Other non-current liabilities	18	651	358
Total non-current liabilities		8,343	6,406
Current liabilities			
Financial liabilities			
Current Borrowings	19	2,457	572
Trade payables	20		
-outstanding dues of micro enterprises and small enterprises		26	22
-other than micro enterprises and small enterprises		681	529
Lease liabilities	4.2	0	0
Other financial liabilities	21	719	357
Provisions	22	82	42
Other current liabilities	23	77	37
Total current liabilities		4,042	1,559
Total Equity and liabilities		14,141	10,675
Summary of significant accounting policies	2		

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

As per our report of even date

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

Praveen C G
Partner
Membership No : 214797

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

Shiva Kumar.N
Chief Finance Officer
PAN:AOVPS2404M
Place : Bengaluru
Date: May 8, 2025

Narasimha Murthy Narahari
Chief Executive Officer
DIN : 09638314
Place : Bengaluru
Date: May 8, 2025

R. Swaminathan

R Swaminathan
Director
DIN : 09638315
Place : Bengaluru
Date: May 8, 2025

Jagdish Bajaj
Director
DIN : 08498055
Place : Mumbai
Date: May 8, 2025

Place : Bengaluru
Date: May 8, 2025

Aditya Birla Garments Limited
CIN - U18100MH2022PLC384566

Statement of Profit and Loss


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

	Notes	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Income			
Revenue from operations (Includes Rs 6,692 lacs being amounts invoiced, reduced by payments to customers for materials procured)	24	2,561	767
Other income	25	54	34
Total income		2,615	801
Expenses			
Cost of materials consumed	26	142	-
Employee benefits expense	27	1,853	876
Finance costs	28	504	30
Depreciation and amortisation expense	29	410	84
Other expenses	30	491	364
Total expenses		3,400	1354
Loss before tax		(785)	(553)
Income tax expense:			
Current tax		-	-
Deferred tax charge/(credit)		162	(162)
Loss for the Year		(947)	(391)
Other comprehensive income			
Items that will not to be reclassified to Statement of Profit and Loss			
Re-measurement gains/ (losses) on defined benefit plans	33	(7)	(3)
Income tax effect on above		-	0
Other comprehensive income/(loss) for the year		(7)	(3)
Total comprehensive income/(loss) for the year		(954)	(394)
Earnings/(Loss) per equity share [Nominal value of share Rs.10 (March 31, 2024: Rs.10)] (In Rs.)	31		
Basic		(2.71)	(1.22)
Diluted		(2.71)	(1.22)

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


As per our report of even date


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



Praveen C G
Partner
Membership No : 214797

Place : Bengaluru
Date: May 8, 2025

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


Shiva Kumar.N
Chief Finance Officer
PAN:AOVPS2404M
Place : Bengaluru
Date: May 8, 2025


Narasimha Murthy Narahari
Chief Executive Officer
DIN : 09638314
Place : Bengaluru
Date: May 8, 2025


R Swaminathan
Director
DIN : 09638315
Place : Bengaluru
Date: May 8, 2025


Jagdish Bajaj
Director
DIN : 08498055
Place : Mumbai
Date: May 8, 2025

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

	Notes	Year ended 31-Mar-2025	Year ended 31-Mar-2024
(A) Cash flows from operating activities			
Loss before tax for the year		(785)	(553)
Adjustments for:			
Depreciation and amortization expense	29	410	84
Assets written-off	30	-	1
Finance costs	28	504	30
Deferred Credit	25	(25)	(2)
Gain on sale of current investments (net)	25	(7)	(12)
Interest Income	25	(9)	(3)
Foreign exchange (gain)/loss	25	1	(0)
Other Income	25	(1)	-
Operating loss before working capital changes		88	(455)
Change in working capital			
(Increase)/ decrease in trade receivables		642	(698)
(Increase)/ decrease in inventories		(123)	(8)
(Increase)/ decrease in other assets		(168)	(430)
Increase/ (decrease) in trade payables		156	491
Increase/ (decrease) in provisions		60	58
Increase/ (decrease) in other liabilities		500	436
Cash used in operations		1,155	(606)
Income tax paid (net of refund)		-	-
Net cash flows from/(used in) operating activities	(A)	1,155	(606)
(B) Cash flow from investing activities			
Purchase of property, plant and equipment		(4,387)	(7,772)
Purchase of current investments		(1,130)	(2,340)
Proceeds from sale of current investments		1,137	2,352
Interest received		-	0
Net cash flows used in investing activities	(B)	(4,380)	(7,760)
(C) Cash flow from financing activities			
Proceeds from issue of share capital		-	2,000
Proceeds from non-current borrowings (net off charges)		4,520	6,373
Proceeds from inter corporate deposits		-	1,400
Repayment of non- current borrowings		(580)	-
Repayment of inter corporate deposits		-	(1,400)
Interest paid on borrowings		(722)	(27)
Net cash flows from/(used in) financing activities	(C)	3,218	8,346
Net Increase/(decrease) in cash and cash equivalents	(A+B+C)	(7)	(20)
Cash and cash equivalents at the beginning of the year/period		14	34
Cash and cash equivalents at the end of the year/period	10	7	14
Components of cash and cash equivalents			
Balances with banks - on current accounts		7	14
Cash on hand		0	0
Total cash and cash equivalents		7	14

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

As per our report of even date

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

Praveen C G
Partner
Membership No : 214797

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

Shiva Kumar.N Narasimha Murthy Narahari
Chief Finance Officer Chief Executive Officer
PAN:AOVPS2404M DIN : 09638314
Place : Bengaluru Place : Bengaluru
Date: May 8, 2025 Date: May 8, 2025

R. Swaminathan Jagdish Bajaj
Director Director
DIN : 09638315 DIN : 08498055
Place : Bengaluru Place : Mumbai
Date: May 8, 2025 Date: May 8, 2025

Place : Bengaluru
Date: May 8, 2025

Aditya Birla Garments Limited
CIN - U18100MH2022PLC384566
Statement of Changes in Equity for the year ended March 31, 2025
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

A Equity share capital

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

	No. of shares	Rs. (In Lakhs)
As at April 01, 2023	1,50,00,000	1,500
Shares issued during the year	2,00,00,000	2,000
As at March 31, 2024	3,50,00,000	3,500
Shares issued during the year	-	-
As at March 31, 2025	3,50,00,000	3,500

B Other equity

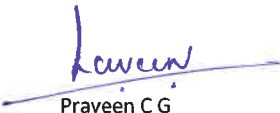
Particulars	Reserves and surplus	Total other equity
	Retained earnings	
As at April 01, 2023	(396)	(396)
(Loss) for the year	(391)	(391)
Other comprehensive loss for the year	(3)	(3)
As at March 31, 2024	(790)	(790)
(Loss) for the year	(947)	(947)
Other comprehensive loss for the year	(7)	(7)
As at March 31, 2025	(1,744)	(1,744)


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


As per our report of even date

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

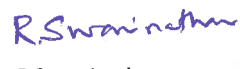
For and on behalf of the Board of Directors of
Aditya Birla Garments Limited


Praveen C G
Partner
Membership No : 214797


Shiva Kumar.N
Chief Finance Officer
PAN:AOVPS2404M
Place : Bengaluru
Date: May 8, 2025


Narasimha Murthy Narahari
Chief Executive Officer
DIN : 09638314
Place : Bengaluru
Date: May 8, 2025

Place : Bengaluru
Date: May 8, 2025


R Swaminathan
Director
DIN : 09638315
Place : Bengaluru
Date: May 8, 2025


Jagdish Bajaj
Director
DIN : 08498055
Place : Bengaluru
Date: May 8, 2025

1. Corporate information

Aditya Birla Garments Limited (the "Company") is a public company domiciled in India and incorporated on June 15, 2022 under the Companies Act, 2013. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070.

The Company is engaged in the business of manufacturing and selling of branded apparels.

The financial statements are reviewed and have been approved by the Board of Directors in their meeting held on May 8, 2025.

2. Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

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

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);

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

2.2 Functional and Presentation Currency:

The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to the nearest Lakh, unless otherwise stated "0" in financial statements and Notes represents amount less than Rs 50,000.

2.3 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

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.



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

All other liabilities are classified as non-current.

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



2.4 Critical Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful life of property, plant and equipment

The Company reviews the estimated useful life of property, plant and equipment at the end of each reporting period. During financial year ended March 31, 2025, there were no changes in useful life of property plant and equipment.

(b) Employee benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plan, the management considers the interest rates on government bonds. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates. (Refer Note 33)

(c) Impairment of non-financial assets

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 five years. Cashflows at the end of the 5th year 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.

Management has performed the impairment assessment at March 31, 2025 and determined that no provision for impairment is required.



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

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



2.5 (a) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notifications dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Standards issued but not yet effective

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 for the current year or in the year of adoption.



3.1 Property, Plant and Equipment

Freehold land is carried at historical cost. All other property, plant and equipment is recognised at historical cost less depreciation.

Depreciation methods, estimated useful lives and residual value

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

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

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

(b) Assets where useful lives differ from Schedule II

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

The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease terms

The Company has entered into an Agreement to Sell with Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") for sale of 3.77 Acres of Land. The Company has paid the full consideration and will approach APIIC for registration of sale deed upon satisfaction of the preconditions specified in the Agreement to Sell.

	Leasehold improvements	Plant and machineries	Building	Furniture and fixtures	Vehicles	Office equipment	Freehold Land	Computers	Total
Gross carrying value									
As at April 01, 2023	11	289	-	31	-	5	-	9	345
Additions	6	2,349	2,255	56	26	20	-	35	4,747
Disposals	17	-	-	0	-	-	-	1	18
As at March 31, 2024	-	2,638	2,255	87	26	25	-	43	5,074
Additions	-	3,647	4,423	174	-	120	26	43	8,433
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2025	-	6,285	6,678	261	26	145	26	86	13,507

Refer note 42(a) for other accounting policies relevant to property, plant and equipment.



3.1 Property, Plant and Equipment (contd.)

	Leasehold improvements	Plant and machineries	Building	Furniture and fixtures	Vehicles	Office equipment	Freehold Land	Computers	Total
Depreciation									
As at April 01, 2023	1	2	-	6	-	1	-	1	11
Depreciation for the Year	15	37	6	9	1	4	-	7	79
Disposals	16	-	-	-	-	-	-	0	16
As at March 31, 2024	-	39	6	15	1	5	-	8	74
Depreciation for the Year	-	191	128	42	5	24	-	15	405
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2025	-	230	134	57	6	29	-	23	479
Net carrying value as at:									
As at March 31, 2024	-	2,599	2,249	72	25	20	-	35	5,000
As at March 31, 2025	-	6,055	6,544	204	20	116	26	63	13,028

3.2 Intangible assets

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

Amortisation methods and useful lives

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:
Refer note 42(b) for other accounting policies relevant to Intangible assets.

Intangible assets	Useful life	
Computer software	3 years	
	Computer software	Total
Gross carrying Value		
As at April 01, 2023	6	6
Additions	-	-
Disposals	-	-
As at March 31, 2024	6	6
Additions	-	-
Disposals	-	-
As at March 31, 2025	6	6
Amortisation		
As at April 01, 2023	0	0
Amortisation for the Year	2	2
Disposals	-	-
As at March 31, 2024	2	2
Amortisation for the Year	2	2
Disposals	-	-
As at March 31, 2025	4	4
Net carrying value as at:		
As at March 31, 2024	4	4
As at March 31, 2025	2	2



3.3 Capital work-in-progress

Capital work in progress Movement

	Amount
As at April 01, 2023	168
Additions	8,362
Capitalised	4,629
As at March 31, 2024	3,901
Additions	4,300
Capitalised	8,070
As at March 31, 2025	131

(a) Ageing of capital work in progress as on March 31, 2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	131	-	-	-	131
Projects temporarily suspended	-	-	-	-	-

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

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

(b) Completion schedule of capital work in progress whose completion is overdue As at March 31, 2025

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

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

There are no projects where costs have exceeded the original plan at March 31, 2025. Further, there are no projects whose completion is overdue at March 31, 2025.



4.1 Leases

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

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

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

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

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

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

a) Amounts recognised in the balance sheet

	As at 31-Mar-2025	As at 31-Mar-2024
Right-of-use assets		
Leasehold Land	83	86
	83	86

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

	Amount
Cost	
As at April 01, 2023	91
Additions for the year	-
As at March 31, 2024	91
Additions for the year	-
As at March 31, 2025	91
Depreciation	
As at April 01, 2023	2
Depreciation for the year	3
As at March 31, 2024	5
Depreciation for the year	3
As at March 31, 2025	8
Net carrying value	
As at March 31, 2024	86
As at March 31, 2025	83



4.2 Lease liabilities

	As at 31-Mar-2025	As at 31-Mar-2024
Balance at beginning of the year	1	1
Additions	-	-
Interest expense on lease liabilities (refer note 28)	0	0
Payments	-	-
Balance at end of the year	1	1
Current	0	0
Non-current	1	1

b) Amounts recognised in the Statement of Profit and Loss

The Statement of Profit and Loss shows the following amounts relating to leases:

	As at 31-Mar-2025	As at 31-Mar-2024
Interest expense (included in finance costs)	0	0
Depreciation charge on right-of-use assets	3	3
	3	3

The total cash outflow for leases for the year ended March 31, 2025 is Rs.0 Lakhs (March 31, 2024: Rs.0 Lakhs)

c) Extension and termination options

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

The lease arrangement does not contain any variable payment terms.

5 Financial assets

Unsecured, considered good

	As at 31-Mar-2025	As at 31-Mar-2024
Security deposits	23	23
Bank deposits with more than 12 months maturity from the Balance sheet date	93	93
Total	116	116

6.1 Deferred tax assets (net)

	As at 31-Mar-2025	As at 31-Mar-2024
Deferred tax assets (net)	-	162
	-	162

I. Deferred tax assets relates to the following:

	Balance Sheet		Statement of Profit and Loss for year ended	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Difference between carrying amount of property, plant and equipment and intangible assets and their tax base	-	(45)	-	(45)
Expenses allowed on payment basis under tax law	-	21	-	21
Unabsorbed business loss	-	123	-	123
Unabsorbed depreciation loss	-	63	-	63
Net deferred tax assets	-	162	-	162
Deferred tax charge/ (credit)			162	(162)



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

	As at March 31, 2025	As at March 31, 2024
As at the beginning of the year	162	-
Deferred tax credit/(charge) recognised in Statement of Profit and Loss	(162)	162
Deferred tax credit/(charge) recognised in OCI during the year	-	0
As at the end of the year	-	162

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

	Year ended 31-Mar- 2025	Year ended 31-Mar-2024
Loss before tax	(785)	(553)
Tax credit at India's statutory income tax rate of 17.16% (March 31, 2024: 17.16%)	(135)	(95)
Reconciling items:		
Unrecognised business loss	65	-
Unrecognised depreciation loss	70	-
Other unrecognised deductible temporary differences	-	-
Deferred tax assets (recognised)/written off relating to the previous year	162	(67)
Income tax expense/ (credit) as per Statement of Profit and Loss	162	(162)

Note:

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

IV. Significant estimate

The Company has incurred losses including tax losses during the years ended March 31, 2024 and March 31, 2025. In the absence of convincing evidence that future taxable profits will be available against which the deferred tax assets can be offset, no deferred tax has been recognised at March 31, 2025.

V. Unrecognised Business and Depreciation Losses

At March 31, 2025, the amount of unrecognised business and depreciation losses along with the time limit for utilisation is as below:

Particulars	Amount	Timelimit for expiry
Business loss	962	From FY31 till FY33
Depreciation loss	1522	Indefinite

6.2 Other non-current tax assets

Current tax [net of provisions of Nil (March 31, 2024: Nil)]

As at 31-Mar-2025	As at 31-Mar-2024
8	12
8	12



7 Other non-current assets

As at 31-Mar-2025	As at 31-Mar-2024
Capital advances	22
Prepaid expenses	7
29	298

8 Inventories

Accounting policy

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

	As at 31-Mar-2025	As at 31-Mar-2024
<i>At lower of cost and net realisable value</i>		
Raw materials	117	-
Stores and spares	14	8
Total	131	8

Unsecured, considered good

9 Trade receivables

At amortised cost

Trade receivables from others	21	-
Trade receivables from related parties (refer note 35)	35	698
Total	56	698

Trade Receivables

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

Trade receivables are recognised initially at the transaction price as they do not contain significant financing component. 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.

Ageing of trade receivables

Particulars	Not due	Outstanding as on March 31, 2025 (for following periods from due date of payment)				Total
		0-6 Months	6 Months- 1 Year	1-3 Years	More than 3 Years	
Undisputed Trade receivables - Considered good	56	-	-	-	-	56

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

Note:

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



10 Cash and cash equivalents

	As at 31-Mar-2025	As at 31-Mar-2024
Balances with bank:		
Current accounts	7	14
Cash on hand	0	0
Total	7	14

11.1 Bank balances other than cash and cash equivalents

Deposits with original maturity of more than 3 months but less than 12 months	52	11
Total	52	11

11.2 Other financial assets

Unsecured, considered good		
Security deposits	2	2
Interest accrued on Bank deposits	10	3
Total	12	5

12 Loans

Unsecured, considered good		
Loans and advances to employees	0	1
	0	1

13 Other current assets

Prepayments	33	19
Balance with government authorities	448	338
Advances to suppliers	5	2
Total	486	359



14 Equity share capital

Authorised share capital

Equity shares of Rs.10 each

As at April 01, 2023

Increase during the year

As at March 31, 2024

Increase during the year

As at March 31, 2025

No. of Shares	Rs. (In Lakhs)
4,00,00,000	4,000
-	-
4,00,00,000	4,000
-	-
4,00,00,000	4,000

Issued, subscribed and paid-up equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid up share capital

As at April 01, 2023

Issued during the year (20,00,000 equity shares of Rs.10 each)

As at March 31, 2024

Issued during the year

As at March 31, 2025

No. of Shares	Rs. (In Lakhs)
1,50,00,000	1,500
2,00,00,000	2,000
3,50,00,000	3,500
-	-
3,50,00,000	3,500

a) Rights, preferences and restrictions attached to the equity shares

Equity shares have a par value of Rs.10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

b) Shares held by Holding Company

	As at 31-Mar-2025	As at 31-Mar-2024
Aditya Birla Fashion and Retail Limited, the holding company (refer note 35)	34,99,99,940	34,99,99,940
	34,99,99,940	34,99,99,940

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

	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	% of paid up share capital	No. of shares held	% of paid up share capital
Aditya Birla Fashion and Retail Limited, the holding company (refer note 35)	3,49,99,994	99.99%	3,49,99,994	99.99%
	3,49,99,994	99.99%	3,49,99,994	99.99%

d) Details of shareholding of promoters:

Name of the Promoter	As at March 31, 2025		As at March 31, 2024		Percentage of change during the year	
	No. of Shares	% of total numbers of shares	No. of Shares	% of total numbers of shares	No. of Shares	% of total numbers of shares
Aditya Birla Fashion and Retail Limited (refer note 35)	3,49,99,994	99.99%	3,49,99,994	99.99%	-	0.00%
Total	3,49,99,994	99.99%	3,49,99,994	99.99%	-	0.00%

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

f) There are no shares which are to be issued under options and there are no securities issued which are convertible into equity shares.

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



15 Other equity

Reserves and surplus

Retained earnings

As at the beginning of the year

(Loss) for the year

As at the end of the year

As at
31-Mar-2025

As at
31-Mar-2024

(787)

(396)

(947)

(391)

(1,734)

(787)

Other comprehensive income

As at the beginning of the year

Remeasurement (losses)

As at the end of the year

(3)

0

(7)

(3)

(10)

(3)

Total

(1,744)

(790)

Retained earnings

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

Remeasurement gains/ (losses) on defined benefit plans

The cumulative balances of gains/ (losses) arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Remeasurement gains/ (losses) will not be reclassified subsequently to Statement of Profit and Loss.



16 Non-current borrowings

Secured

Term Loan from Banks

	Effective interest rate % p.a	Maturity	As at 31-Mar-2025	As at 31-Mar-2024
Term Loan from Axis Bank	8.44%	September, 2028	10,097	6,375
			<u>10,097</u>	<u>6,375</u>
Less: Current maturities of long term borrowings (included in current borrowings)			2,457	572
Non-current borrowings			<u>7,640</u>	<u>5,803</u>

Notes:

1. An amount of Rs.14,500 Lakhs was sanctioned by Axis Bank. The loan is repayable in 15 structured quarterly instalments beginning after 15 months from the date of first disbursement of the loan. The final instalment is due for repayment in September 2028.
2. The borrowing is secured by way of a charge on the movable assets (including book debts) of the Company. The charges were registered by the Company with Registrar of Companies within the statutory period.
3. The company has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowing.
4. Borrowings have been utilised by the Company for purpose specified in the agreement.

17 Provisions

Non-current

Gratuity (refer note 33)

Total

	As at 31-Mar-2025	As at 31-Mar-2024
Gratuity (refer note 33)	51	24
Total	<u>51</u>	<u>24</u>

18 Other non-current liabilities

Deferred Liability (EPCG benefit)

	651	358
	<u>651</u>	<u>358</u>

Movement in deferred liability for EPCG benefit:

	As at 31-Mar-2025	As at 31-Mar-2024
Opening Balance	375	-
Benefits received during the year	335	377
Less: Recognised in profit or loss	(25)	(2)
Closing Balance	<u>685</u>	<u>375</u>
Current portion	34	17
Non-current portion	651	358

19 Current borrowings

Secured

Current maturities of long term borrowings (refer note 16)

	2,457	572
	<u>2,457</u>	<u>572</u>



20 Trade payables

	As at 31-Mar-2025	As at 31-Mar-2024
Total outstanding dues of micro enterprises and small enterprises (refer note 32)	26	22
Total outstanding dues of creditors other than micro enterprises and small enterprises	681	529
Total	707	551

Note:

a) Trade payables includes payable to related party amounting to Rs.369 Lakhs (March 31, 2024: Rs.503 Lakhs)

(a) Ageing of trade payables

Particulars	Unbilled	Not Due	Outstanding as on March 31, 2025 for following periods from the due date		
			Less than 1 year	1-2 Years	Total
Undisputed Trade payables:					
Micro enterprises and small enterprises	-	26	-	-	26
Others	40	525	116	-	681
Disputed Trade payables:					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	40	551	116	-	707

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

21 Other financial liabilities

Non current

	As at 31-Mar-2025	As at 31-Mar-2024
Capital creditors		
Total outstanding dues of micro enterprises and small enterprises	-	220
Total	-	220
Current		
Employee benefits payable	170	85
Capital creditors		
Total outstanding dues of micro enterprises and small enterprises (refer note 32)	341	77
Total outstanding dues of creditors other than micro enterprises and small enterprises	208	195
Total	719	357

22 Provisions

Current

Gratuity (refer note 33)	3	2
Provision for compensated absences	79	40
Total	82	42

The entire amount of the provision of Rs.79 Lakhs (March 31, 2024: Rs.40 Lakhs) is presented as current, since the company does not have an unconditional right to defer settlement. The Company does not expect all employees to avail the full amount of accrued leave or require payment within the next 12 months

Compensated absences not expected to be settled within next 12 months is Rs.58 Lakhs (March 31, 2024: Rs.29 Lakhs)

23 Other current liabilities

	As at 31-Mar-2025	As at 31-Mar-2024
Statutory liabilities	43	20
Deferred liability (EPCG benefit)	34	17
Total	77	37



24 Revenue from operations

Revenue from contracts with customers

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

	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Revenue from contracts with customers		
Revenue from rendering of services		
Sale of products	2,558	766
Other operating income		
Scrap sales	3	1
Total	2,561	767

Critical judgement in recognising revenue

The Company has an arrangement with its holding company to procure fabric and trims. The fabric and trims are purchased as per the specifications agreed with the holding company. The fabric and trims procured are used by the Company in the manufacture of apparel sold to the holding company. Selling prices of the apparel sold to the holding company is determined on the basis of the cost of the fabric and trims procured, cut and make charges incurred by the Company and an agreed margin. Accordingly, the Company has determined that it does not control the fabric and trims procured from its holding company. The amounts payable by the Company for procurement of fabric and trims has been reduced from the transaction price for sale of apparel.

Revenue from sale of products includes :

Gross amount of invoices raised for sale of apparels	6,692	1,229
Less: Cost of fabric and trims procured from the holding company	4,134	463
Revenue from sale of apparel	2,558	766



25 Other income

	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Gain on sale of current investments (net)	7	12
Foreign exchange gain (net)	12	17
EPCG Incentive benefit	25	2
Interest Income	9	3
Others	1	0
Total	54	34

26 COST OF MATERIALS CONSUMED

Raw Materials consumed

	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Inventories at the beginning of the year	-	-
Add: Purchases	259	-
	259	-
Less: Inventories at the end of the year	117	-
Total	142	-

27 Employee benefits expense

	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Salaries, wages and bonus	1,516	698
Contribution to provident and other funds (net) [refer note 33]	181	75
Gratuity expense (refer note 33)	22	9
Compensated absences	44	30
Staff welfare expense	90	64
Total	1,853	876

28 Finance costs

	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Interest expense on lease liabilities (refer note 4.2)	0	0
Interest expense on borrowings	504	30
Total	504	30

29 Depreciation and amortization expense

	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Depreciation of property, plant and equipment (refer note 3.1)	405	79
Amortisation of intangible assets (refer note 3.2)	2	2
Depreciation of right-of-use assets (refer note 4.1)	3	3
Total	410	84



30 Other expenses

	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Consultancy charges	34	132
Electricity Expenses	86	44
Travelling and conveyance	14	24
Rent	0	18
Rates and taxes	7	15
Consumption of Stores and Spares	19	13
Repair and maintenance		
- Building	1	-
- Plant and machinery	5	5
- Others	23	10
Security and housekeeping expenses	29	20
Power and fuel	89	8
Legal and professional Fees	-	9
Insurance	20	9
Payment to Auditors		
- Statutory audit	11	5
- Tax audit	1	-
- Out of pocket Expenses	0	
Printing and stationary	11	5
Assets written off	-	1
Transportation and handling charges	36	9
Employee travel cost	99	18
Miscellaneous expenses	6	19
Total	491	364



31 Earnings per share (EPS)

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

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Loss attributable to equity holders for basic earnings per share	(947)	(391)
Net loss for calculation of basic EPS	(947)	(391)
Weighted average number of equity shares	3,50,00,000	3,19,26,027
Basic earnings per share (in Rs.)	(2.71)	(1.22)
Net loss for calculation of diluted EPS	(947)	(391)
Weighted average number of equity shares	3,50,00,000	3,19,26,027
Diluted earnings per share (in Rs.)	(2.71)	(1.22)

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

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	46	99
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the Period) but without adding the interest specified under the MSMED Act.	0	-
Interest accrued and remaining unpaid at the year end	0	-
Amount of further interest remaining due and payable even in the succeeding years, until such	0	-

Includes dues towards capital creditors amounting to Rs.20 Lakhs (March 31, 2024: Rs.77 Lakhs)



33 Employee benefits expense

A. Defined contribution plans

(i) Employers' contribution to provident fund

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

(ii) Employees' State Insurance

Employees' State Insurance is a state plan which is applicable to those employees of the Company whose salaries do not exceed a specified amount. The contributions are made based on 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.

The expense recognised during the year is

	Year ended 31-Mar-2025	Year ended 31-Mar-2024
(i) Employers' contribution to Provident Fund	146	62
(ii) Employers' contribution to Employee's state insurance scheme	35	13
Total	181	75

B. Defined benefit plans

(a) Gratuity

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

The following tables summarize the components of net benefit expense that has been recognized in the Statement of Profit and Loss and the funded status and amount recognized in the balance sheet:

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

	As at 31-Mar-2025	As at 31-Mar-2024
Opening defined benefit obligation	26	1
Current service cost	20	8
Interest cost	2	1
Transfer in / (out)	-	13
Total	(A) 48	23
Remeasurement (gain)/ loss on account of		
Changes in demographic assumptions	-	-
Changes in financial assumptions	2	1
Experience adjustments	5	2
Remeasurement (gain)/ loss recognised in OCI	(B) 7	3
Benefits paid	(C) (1)	
Closing defined benefit obligation	(A+B+C) 54	26

Net Liability is classified as follows

	As at 31-Mar-2025	As at 31-Mar-2024
Current liability	3	2
Non-current liability	51	24
Net Liability	54	26



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

Particulars	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Gratuity cost charged to Statement of Profit or Loss		
Current service cost	20	8
Interest expense	2	1
Total	22	9
Gratuity cost charged to other comprehensive income		
Remeasurement losses	7	3
Total	7	3

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

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Discount rate	6.70%	7.20%
Salary escalation rate		
Management	8.00%	8.00%
Staff	7.00%	7.00%
Workers	5.00%	5.00%
Retirement age	60 years	60 years
Attrition rate		
Up to 30 Years		
Management and staff	18% -20%	18% -20%
Workers	40.00%	40.00%
31-44 Years		
Management and staff	15.00%	15.00%
Workers	5.00%	5.00%
Above 44 Years		
Management and staff	10.00%	10.00%
Workers	3.00%	3.00%



(iv) A quantitative sensitivity analysis for significant assumption is as shown below:

The sensitivity analysis below have been determined based on reasonably possible changes in the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Impact on defined benefit obligation - [increase/ (decrease)]

	As at 31-Mar-2025	As at 31-Mar-2024
Sensitivity level		
<i>Discount Rate</i>		
0.5% increase	(3)	(1)
0.5% decrease	3	1
<i>Salary escalation rate</i>		
0.5% increase	3	1
0.5% decrease	(3)	(1)
<i>Attrition Rate</i>		
1% increase	(7)	(1)
1% decrease	10	1
<i>Mortality Rate</i>		
10% increase	0	0
10% decrease	(0)	(0)

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

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

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Within the next 12 months	3	2
Between 2 and 5 years	17	10
Between 6 and 10 years	20	12
Beyond 10 years	95	34
Total expected cash flow profile (payments)	135	58

34 Commitments and Contingencies

	As at 31-Mar-2025	As at 31-Mar-2024
a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances Rs 22 Lakhs (March 31, 2024: Rs.298 Lakhs))	165	2,661
b) Other Commitments (Refer Note below)		-

Note:

The Company has obtained licenses from the Office of the Joint Director General of Foreign Trade, Vishakapatnam under the Export Promotion of Capital Goods (EPCG) scheme which allows the Company to import capital goods free of customs duty. The scheme requires the Company to achieve an export obligation equal to 6 times the amount of customs duty saved within a period of next 6 years. The Company has imported equipment during the current year under the Scheme and has availed a cumulative customs duty benefit of Rs.712 Lakhs (March 31, 2024: Rs.377 Lakhs). Company has determined that it would meet the export obligation commitment within the period specified.



35 Related party disclosures

a. Names of related parties and nature of relationship

Names of related parties	Description of relationship
Party who exercises control	
Aditya Birla Fashion and Retail Limited (Refer note below)	Holding Company
Other related parties	
Key management personnel	
Jacob John*	Director
Jagdish Prasad Bajaj*	Director
Narasimha Murthy Narahari*	CEO and Director
Ramachandran Swaminathan*	Director
Shiva Kumar N*	Chief Financial Officer
Chetan Ghogare*	Company Secretary (till March 31, 2025)

Note : Pursuant to Scheme of Arrangement between Aditya Birla Fashion and Retail Limited and Aditya Birla Lifestyle Brands Limited and their respective shareholders, Madura Fashion and Lifestyle business along with investment in Aditya Birla Garments Limited is demerged from Aditya Birla Fashion and Retail Limited to Aditya Birla Lifestyle Brands Limited. The Scheme was approved by the National Company Law Tribunal, Mumbai on March 27, 2025. The Holding Company received certified copy of the order on April 22, 2025. The said order has been filed with Registrar of Companies (ROC) on April 23, 2025. Consequently, the Holding Company of the Company will change from Aditya Birla Fashion and Retail Limited to Aditya Birla Brands and Lifestyle Limited.

* No transactions during the current year or previous year

b. Transactions with related parties

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

Nature of Transaction	Year ended 31-Mar-2025	Year ended 31-Mar-2024
	Holding Company	Holding Company
Sales of goods	6,692	1,229
Sale of capital items *	-	0
Purchase of stores and spares	1	2
Purchase of Raw materials	4,133	463
Reimbursement for expenses incurred on behalf of the company	2	38
Common costs charged to the Company		
- Consultancy	25	36
- Other expenses	-	4
Purchase of property, plant and equipment	7	23
Transfer of employee liabilities from the Holding Company	-	25
Interest on inter-corporate deposits (includes Rs.12 Lakhs, which has been capitalised)	-	18
Inter corporate borrowings received	-	1,400
Inter corporate borrowings repaid	-	1,400
Equity Contribution	-	2,000
Above amounts are excluding GST		
* Amount less than Rs.1,000		

c. Balances outstanding

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

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
	Holding Company	Holding Company
Trade payables (refer note 20)	369	503
Trade receivables (refer note 9)	35	698



36 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 and March 31, 2024 are as follows;

	FVTPL	FVTOCI	Amortised cost	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
As at March 31, 2025							
Financial assets							
Security deposits	-	-	25	25	-	-	-
Trade receivables	-	-	56	56	-	-	-
Cash and cash equivalents	-	-	7	7	-	-	-
Loans	-	-	0	0	-	-	-
Bank Balance other than cash and cash equivalents	-	-	52	52	-	-	-
Other financial assets	-	-	103	103	-	-	-
Total	-	-	243	243	-	-	-
Financial liabilities							
Borrowings	-	-	10,097	10,097	-	-	-
Trade payables	-	-	707	707	-	-	-
Other financial liabilities	-	-	719	719	-	-	-
Total	-	-	11,523	11,523	-	-	-
As at March 31, 2024							
Financial assets							
Investments	-	-	-	-	-	-	-
Security deposits	-	-	25	25	-	-	-
Trade receivables	-	-	698	698	-	-	-
Cash and cash equivalents	-	-	14	14	-	-	-
Loans	-	-	1	1	-	-	-
Bank Balance other than cash and cash equivalents	-	-	11	11	-	-	-
Other financial assets	-	-	96	96	-	-	-
Total	-	-	845	845	-	-	-
Financial liabilities							
Borrowings	-	-	6,375	6,375	-	-	-
Trade payables	-	-	551	551	-	-	-
Other financial liabilities	-	-	357	357	-	-	-
Total	-	-	7,283	7,283	-	-	-

Notes:

All the financial assets and liabilities have been carried at amortised cost, except for forward contracts entered into by the Company for hedging against risk of fluctuations in exchange rates on foreign currency liabilities. Management has determined that fair values of the current financial assets and liabilities approximate their carrying amounts, considering their short-term nature.

Non-current borrowings availed by the Company carry a variable coupon rate, wherein the interest rate is reset atleast on a quarterly basis or earlier as determined by the Bank. Accordingly, management has determined the fair value of the borrowing at March 31, 2025 to be equal to its carrying amount.



B Risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk and credit risk with respect to its financial assets and liquidity risk and market risk with respect to its financial liabilities. The Company's senior management oversees the management of these risks.

a) Market Risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2025 and March 31, 2024. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2025 and March 31, 2024.

i) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Company's profit/ (loss) before tax is affected through interest rate changes on floating rate borrowings, as follows:

	As at 31-Mar-2025	As at 31-Mar-2024
% of Change	(+/-) 0.50%	(+/-) 0.50%
Increase/ decrease in Profit/ loss before tax	43	5
Increase/ decrease in Profit/ loss after tax	36	4

ii) Foreign currency risk

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

The Company manages foreign currency risk by hedging by using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure on the underlying transactions, generally from 2 to 6 months. As at March 31, 2025, the Company has hedged all of its payables in foreign currency.

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

As at March 31, 2025

	Currency	Foreign currency in Lakhs	Rs in Lakhs
Forward contracts to buy (Hedge of payables)	EURO	0.68	63
	USD	-	-

As at March 31, 2024

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



Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency, will all other variables held constant. The impact on the Company's Profit/ loss before tax is due to changes in the foreign currency rate is as below.

	Impact on profit after tax	
	As at 31-Mar-2025	As at 31-Mar-2024
USD sensitivity		
INR/USD - increase by 0.5% (March 31, 2024 - 0.5%)	0	0
INR/USD - decrease by 0.5% (March 31, 2024 - 0.5%)	0	0

b) Liquidity risk

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

The Company has undrawn committed borrowing limit available to the extent of Rs.5,295 Lakhs as at March 31, 2025 (March 31, 2024: Rs.9,589 Lakhs). This includes working capital limit of Rs.1,500 Lakhs (March 31, 2024: Rs.1,500 Lakhs) and undrawn term-loan facility for financing the construction of the factory premises amounting to Rs.3,795 Lakhs (March 31, 2024: Rs.8,089 Lakhs).

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

As at March 31, 2025				Rs. in Lakhs
	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	3,215	8,410	-	11,625
Lease liabilities	0	0	3	3
Other financial liabilities	719	-	-	719
Trade payables	707	-	-	707
Total	4,641	8,410	3	13,054

As at March 31, 2024				Rs. in Lakhs
	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,108	6,400	-	7,508
Lease liabilities	0	0	3	3
Other financial liabilities	357	-	-	357
Trade payables	551	-	-	551
Total	2,016	6,400	3	8,419



c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.

The Company has balances with a bank which has a 'stable' credit rating. The trade receivables are due from the Holding Company, wherein there is no history of bad debts and delays in collections. Accordingly, management has determined that the amount of provision for expected credit loss as at March 31, 2025 is Nil.

37 During the year ended March 2025, the Company has completed the construction of the plants have started its production from both the plants.

The Company has incurred losses of Rs.947 lakhs, has net current liabilities exceeding current assets by Rs.3,298 lakhs and has incurred cash losses of Rs. 634 lakhs from operating activities.

Management has obtained a 'letter of intent' from Aditya Birla Fashion and Retail Limited (ABFRL), the Holding Company, stating that ABFRL will provide financial support to enable the Company to meet its liabilities as and when they fall due during the financial year 2025-26. Additionally, subsequent to demerger arrangement between ABFRL and Aditya Birla Lifestyle Brands Limited (ABLBL) whereby the investment in the Company by ABFRL has been transferred to ABLBL, the Board of Directors have also obtained a letter of intent from ABLBL to enable the Company to meet its liabilities as and when they fall due during the financial year 2025-26.

Management has also reviewed the cash flow projections for the year ended March 31, 2026 and has determined that the Company would be able to meet its obligations as and when they fall due.

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

38 Provisions of Section 135(1) of Companies Act, 2013 with respect to Corporate Social Responsibility is not applicable to the Company for the year ended March 31, 2025.

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

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

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

	31-Mar-25	31-Mar-24
(I) Segment Revenue		
Within India	2,561	767
Outside India	-	-
	<u>2,561</u>	<u>767</u>
(II) Non-current assets*		
Within India	13,397	9,417
Outside India	-	-
	<u>13,397</u>	<u>9,417</u>

* excludes deferred tax asset (net)

The Company has earned Rs.2,537 Lakhs (March 31, 2024: Rs.764 lakhs) of revenue from sales to its holding company.



40 Analytical Ratios

Particulars	As at 31-Mar-2025	As at 31-Mar-2024	Variance	Reasons for variance more than 25% (absolute terms)
Current ratio (times)	0.18	0.70	-74%	Long-term borrowing availed by the Company had a moratorium period of 15 months and therefore the repayment installments are becoming due for repayment during the year ending March 31, 2026, resulting in reduction in the current ratio.
Debt-equity ratio (times)	5.66	2.31	145%	The Company has availed term loan amounting to Rs.4,520 Lakhs during the year ended March 31, 2025.
Debt service coverage ratio (times)	(0.26)	(17.63)	-99%	The Company has incurred operating losses i.e. Earnings before Interest and taxes, during the current and the previous year. The Company has however repaid an instalment of principal on its non-current borrowing, resulting in variance.
Return On Equity (%)	-42%	-21%	-202%	Increase in losses incurred during the current year has contributed to the variance.
Inventory turnover (times)	41.00	-	100%	The Company has entered into a buy and sell arrangement with a customer during the year which has resulted in inventories of raw material being held at the year-end.
Debtors turnover (times)	6.78	2.20	209%	Higher collections from customers and reduction in trade receivables has resulted in increase in the debtors turnover ratio.
Net profit ratio (%)	-37%	-51%	73%	The Company had first full year of operations during the current year. Accordingly, increase in revenue as compared to the prior year has resulted in reduction in the net profit ratio.
Return on Capital Employed (%)	-3%	-10%	26%	The Company has availed additional debt during the year which has increased the average capital employed at March 31, 2025, resulting in reduction in the return on capital employed.
Trade Payable Turnover Ratio (times)	0.78	1.19	-35%	Increase in trade payables at March 31, 2025 has resulted in a lower turnover ratio.
Net Capital Turnover Ratio (times)	(1.36)	(3.15)	-57%	Increase in revenue as compared to the previous year has resulted in reduction in the turnover ratio.
Return on Investment (%)	-2%	-9%	26%	Increase in averages assets at the year-end as compared to the previous year has contributed to the variance.

Note

Ratios have been computed as follows:

1. Current ratio = Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)

2. Debt equity ratio = Debt / Equity

Debt = Borrowings (excluding Lease Liabilities accounted as per Indian Accounting Standard 116) - Cash and Bank Balance (includes fixed deposits) - Liquid Investments

Equity = Equity share capital + Other equity

3. Debt service coverage ratio = Earnings before interest (excluding impact of interest on lease liability as per IND AS 116) and tax / [Finance cost (excluding impact of interest on lease liability as per IND AS 116) + Principal repayment on non-current borrowings]

4. Return on equity ratio = Profit/(Loss) after Tax / Average of opening and closing Net Worth

5. Inventory turnover = Revenue from Operations for the year / Average balances of opening and closing Inventories

6. Debtors turnover = Revenue from Operations for the year / Average balances of opening and closing Trade Receivables.

7. Net profit ratio = Profit After Tax / Revenue from Operations

8. Return on Average Capital Employed = Earnings Before Interest and Tax / Average balances of opening and closing Capital Employed

9. Trade Payables Turnover Ratio = Other expenses / Average balances of opening and closing Trade Payables

10. Net Capital Turnover ratio = Revenue / Average balances of opening and closing working capital

11. Return on Investments = Earnings Before Interest and Tax / Average balances of opening and closing Total assets



41. Additional Regulatory information

(i) Details of benami property held

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

(ii) Willful defaulter

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

(iii) Compliance with number of layers of companies

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

(iv) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial years.

(v) Utilisation of borrowed funds and share premium

(A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- 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 to or on behalf of the Ultimate Beneficiaries.

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

- 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.

(vi) Undisclosed income

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

(vii) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous years.

(viii) Valuation of property plant and equipment (including right-of-use assets) and intangible assets

The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the current or previous years. The Company does not have any investment property.

(ix) Relationship with struck off companies

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

(x) Core Investment Companies (CIC)

The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India, However the Group has 4 CICs (registered and unregistered) as part of the Group.

(xi) Registration of Charge or Satisfaction of charges with Registrar of Companies

There are no charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xii) Borrowings Secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts.

The Company has an arrangement with its holding company to procure fabric and trims. The fabric and trims are purchased as per the specifications agreed with the holding company. The fabric and trims procured are used by the Company in the manufacture of apparel sold to the holding company. In accordance with the Ind AS principles, the Company has not recognised the inventories of fabric and finished products in these financial statements. However, the Company has the legal title to the inventories of fabric bought from the Holding Company. Legal title to the finished products are transferred to the Holding Company upon sale. The Company has provided the inventories of fabric and finished goods as security against a borrowing facility availed from a bank. Such inventories were included in the quarterly returns or statements of current assets filed by the Company with the bank.

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

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



42 Other Accounting Policies

(a) Property, plant and equipment

Property, plant and equipment is recognised at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes taxes, duties, freight and other incidental expenses, related to the acquisition and installation of the asset concerned and borrowing costs for long-term construction projects, if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss, during the reporting period in which they are incurred.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/other expense, as appropriate.

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.

(b) Intangible assets

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

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

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

(c) Other Income

Interest income on all debt instruments is measured at amortised cost. Interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the Statement of Profit and Loss.

(d) Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

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

(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. In accordance with the plan, employees are entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service. The Company's gratuity plan is more favourable as compared to the obligation under Payment of Gratuity Act, 1972 whereby employees are entitled to gratuity benefit on separation, without any limit. The benefit vests after five years of continuous service and the same is payable on termination of service or retirement, whichever is earlier. The Company's liabilities are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in the 'Employee benefits expense' in the Statement of Profit and Loss. Re-measurement gains or losses (excluding amounts included in net interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income (OCI). These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Statement of Profit and Loss.



(d) Compensated absences

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

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

(e) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Statement of Profit and Loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

(f) Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders 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.

(g) Cash and cash equivalents

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

(h) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(i) Derivative financial instruments

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

Any gains or losses arising from changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.



(j) Impairment of non-financial assets

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

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

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

(k) Government grants

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

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

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

(l) Fair value measurements and hierarchy

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

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

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.; and

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.



(m) **Foreign currencies**

Transactions and balances:

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Balance Sheet date.

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equity investments classified as at FVOCI are recognised in other comprehensive income.

(n) **Taxes**

Current tax

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

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

Deferred tax

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

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

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

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

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

(o) **Financial instruments**

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

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

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

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

All recognized financial assets, are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For trade receivables, the company applies the simplified approach required by Ind AS 109, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.



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

(a) Non-derivative financial assets

(i) Financial assets at amortised cost

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

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

Effective Interest Rate (EIR) method:

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

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

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

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

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

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss.

Impairment of financial assets:

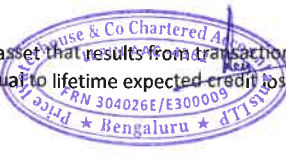
Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company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

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

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, 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 year, 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.



(b) Non-derivative financial liabilities

(i) Classification as debt or equity

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

(1) Equity instruments:

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

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

(2) Compound financial instruments:

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

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

(3) Financial liabilities:

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

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

Financial liabilities at FVTPL:

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

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

- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

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

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

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

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

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



Financial liabilities subsequently measured at amortised cost:

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the

(ii) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Statement of Profit and Loss as 'Finance costs'.

(iii) Foreign exchange gains and losses

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

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

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

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

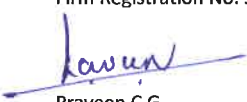
The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains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

Offsetting financial instruments

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

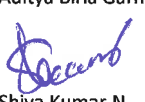
In terms of our report attached

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


Praveen C G
Partner
Membership No : 214797

Place : Bengaluru
Date: May 8, 2025

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


Shiva Kumar.N
Chief Finance Officer
PAN:A0VPS2404M

Place : Bengaluru
Date: May 8, 2025


Narasimha Murthy Narahari
Chief Executive Officer
DIN : 09638314

Place : Bengaluru
Date: May 8, 2025


R Swaminathan

Director
DIN : 09638315

Place : Bengaluru
Date: May 8, 2025


Jagdish Bajaj
Director
DIN : 08498055

Place : Bengaluru
Date: May 8, 2025