Independent Auditor's Report

To the Members of Indivinity Clothing Retail Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of Indivinity Clothing Retail Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 a summary of significant accounting policies 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, 2022, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, 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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Responsibilities of management and those charged with governance for the Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- 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.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. The Financial Statements of the Company for the year ended March 31, 2021 were audited by another firm of chartered accountants under the Companies Act, 1956 who, vide their report dated May 25, 2021, expressed an unmodified opinion on those Financial Statements.

Report on other legal and regulatory requirements

12. 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. 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.

    (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) Clause (i) of Section 143(3) on internal financial controls with reference to Financial Statements is not applicable pursuant to notification G.S.R 583(E) dated 13 June 2017.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2022.

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, 2022.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, 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 47 to the Financial Statements;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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 47 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.

14. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

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

A J Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AIVZGC3773

Place: Bengaluru
Date: May 12, 2022

Annexure A to Independent Auditors' Report

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) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties Refer Note 3 to the financial statements. Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on 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 its financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

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iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including professional tax, goods and services tax, provident fund, employees' state insurance, labour welfare fund, income tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and 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) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(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, the Company has not raised funds on short term basis.

(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.

(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.

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.

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

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, 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, and according to the information and explanations given to us, 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 according to the information and explanations given to us, 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 Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company is not mandated to have an internal audit system during the year.

xv. 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.

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(d) Based on the information and explanations provided by the management of the Company, the Group has 8 CICs (registered and unregistered) as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 2,322.64 lakhs in the financial year and of Rs. 70.23 lakhs in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors during the year, and there are no issues, objections raised by the outgoing auditors.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 41 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

A J Shaikh
Partner
Membership Number:
UDIN: 22203637AIVZGC3773

Place: Bengaluru
Date: May 12, 2022

Indivinity Clothing Retail Private Limited
CIN: U18109HR2021PTC093323
Balance Sheet as at March 31, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	**Notes**	**As at March 31, 2022**	**As at March 31, 2021**
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	1,221.36	-
Right-of-use assets	4	6,982.74	118.82
Capital work-in-progress	5	127.81	-
Other intangible assets	6	50.45	-
Financial assets			
(in) Security deposits	7	325.15	-
(ii) Other financial assets	8	10.12	-
Other non- current assets	9	256.12	-
Total non- current assets		**8,973.75**	**118.82**
Current assets			
Inventories	10	2,697.21	-
Financial assets			
(i) Investments	11	1,234.30	-
(ii) Trade receivables	12	7.39	-
(iii) Cash and cash equivalents	13	7.29	6,940.98
(iv) Bank balance other than cash and cash equivalents	14	33.90	-
(v) Security deposits	15	11.44	9.00
(vi) Other financial assets	16	7.72	0.67
Other current assets	17	723.72	6.80
Total current assets		**4,722.97**	**6,957.45**
Total Assets		**13,696.72**	**7,076.27**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	3,500.00	3,500.00
Other equity	19	362.22	3,418.85
Total Equity		**3,862.22**	**6,918.85**
Liabilities			
Non- current liabilities			
Financial liabilities			
(i) Lease liabilities	20	6,659.35	102.60
(ii) Other financial liabilities	21	77.11	-
Employee benefit obligations	22	17.69	-
Total non-current liabilities		**6,754.15**	**102.60**
Current liabilities			
Financial liabilities			
(i) Lease Liabilities	23	513.48	16.92
(ii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	24	271.84	8.59
-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,384.56	16.48
(iii) Other financial liabilities	25	716.54	9.22
Employee benefit obligations	26	126.86	-
Other current liabilities	27	67.07	3.61
Total current liabilities		**3,080.35**	**54.82**
Total liabilities		**9,834.50**	**157.42**
Total equity and liabilities		**13,696.72**	**7,076.27**

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

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

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date: May 12, 2022

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

Tarun Radhakrishin Tahiliani
Director
DIN : 00045531

Place: Gurugram
Date: May 12, 2022

Ashish Dikshit
Director
DIN : 01842066

Place: Mumbai
Date: May 12, 2022

Dolly Roy
Chief Financial Officer

Place: Gurugram
Date: May 12, 2022

Sonia Bhandari
Company Secretary

Place: Mumbai
Date: May 12, 2022

Indivinity Clothing Retail Private Limited
CIN: U18109HR2021PTC093323
Statement of Profit and loss for the year ended March 31, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2022	Period from March 03, 2021 to March 31, 2021
Income:			
Revenue from operations	28	156.94	-
Other income	29	182.42	0.71
Total income		**339.36**	**0.71**
Expenses			
Cost of raw materials consumed	30A	1,799.34	-
Changes in inventories	30B	(2,412.21)	-
Employee benefits expense	31	781.65	-
Finance costs	32	268.54	1.00
Depreciation and amortisation expense	33	475.66	1.10
Other expenses	34	2,485.49	70.94
Total expenses		**3,398.47**	**73.04**
Loss before tax		**(3,059.11)**	**(72.33)**
Tax expense:	35		
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year/period		**(3,059.11)**	**(72.33)**
Re-measurement gain on defined benefit plan		2.48	-
Income tax effect on above		-	-
Total other Comprehensive gain, net of tax		**2.48**	-
Total Comprehensive Loss for the year/period		**(3,056.63)**	**(72.33)**
Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2021 : ₹ 10)]	36		
(1) Basic		(8.74)	(0.90)
(2) Diluted		(8.74)	(0.90)

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

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

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date: May 12, 2022

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

Tarun Radhakrishin Tahiliani
Director
DIN : 00045531

Place: Gurugram
Date: May 12, 2022

Ashish Dikshit
Director
DIN : 01842066

Place: Mumbai
Date: May 12, 2022

Dolly Roy
Chief Financial Officer

Place: Gurugram
Date: May 12, 2022

Sonia Bhandari
Company Secretary

Place: Mumbai
Date: May 12, 2022

Indivinity Clothing Retail Private Limited
CIN: U18109HR2021PTC093323
Statement of Changes in equity for the year ended March 31, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

A Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid up	**No. of Shares**	**Amount**
At at March 03, 2021	-	-
Shares issued during the period	3,50,00,000	3,500.00
As at March 31, 2021	3,50,00,000	3,500.00
Shares issued during the year	-	-
As at March 31, 2022	3,50,00,000	3,500.00

B Other Equity

Particulars	Attributable to the equity holders		Total Other equity
	Reserves and surplus		
	Securities Premium (Refer note 19)	Retained earnings (Refer note 19)	
As at March 03, 2021	-	-	-
Shares issued during the period	3,491.18	-	3,491.18
Loss for the period	-	(72.33)	(72.33)
As at March 31, 2021	**3,491.18**	**(72.33)**	**3,418.85**
As at April 01, 2021	**3,491.18**	**(72.33)**	**3,418.85**
Loss for the year	-	(3,059.11)	(3,059.11)
Re-measurement gain on defined benefit plan		2.48	2.48
As at March 31, 2022	**3,491.18**	**(3,128.96)**	**362.22**

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

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

A J Shaikh

Partner
Membership No. 203637

Place: Bengaluru
Date: May 12, 2022

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

Tarun Radhakrishin Tahiliani

Director
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Dolly Roy
Chief Financial Officer

Place: Gurugram
Date: May 12, 2022

Sonia Bhandari
Company Secretary

Place: Mumbai
Date: May 12, 2022

Indivinity Clothing Retail Private Limited
CIN: U18109HR2021PTC093323
Statement of Cash Flows for the year ended March 31, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Period from March 03, 2021 to March 31, 2021
Loss before tax	(3,059.11)	(72.33)
Adjustments for:		
Depreciation and amortisation expense	475.66	1.10
Finance costs	268.54	1.00
Interest income on fixed deposits	(71.56)	(0.71)
Net Gain from investments in Mutual Funds	(103.13)	-
Unwinding of interest on security deposits	(7.73)	-
Re-measurement gain on defined benefit plan	2.48	-
Operating Loss before working capital changes	**(2,494.85)**	**(70.94)**
Change in working capital		
Increase in inventories	(2,697.21)	-
Increase in trade receivables	(7.39)	-
Increase in other financial assets and security deposits	(326.79)	(15.80)
Increase in other current assets	(716.92)	-
Increase in trade payables	1,631.33	25.28
Increase in other current liabilities	63.46	12.61
Increase in other current financial liabilities	107.78	-
Increase in other non current financial liabilities	77.11	-
Increase in employee benefit obligations	144.55	-
Cash generated from operations	**(4,218.93)**	**(48.85)**
Income taxes paid	(7.47)	-
Net cash flows from operating activities	**(4,226.40)**	**(48.85)**
Cash flow from investing activities		
Purchase of Fixed assets including capital work-in-progress	(1,108.95)	-
Increase in deposits with financial institutions	(33.90)	-
Increase in other non current financial asset	(10.12)	-
Interest received	71.44	0.05
Investment in Mutual Funds	(1,131.17)	
Net cash (used)/from in investing activities	**(2,212.70)**	**0.05**
Cash flow from financing activities		
Proceeds from issuance of equity	-	6,991.18
Principle payment of lease liabilities	(226.05)	(0.40)
Interest on lease liabilities	(268.54)	(1.00)
Net cash flows from in financing activities	**(494.59)**	**6,989.78**
Net (decrease) / increase in cash and cash equivalents	**(6,933.69)**	**6,940.98**
Cash and cash equivalents at the beginning of the year/period	**6,940.98**	-
Cash and cash equivalents at the end of the year/period	**7.29**	**6,940.98**
Components of cash and cash equivalents		
Cash on hand (refer note 13)	0.45	-
Balances with banks: (refer note 13)		
- On current accounts	6.84	5.09
- Deposits with original maturity of less than three months	-	6,933.90
Balance in Kotak Securities Ltd	-	1.99
Total cash and cash equivalents	**7.29**	**6,940.98**

Notes:
The Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
The above statement of cash flows should be read in conjunction with the accompanying notes.

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

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date: May 12, 2022

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

Tarun Radhakrishin Tahiliani
Director
DIN : 00045531
Place: Gurugram
Date: May 12, 2022

Ashish Dikshit
Director
DIN : 01842066
Place: Mumbai
Date: May 12, 2022

Dolly Roy
Chief Financial Officer
Place: Gurugram
Date: May 12, 2022

Sonia Bhandari
Company Secretary
Place: Mumbai
Date: May 12, 2022

Indivinity Clothing Retail Private Limited
Notes to the financial statements for the year ended March 31, 2022

1. Corporate information

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

The Company is primarily engaged in manufacturing and trading of readymade garments being men's ethnic wear like apparel, jewellery and related accessories.

The Company is principally engaged in business under the brand name TASVA.

2. Significant accounting policies

2.1 Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(iii) New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

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

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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2.2 Critical accounting estimates, assumptions and judgements

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

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the Financial Statements:

(a) Property, plant and equipment

The management engages internal technical team to assess the remaining useful lives and residual value of property, plant and equipment. The management believes that the assigned useful lives and residual value are reasonable.

(b) Intangible assets

Internal technical or user team assess the remaining useful lives of Intangible assets. The Management believes that assigned useful lives are reasonable.

(c) Income taxes

The management's judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Financial Statements.

(d) Contingencies

The management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(e) Allowance for doubtful trade receivables

Trade receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

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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.

All other liabilities are classified as non-current.

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

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

2.4 Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

(b) Assets where useful life differ from Schedule II

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

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

Leasehold assets

Assets	Estimated useful life
Leasehold improvements at stores	5 years or period of lease, whichever is lower
Leasehold improvements other than stores	Period of lease

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

Items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date the asset is ready to use.

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

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

2.5 Capital work in progress

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

2.6 Intangible assets

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

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

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

Amortisation methods and periods

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

Intangible assets	Useful life	Amortisation method used
Computer software	3 years	Amortised on straight-line basis

2.7 Leases

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

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

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

Company is the lessee

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

(i) Right-of-use assets

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

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(ii) Lease liabilities

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

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

(iii) Short term leases and lease of low value assets

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

2.8 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. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the 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 marketplace is recognised on the trade date.

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

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

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(a) Non-derivative financial assets

(i) Financial assets at amortised cost

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

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

Effective Interest Rate (EIR) method:

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

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

(ii) Debt instruments 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).

For the impairment policy on financial assets measured at amortised cost, refer note below.

Debt instruments 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)

Finance assets that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments 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 debt instruments 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

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

Impairment of financial assets:

The Company assesses at each date of balance sheet whether a financial asset is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition

(b) Non derivative financial liabilities

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.

All financial liabilities are recognized initially at fair value and in case of loans and borrowings net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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

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.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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De-recognition of financial assets and financial liabilities

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

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

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

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

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2.9 Fair value measurements and hierarchy

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

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

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

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

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

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

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

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

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

The carrying amounts of trade receivables, trade payables, capital creditors, and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The carrying value of loans and security deposits are considered to be reasonably the same as their fair values. These are classified as level 2 fair values in the fair value hierarchy, due to the inclusion of observable inputs, including counter-party credit risk.

2.10 Inventories

Raw materials and consumables are valued at cost or net realisable value, whichever is lower. Cost is determined on FIFO basis. Finished Goods and Work-in-progress are valued at lower of cost and net realisable value. Cost of Finished Goods and Work-in-progress is determined by considering materials, labour and other related direct expenses.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Obsolete and defective inventory are duly provided for, basis the management estimates.

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2.11 Cash and cash equivalents

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

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

2.12 Impairment of non-financial assets

Intangible assets and property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.13 Trade and other payables

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

2.14 Provisions and contingent liabilities

Provision

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

Provisions are recognized 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 recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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Contingent liabilities

Contingent liability exists when there is 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 wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote.

2.15 Retirement and other employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

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

(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The Company's gratuity plan is funded in nature. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. 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 OCI. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

(d) Compensated absences

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

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

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(e) Share based payments

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

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

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

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

2.16 Foreign currencies

<u>Transactions and balances:</u>

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

2.17 Revenue from contract with customers

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

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

- Identify the contract with a customer;

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- 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 is measured at the fair value of the consideration received or receivable net of returns, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

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

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

Sales are recognised on delivery of the merchandise to the customer, when the property in goods and control are transferred for a price and no effective ownership control is retained.

Where the Company is principal in the transaction, the Sales are recorded at gross values. Where the Company is an agent in the transaction, the difference between the revenue and the cost of the product is disclosed as commission income.

Interest income on all debt instruments is measured either at amortised cost or at fair value through OCI. 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 or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example: prepayment, extension, call and similar options), but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

2.18 Borrowing costs

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

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.19 Taxes

Current tax

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

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

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

Deferred tax

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

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

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

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

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

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

2.20 Earnings per share

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

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

2.21 Segment information

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

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3 Property, Plant and Equipment

Particulars	Leasehold Improvements	Plant and machineries	Electrical equipments	Electrical fittings & installations	Furniture and fixtures	Office equipments	Vehicles	Computers	Total
Cost									
As at March 31, 2021	-	-	-	-	-	-	-	-	-
Add: Additions	593.79	30.04	75.05	19.33	383.53	77.67	14.27	77.19	1,270.87
Less: Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**593.79**	**30.04**	**75.05**	**19.33**	**383.53**	**77.67**	**14.27**	**77.19**	**1,270.87**
As at March 31, 2021	-	-	-	-	-	-	-	-	-
Add: Depreciation charge for the year	21.91	0.49	1.28	0.29	14.15	1.89	0.80	8.70	49.51
Less: Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**21.91**	**0.49**	**1.28**	**0.29**	**14.15**	**1.89**	**0.80**	**8.70**	**49.51**
Net Block									
As at March 31, 2022	571.88	29.55	73.77	19.04	369.38	75.78	13.47	68.49	1,221.36
As at March 31, 2021	-	-	-	-	-	-	-	-	-

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

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4 Right-of-use assets

	As at March 31, 2022	As at March 31, 2021
Right to use assets	6,982.74	118.82
	6,982.74	**118.82**

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

	Buildings
As at March 03, 2021	-
Addition	119.92
Amortization expense	1.10
As at March 31, 2021	**118.82**
Addition	7,279.36
Amortization expense	415.44
As at March 31, 2022	**6,982.74**

5 Capital work-in-progress

	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	127.81	-
	127.81	-

Ageing of Capital Work in Progress (CWIP)

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	127.81	-	-	-	127.81
Total	**127.81**	-	-	-	**127.81**

As at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

6 Other intangible assets

Particulars	Computer Software
Cost	
As at March 31, 2021	-
Add: Additions	61.16
As at March 31, 2022	**61.16**
Amortisation	
As at March 31, 2021	-
Add: Amortisation for the year	10.71
As at March 31, 2022	**10.71**
Net block	
As at March 31, 2022	50.45
As at March 31, 2021	-

Note: The Company has not revalued its Intangible assets.

7 Security deposits

	As at March 31, 2022	As at March 31, 2021
Security deposits		
Unsecured - Considered good	325.15	-
	325.15	-

8 Other financial assets

	As at March 31, 2022	As at March 31, 2021
Deposit account with Bank (Original Maturity of more than 12 months)	10.12	
	10.12	-

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9 Other Non- Current Assets

	As at March 31, 2022	As at March 31, 2021
Capital advance	248.65	-
Income Tax Receivable	7.47	-
	256.12	-

10 Inventories

	As at March 31, 2022	As at March 31, 2021
At lower of cost or net realisable value		
Raw materials	285.00	-
Work-in-progress	911.37	-
Finished goods {includes goods in transit of Rs. 189.79 lakhs (March 31, 2021: Nil)}	1,500.84	-
Total	2,697.21	-

Amounts recognised in the statement of profit and loss

Write-downs of inventories to net realisable value amounted to Rs. 31.17 lakhs (March 31, 2021 – Nil). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in the statement of profit and loss.

11 Investments

	As at March 31, 2022	As at March 31, 2021
Investments in mututal fund fair valued through Profit and Loss (Quoted):		
UTI Arbiterage Fund (March 31,2022: 9298.017 units, March 31, 2021: Nil)	322.34	-
Aditya Birla Sun Life Savings Fund- Growth (March 31, 2022: 20,322.745 units, March 31, 2021: Nil)	89.49	-
Aditya Birla Sun Life Liquid Fund (March 31, 2022: 241,593.084 units, March 31, 2021: Nil)	822.47	-
Total	1,234.30	-

12 Trade receivable

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables from others	7.39	-
Total receivable	7.39	-

Break-up for Trade receivables:

Trade receivables		
Considered good, secured	-	-
Considered good, unsecured	7.39	-
Trade receivables - credit impaired	-	-
	7.39	-

Aging of trade receivables
As at March 31, 2022

Particulars	Not Due	Outstanding for the following periods from due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
- considered good	-	7.39	-	-	-	-	7.39
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total Trade receivables	-	7.39	-	-	-	-	7.39

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

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

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

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13 Cash and Cash Equivalents	**As at March 31, 2022**	**As at March 31, 2021**
Balances with bank:		
-On current accounts	6.84	5.09
-Balance in Kotak Securities Ltd	-	1.99
-Deposits with original maturity of less than three months	-	6,933.90
Cash on hand	0.45	-
Total	7.29	6,940.98

14 Bank balance other than cash and cash equivalents	**As at March 31, 2022**	**As at March 31, 2021**
Balances with bank:		
-Deposits with original maturity of more than three months and less than one year	33.90	-
	33.90	-

15 Security Deposits	**As at March 31, 2022**	**As at March 31, 2021**
Unsecured - Considered good	11.44	9.00
Total	11.44	9.00

16 Other Financial Assets	**As at March 31, 2022**	**As at March 31, 2021**
Interest accrued on fixed deposits	0.79	0.67
Other receivables	6.93	-
	7.72	0.67

17 Other Current Assets	**As at March 31, 2022**	**As at March 31, 2021**
Prepayments	43.13	-
Balance with government authorities	591.38	6.80
Advance to Suppliers	89.21	-
	723.72	6.80

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

18 Equity share capital

Authorised share capital	No. of Shares	Amount
Equity shares of ₹ 10 each		
Increase during the period	4,00,00,000	4,000.00
At March 31, 2021	**4,00,00,000**	**4,000.00**
Increase during the year	-	-
At March 31, 2022	**4,00,00,000**	**4,000.00**

Issued share capital	No. of Shares	Amount
Fully paid up		
Equity shares of ₹ 10 each issued and subscribed		
Issued during the period	3,50,00,000	3,500.00
At March 31, 2021	3,50,00,000	3,500.00
Increase during the year	-	-
At March 31, 2022	**3,50,00,000**	**3,500.00**

a) Terms/rights attached to equity shares

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

b) Shares held by Holding Company

	As at March 31, 2022	As at March 31, 2021
Aditya Birla Fashion and Retail Limited (Holding Company) 27,999,995 (March 31, 2021: 27,999,995) equity shares of Rs 10 each	2,79,99,995	2,79,99,995

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

	March 31, 2022		March 31, 2021	
	Number	% Holding	Number	% Holding
Equity shares				
Aditya Birla Fashion and Retail Limited	2,79,99,995	80.00%	2,79,99,995	80.00%
Tarun Tahiliani	70,00,000	20.00%	70,00,000	20.00%
	3,49,99,995	100.00%	3,49,99,995	100.00%

d) Details of Shareholding of Promoters:

Shares held by promoters as at March 31, 2022

Name of the Promoter	No. of Shares	% of total number of shares	% Change during the year
Tarun Tahiliani	70,00,000	20.00%	-
Aditya Birla Fashion and Retail Limited	2,79,99,995	80.00%	-

e) There were no shares issued for consideration other than cash during the year ended March 31, 2022 and period ended March 31, 2021.

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19 Other Equity

	As at March 31, 2022	As at March 31, 2021
Securities premium	3,491.18	3,491.18
Retained earnings	(3,128.96)	(72.33)
Total	362.22	3,418.85

	Amount
(i) Securities premium	
At March 03, 2021	-
Premium on issue of shares	3,491.18
At March 31, 2021	3,491.18
Premium on issue of shares	-
At March 31, 2022	3,491.18
(ii) Retained earnings	
At March 03, 2021	-
Loss for the period	(72.33)
At March 31, 2021	(72.33)
Loss for the year	(3,059.11)
Re-measurement Profit on defined benefit plan	2.48
At March 31, 2022	(3,128.96)

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20 Lease liabilities

	As at March 31, 2022	As at March 31, 2021
Non Current		
Lease liabilities	6,659.35	102.60
	6,659.35	**102.60**

The following is the lease liabilities movement	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year/period	119.52	-
Additions	7,279.36	119.92
Finance cost incurred during the year/period (refer note 32)	268.54	1.00
Payment of lease liabilities	(494.59)	(1.40)
Balance at end of the year	7,172.83	119.52
Non Current (refer note 20)	6,659.35	102.60
Current (refer note 23)	513.48	16.92
Total	7,172.83	119.52

21 Other Financial Liabilties

	As at March 31, 2022	As at March 31, 2021
Non-current		
Provision for Employee stock option plan (refer note 46)	77.11	-
	77.11	-

22 Employee Benefit Obligations

	As at March 31, 2022	As at March 31, 2021
Non-current		
Provision for stock appreciation right (refer note 46)	17.69	-
	17.69	-

23 Lease liabilities

	As at March 31, 2022	As at March 31, 2021
Current		
Lease liabilities	513.48	16.92
	513.48	16.92

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24 Trade Payables	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	271.84	8.59
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,384.56	16.48
Total	1,656.40	25.07

Aging of trade payable
As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding as on March 31, 2022 from due date of payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	19.77	252.07	-	-	-	271.84
Others	261.08	214.77	908.71	-	-	-	1,384.56
	-						-
Total	261.08	234.54	1,160.78	-	-	-	1,656.40

Aging of trade payable
As at March 31, 2021

Particulars	Unbilled	Not due	Outstanding as on March 31, 2021 from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	8.59		-	-	-	8.59
Others	-	16.48		-	-	-	16.48
Total	-	25.07	-	-	-	-	25.07

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

Due to Micro small and medium enterprises:

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	271.84	8.59
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	12.32	Nil
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	377.69	Nil
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	8.49	Nil
The amount of interest accrued and remaining unpaid at the end of accounting year.	3.83	Nil
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

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25 Other Financial liabilities	**As at March 31, 2022**	**As at March 31, 2021**
Security Deposit	-	9.00
Creditors for capital supplies/ services	599.54	-
Employee benefits payable	117.00	0.22
	716.54	9.22

26 Employee Benefit Obligations	**As at March 31, 2022**	**As at March 31, 2021**
Provision for gratuity (refer note 45)	55.32	-
Provision for compensated absences	71.54	-
	126.86	-

The entire amount of provision of Rs. 71.54 lakhs (March 31, 2021 - Nil) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leaves or require payment for such leave within the next 12 months.

Leave obligation not expected to be settled within the next 12 months	58.51	-

27 Other current liabilities	**As at March 31, 2022**	**As at March 31, 2021**
Statutory liabilities	67.07	3.61
	67.07	3.61

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28 Revenue from Operations	**Year ended March 31, 2022**	**Period from March 03, 2021 to March 31, 2021**
Sale of goods	156.90	-
Other operating revenue		
Sale of scrap	0.04	-
	156.94	-

Reconciliation of revenue recognised with contract price

	Year ended March 31, 2022	**Period from March 03, 2021 to March 31, 2021**
Revenue as per the contracted price	156.94	-
Revenue as per the Statement of Profit and Loss	156.94	-

29 Other income	**Year ended March 31, 2022**	**Period from March 03, 2021 to March 31, 2021**
Interest income		
- on Fixed Deposits	71.56	-
- on others	7.73	-
Net Gain from investments in Mutual Funds	103.13	-
Total	182.42	-

30A Cost of Raw Materials Consumed	**Year ended March 31, 2022**	**Period from March 03, 2021 to March 31, 2021**
Inventories at the beginning of the year	-	-
Add: Purchases during the year	2,084.34	-
Less: Inventories at the end of the year	285.00	-
	1,799.34	-

30B Changes in Inventories	**Year ended March 31, 2022**	**Period from March 03, 2021 to March 31, 2021**
Opening inventories		
Work-in-progress	-	
Finished goods	-	
	-	-
Closing inventories		
Work-in-progress	911.37	-
Finished goods	1,500.84	-
	2,412.21	-
Changes in inventories	(2,412.21)	-

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31	**Employee Benefits Expense**	**Year ended March 31, 2022**	**Period from March 03, 2021 to March 31, 2021**
	Salaries, wages and allowances	685.84	-
	Contribution to provident and other funds (refer note 45)	21.55	-
	Gratuity expenses (refer note 45)	10.97	-
	Staff welfare expense	12.43	-
	Provision for stock option plans (refer note 46)	50.86	-
	Total	**781.65**	**-**

32	**Finance Costs**	**Year ended March 31, 2022**	**Period from March 03, 2021 to March 31, 2021**
	Interest on:		
	- Lease liabilities	268.54	1.00
	Total	**268.54**	**1.00**

33	**Depreciation and Amortization Expense**	**Year ended March 31, 2022**	**Period from March 03, 2021 to March 31, 2021**
	Depreciation of property, plant and equipment (refer note 3)	49.51	-
	Amortisation of right-of-use assets (refer note 4)	415.44	1.10
	Amortisation of intangible assets (refer note 6)	10.71	-
	Total	**475.66**	**1.10**

34	**Other expenses**	**Year ended March 31, 2022**	**Period from March 03, 2021 to March 31, 2021**
	Processing charges	902.91	-
	Transportation charges	16.64	-
	Store consumables	15.35	-
	Advertisement and sales promotion	488.82	37.50
	Legal and professional charges (refer note below)	759.74	9.15
	Rent (refer note 37)	86.26	-
	Repair and maintainence		
	-Others	24.98	-
	Travelling and conveyance	82.83	1.23
	Security expenses	30.25	-
	Telephone and Internet expenses	0.77	-
	Rates and taxes	23.50	23.03
	Insurance	0.52	-
	Printing and stationary	8.26	0.02
	Power, fuel and water charges	23.08	-
	Bank charges	0.38	0.01
	Courier charges	8.86	-
	Miscellaneous expenses	12.34	-
	Total	**2,485.49**	**70.94**

Note : Auditor remuneration

Particulars	**Year ended March 31, 2022**	**Period from March 03, 2021 to March 31, 2021**
As auditor:		
- Audit fee	6.00	0.40
- Out of pocket expenses	0.50	-
	6.50	**0.40**

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35 Income tax expense

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

a. Tax expense recognised in statement of profit and loss

Particulars	Year ended March 31, 2022	Period from March 03, 2021 to March 31, 2021
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
(Gains)/losses relating to origination and reversal of temporary differences	-	-
Income tax (income)/expense recognised in the statement of profit or loss	-	-

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

Particulars	Year ended March 31, 2022	Period from March 03, 2021 to March 31, 2021
Accounting loss before tax expense	(3,059.11)	(72.33)
Applicable tax rate in India	25.17%	25.17%
Computed tax charge	(769.98)	(18.21)
Impact of deferred tax not created on temporary differences*	769.98	18.21
	-	-

* As at March 31, 2022, the Company has significant carried forward tax losses and unabsorbed tax depreciation. At this stage, in absence of reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realised, deferred tax assets (net of deferred tax liability) have not been recognised.

36 Earnings per share (EPS)

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

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

The following reflects the profit/(loss) and share data used for the basic and diluted EPS	Year ended March 31, 2022	Period from March 03, 2021 to March 31, 2021
Profit/(Loss) attributable to equity holders for basic earnings	(3,059.11)	(72.33)
Weighted average number of equity shares	3,50,00,000	80,00,000
Basic earnings per share	(8.74)	(0.90)
Diluted earnings per share	(8.74)	(0.90)

Note: There are no diluted instruments.

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37 Commitments and contingencies

Capital Commitment

The Company has capital commitments of Rs.345.82 lakhs as at March 31, 2022. (March 31, 2021: Nil)

38 Leases

The Company has entered into agreements for taking on the lease office buildings/stores. Leases of office buildings/stores generally have lease terms from 3 to 9 years with escalation clauses in the lease agreements.

(i) The amounts recognized in Balance Sheet:	As at March 31, 2022	As at March 31, 2021
Right-of-use Assets	6,982.74	118.82
Lease Liabilities		
Non Current	6,659.35	102.60
Current	513.48	16.92

(ii) The following are the amounts recognized in profit or loss:	Year ended March 31, 2022	Period from March 03, 2021 to March 31, 2021
Interest expense on lease liabilities (refer Note 32)	268.54	1.00
Depreciation expense for right-of-use assets (refer Note 33)	415.44	1.10
	683.98	**2.10**
Expense relating to short-term leases (included in other expenses)	86.26	-

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

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

(iv) Extension and Termination option:

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

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39 Related party disclosures

a. Related parties

Description of relationship	Names of related parties
a) Holding Company	Aditya Birla Fashion and Retail Limited
Key management personnel ("KMP")	
(a) Chief Designing Officer	Tarun Radhakrishin Tahiliani (w.e.f. March 3, 2021)
(b) Chief Executive Officer	Sandeep Pal (w.e.f. January 1, 2022)
	Kedar Apshankar (upto December 31' 2021)
(c) Directors	Ashish Dikshit (w.e.f. March 26' 2021), Sunirmal Taludar (w.e.f. March 26'2021)
	Jagdish Bajaj (w.e.f. March 26, 2021), Sukanya Kripalu (w.e.f. March 26' 2021)
(d) Chief Financial Officer	Dolly Roy (w.e.f. March 26, 2021)
(e) Company Secretary	Sonia Bhandari (w.e.f. October 29, 2021)
	Amarpreet Kaur Khalsi (upto October 12, 2021)
Entity jointly controlled by the Holding Company	Goodview Fashion Private Limited
Parties where KMP excercises control	Tahiliani Design Private Limited
	Hope Apparels Private Limited

b. Transactions with related parties

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

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

	Year ended March 31, 2022				Period ended March 31, 2021			
	Holding Company	KMP	Party where KMP excercises control	Entity jointly controlled by the Holding Company	Holding Company	KMP	Party where KMP excercises control	Entity jointly controlled by the Holding Company
Legal and professional charges	-	150.00	-	-	-	6.25	-	-
Rent paid	-	-	18.00	-	-	-	1.40	-
Reimbursement of expenses	336.83	-	-	200.64	-	-	1.14	-
Purchase of Raw material	163.13	-	-	15.38	-	-	-	-
Sale of goods	-	-	-	3.45	-	-	-	-
Issue of equity shares	-	-	-	-	6,300.00	700.00	-	-

c. Outstanding balances

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

	As at March 31, 2022				As at March 31, 2021			
	Holding Company	KMP	Party where KMP excercises control	Entity jointly controlled by the Holding Company	Holding Company	KMP	Party where KMP excercises control	Entity jointly controlled by the Holding Company
Trade payables	327.56	-	1.61	57.21	-	5.78	2.44	-
Employee Benefits Payable	-	13.50	-	-	-	-	-	-

40 Segment information

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

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

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41 Ratio Analysis and its elements

Particulars	UOM	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Change	Rationale
Current ratio	Times	Current assets	Current liabilities (excluding Lease Liabilities accounted as per Ind AS 116)	1.84	183.59	(99.00%)	The Company was incorporated in March 2021. The Company started its operations in December 2021. Hence comparison with last years ratios is not feasible.
Debt- Equity ratio	Times	Total debt - Lease liabilities	Equity	-	-	-	
Debt Service Coverage ratio	Times	Earnings before interest* and Tax	Finance cost* + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]	(4.68)	(50.05)	(90.65%)	
Return on Equity	Percentage	Net profit after tax	Average Equity	(56.75%)	(2.09%)	2614.11%	
Inventory Turnover ratio	Times	Revenue from Operations	Average Inventories	0.14	-	-	
Trade Receivable turnover ratio	Times	Revenue from Operations	Average receivables	42.49	-	-	
Trade Payable Turnover ratio	Times	Total Purchases	Average Trade payables	2.48	-	-	
Net Capital Turnover ratio	Times	Revenue from Operations	Average working capital	0.03	-	-	
Net Profit ratio	Percentage	Net profit after tax	Revenue from Operations	(1949.26%)	-	-	
Return on capital employed	Percentage	Earnings before interest and tax	Average capital employed = Equity + Lease liabilities	(30.88%)	(2.03%)	1423.45%	
Return on Investment	Percentage	Earnings before interest and tax	Average total assets	(26.87%)	(2.02%)	1232.60%	

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

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42 Fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021.

					Fair value		
	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Level 1	Level 2	Level 3
As at March 31, 2022							
Financial assets							
Investments	1,234.30	-	-	**1,234.30**	1,234.30	-	-
Security deposits	-	-	336.59	**336.59**	-	-	-
Trade receivables	-	-	7.39	**7.39**	-	-	-
Cash and cash equivalents	-	-	7.29	**7.29**	-	-	-
Bank balance other than cash and cash equivalents	-	-	33.90	**33.90**	-	-	-
Other financial assets	-	-	17.84	**17.84**	-	-	-
Total	**1,234.30**	**-**	**403.01**	**1,637.31**	**1,234.30**	**-**	**-**
Financial liabilities							
Lease liabilities	-	-	7,172.83	**7,172.83**	-	-	-
Trade payables	-	-	1,656.40	**1,656.40**	-	-	-
Other financial liabilities	-	-	793.65	**793.65**	-	-	-
Total	**-**	**-**	**9,622.88**	**9,622.88**	**-**	**-**	**-**
As at March 31, 2021							
Financial assets							
Security deposits	-	-	9.00	**9.00**	-	-	-
Cash and cash equivalents	-	-	6,940.98	**6,940.98**	-	-	-
Other financial assets	-	-	0.67	**0.67**	-	-	-
Total	**-**	**-**	6,950.65	**6,950.65**	-	-	-
Financial liabilities							
Lease liabilities	-	-	119.52	**119.52**	-	-	-
Trade payables	-	-	25.07	**25.07**	-	-	-
Other financial liabilities	-	-	9.22	**9.22**	-	-	-
Total	-	-	153.81	**153.81**	-	-	-

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

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

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

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

There are no transfer between levels during the year.

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43 Financial risk management objectives and policies

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

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

(i) Market risk

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

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have debt obligations with floating interest rates, hence, is not exposed to interest rate risk.

(b) Foreign currency risk

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

(ii) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Company periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.
The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.
Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Statement of Profit and Loss.
The Company is exposed to credit risk from its operating activities (primarily trade receivables and security deposits).

(a) Trade receivables

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

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

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(b) Financial instruments and cash deposits

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

(iii) Liquidity risk

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

	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2022				
Trade payables	1,656.40	-	-	1,656.40
Lease liabilities (refer note 20 and 23)	513.48	3,101.79	3,557.56	7,172.83
Other financial liabilities	716.54	77.11	-	793.65
	2,886.42	**3,178.90**	**3,557.56**	**9,622.88**
As at March 31, 2021				
Trade payables	25.07	-	-	25.07
Lease liabilities (refer note 20 and 23)	16.92	102.60	-	119.52
Other financial liabilities	9.22	-	-	9.22
	51.21	**102.60**	**-**	**153.81**

44 Capital management

The Company's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Company is to borrow through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.
Since, the entity is entirely funded through equity, it is not required to compute the capital gearing ratio.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and period ended March 31, 2021.

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45 Defined Contribution and Defined benefit Plans

A. Defined contribution plans

(i) Employers' contribution to Provident Fund

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

The expense recognised during the year towards defined contribution plan is Rs. 21.55 Lakhs (March 31, 2021: Nil)

B. Defined benefit plans

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

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

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

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation as at the beginning of the year	-	-
Current service cost	8.74	-
Interest cost on defined benefit obligation	2.23	-
Changes in demographic assumptions	-	-
Changes in financial assumptions	(2.58)	-
Experience adjustments	0.10	-
Benefits paid	-	-
Past service cost	-	-
Acquisition adjustment	46.83	
Closing defined benefit obligation at the end of year	55.32	-

Classification of Defined benefit obligation		
Current	55.32	-
Non-current	-	-

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

Total expenses recognised in the Statement of Profit or Loss

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	8.74	-
Past service cost	-	-
Net interest cost/(income) on the net defined benefit liability/(asset)	2.23	-
Total Expense recognised under employee benefits expense (refer note 33)	10.97	-
Total expenses recognised in the other comprehensive income		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(2.58)	-
Experience adjustments	0.10	-
Others	-	-
Total	**(2.48)**	-

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

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.90%	6.40%
Salary Growth rate	8.00%	8.00%
Retirement age	60	60
Attrition rate		
Upto 30 Years	18.00%	18.00%
31-40 Years	15.00%	15.00%
Above 40 Years	10.00%	10.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

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

	As at March 31, 2022	As at March 31, 2021
Within the next 12 months	7.01	-
Between 2 and 5 years	19.34	-
Between 6 and 10 years	20.48	-
Beyond 10 years	72.49	-
Total	119.32	-

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

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

Impact of defined benefit obligation - increase/ (decrease)

	As at March 31, 2022	As at March 31, 2021
Defined Benefit obligation (Base)	55.32	-

	As at March 31, 2022		As at March 31, 2021	
	Decrease	Increase	Decrease	Increase
Sensitivity level				
Discount rate (-/+ 0.5%)	2.58	(2.39)	-	-
Salary growth rate (-/+ 0.5%)	(2.38)	2.54	-	-
Attrition rate (-/+ 50%)	13.14	(5.24)	-	-
Mortality rate (-/+ 10%)	(0.05)	0.05	-	-

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

(vi) **Risk Exposures**

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

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

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

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

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

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

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Indivinity Clothing Retail Private Limited
CIN: U18109HR2021PTC093323
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in ₹ Lakhs, unless otherwise stated)

46 Equity Settled share option plan

The amounts recognized in Balance Sheet:

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee stock option plan (Refer table (i) below)	77.11	-
Provision for stock appreciation right (Refer table (ii) below)	17.69	-
Total	94.80	-

The amounts recognized in Statement of Profit & loss

Particulars	Year ended March 31, 2022	Period from March 03, 2021 to March 31, 2021
Provision for stock option plans	50.86	-
Total	50.86	-

(i) Employee stock option plan

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

ESOP Plans details	Grant Date	Vesting Date	Exercise date	Vesting Period (In Months)	Fair Value of Options	As at March 31, 2022 (No. of Shares)	As at March 31, 2021 (No. of Shares)
ESOP- Tranche 1 -1st Vesting	02-12-2019	02-12-2020	02-12-2025	12	96.90	15,000	-
ESOP- Tranche 1- 2nd Vesting	02-12-2019	02-12-2021	03-12-2026	24	110.10	15,000	-
ESOP- Tranche 1- 3rd Vesting	02-12-2019	02-12-2022	02-12-2027	36	115.76	15,000	-
ESOP-Tranche 1 - 4th Vesting	02-12-2019	02-12-2023	01-12-2028	48	125.24	15,000	-
ESOP-Tranche 3- 1st Vesting	21-01-2021	21-01-2022	21-01-2027	12	76.78	6346	-
ESOP-RSU- Tranche 1- Bullet Vesting	02-12-2019	02-12-2022	02-12-2027	36	216.18	18593	-
Total						84,939	-

(ii) Stock Appreciation Rights

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

SAR Plan Details	Grant Date	Vesting Date	Exercise date	Vesting Period (In Months)	Fair Value of Options	As at March 31, 2022 (No. of Shares)	As at March 31, 2021 (No. of Shares)
SAR's- Tranche 3 - 1st Vesting	18-08-2021	18-08-2022	18-08-2025	12	67.66	17,728	-
SAR's- Tranche 3 - 2nd Vesting	18-08-2021	18-08-2023	18-08-2026	24	76.79	17,728	-
SAR's- Tranche 3 - 3rd Vesting	18-08-2021	18-08-2024	19-08-2027	36	72.00	17,728	-
SAR's- Tranche 3 - Bullet Vesting	18-08-2021	18-08-2024	19-08-2027	36	172.79	16708	-
Total						69,892	-

Indivinity Clothing Retail Private Limited Gurgaon

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN 304026E/E300009 Gurgaon

47 Additional regulatory information required by Schedule III

(i) Details of benami property held.

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

(ii) Borrowing secured against current assets

The Company doesnot have borrowings from banks and financial institutions on the basis of security of current assets.

(iii) Wilful defaulter

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

(iv) Compliance with number of layers of companies

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

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

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

(vi) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
b. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) Undisclosed Income

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

(viii) Details of crypto currency or virtual currency

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

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

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(x) Relationship with struck off Companies

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

48 Assessment of COVID - 19 impact on operations

The Company has considered the impact of COVID-19 as evident so far in the financial statements. With a large section of the population being vaccinated and evolving impact of the pandemic, management has determined that COVID-19 is unlikely to have a material impact on the future operations of the Company. Management will continue to closely monitor any material changes to future economic conditions which necessitate any further modifications.

49 Going concern

The management of the Company, based on the financial projections, is confident that the Company's sales would grow and profitability would improve. Further, the Company has received a letter of support from its holding company, Aditya Birla Fashion and Retail Limited, confirming its financial and operational support to the Company for its continued operations in future, which will permit it to discharge its liabilities, as and when they fall due, and continue to operate as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

Indivinity Clothing Retail Private Limited Gurgaon

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN 304026E/E300009 Gurgaon

50 Previous Year Figures

Previous periods' figures have been regrouped/ recasted, wherever necessary, to confirm to the current year's presentation.

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

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date: May 12, 2022

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

Tarun Radhakrishin Tahiliani
Director
DIN : 00045531

Place: Gurugram
Date: May 12, 2022

Ashish Dikshit
Director
DIN : 01842066

Place: Mumbai
Date: May 12, 2022

Dolly Roy
Chief Financial Officer

Place: Gurugram
Date: May 12, 2022

Sonia Bhandari
Company Secretary

Place: Mumbai
Date: May 12, 2022