

	Notes	As at March 31, 2023
<b>ASSETS</b>		
<b>I Non-current assets</b>		
(a) Property, plant and equipment	3	182.24
(b) Right-of-use assets	4a	596.15
(c) Goodwill	5	434.71
(d) Other intangible assets	5	1,278.88
(e) Financial assets		
(i) Investment in subsidiaries	6a	23,992.78
(ii) Other financial assets	7	65.18
(f) Deferred tax assets (net)	8	855.49
(g) Non-current tax assets (net)		12.51
<b>Total - Non-current assets</b>		<b>27,417.94</b>
<b>II Current assets</b>		
(a) Inventories	9	211.45
(b) Financial assets		
(i) Current investments	6b	856.16
(ii) Loans	10	770.00
(iii) Trade receivables	11	992.15
(iv) Cash and cash equivalents	12	70.52
(v) Other financial assets	13	18.06
(c) Other current assets	14	486.54
<b>Total - Current assets</b>		<b>3,404.88</b>
<b>TOTAL - ASSETS</b>		<b>30,822.82</b>
<b>EQUITY AND LIABILITIES</b>		
<b>I Equity</b>		
(a) Equity share capital	15	31,550.00
(b) Other equity	16	(4,497.64)
<b>Total - Equity</b>		<b>27,052.36</b>
<b>II Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	17	*
(ii) Lease liabilities	4b	496.25
(iii) Other financial liabilities	18	34.74
(c) Provisions	19	273.41
<b>Total - Non-current liabilities</b>		<b>804.40</b>
<b>III Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	20	
(ii) Lease liabilities	4b	112.40
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	21	63.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	1,114.13
(iv) Other financial liabilities	22	1,345.07
(b) Provisions	23	40.08
(c) Other current liabilities	24	291.20
<b>Total - Current liabilities</b>		<b>2,566.06</b>
<b>Total - Liabilities</b>		<b>3,770.46</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>30,822.82</b>

**Summary of significant accounting policies**

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 364026E/E-300009

A. J. SHAIKH

Partner

Membership No.: 203637

For and on behalf of the Board of Directors of  
Aditya Birla Digital Fashion Ventures Limited

PRASHANTH ALURU  
(Whole-time Director)  
(DIN: 06923683)  
Place: Bengaluru  
Date: May 16, 2023

PAWAN KESARWANI  
(Chief Financial Officer)

Place: Bengaluru  
Date: May 16, 2023

ASHISH DIKSHIT  
(Director)  
(DIN: 01842066)  
Place: Bengaluru  
Date: May 16, 2023

YOSHITA VORA  
(Company Secretary)  
(M.No.: A22220)

Place: Bengaluru  
Date: May 16, 2023

Place: Bengaluru  
Date: May 16, 2023

**Aditya Birla Digital Fashion Ventures Limited**

**CIN - U74999MH2022PLC380326**

**Standalone Statement of Profit and Loss for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

	Notes	Period from April 11, 2022 to March 31, 2023
I Revenue from operations	25	851.26
II Other income	26	134.55
III <b>Total income (I + II)</b>		<b>985.81</b>
IV <b>Expenses</b>		
(a) Purchase of stock-in-trade	25a	213.41
(b) Changes in inventories of stock-in-trade	25b	387.99
(c) Employee benefits expense	28	2,837.29
(d) Finance costs	29	63.48
(e) Depreciation and amortisation expense	30	170.46
(f) Other expenses	31	2,776.88
<b>Total expenses</b>		<b>6,449.51</b>
V <b>(Loss) before tax (III - IV)</b>		<b>(5,463.70)</b>
VI <b>Income tax expense</b>		
(a) Current tax	32	-
(b) Deferred tax	32	(850.92)
<b>Total tax expense</b>		<b>(850.92)</b>
VII <b>(Loss) for the period (V - VI)</b>		<b>(4,612.78)</b>
VIII <b>Other comprehensive loss</b>		
Items that will not be reclassified to profit or loss		
(a) Re-measurement losses on defined benefit plans		(18.15)
income tax effect on above		4.57
<b>Total other comprehensive (loss) for the period</b>		<b>(13.58)</b>
IX <b>Total comprehensive (loss) for the period (VII + VIII)</b>		<b>(4,626.36)</b>
X <b>Earnings per equity share [Nominal value of share ₹ 10]</b>	33	
Basic (₹)		(6.10)
Diluted (₹)		(6.10)
Summary of significant accounting policies	2.3	

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

As per our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants

ICAI Firm Registration No. 304026E/E-300009

**A. J. SHAIKH**

Partner

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Aditya Birla Digital Fashion Ventures Limited**

**PRASHANTH ALURU**

(Whole-time Director)

(DIN: 06923683)

Place: Bengaluru

Date : May 16, 2023

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Date : May 16, 2023

Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

Standalone Statement of Changes in Equity for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**a. Equity share capital**

	As at March 31, 2023	
	No. of shares	₹ in Lakhs
<b>Equity shares of ₹ 10 each issued</b>		
Balance as at April 11, 2022	10,00,000	100.00
Equity shares under Right Issue	36,45,00,000	36,450.00
<b>Balance as at March 31, 2023</b>	<b>36,55,00,000</b>	<b>36,550.00</b>

	As at March 31, 2023	
	No. of shares	₹ in Lakhs
<b>Equity shares of ₹ 10 each subscribed and paid up</b>		
Balance as at April 11, 2022	10,00,000	100.00
Equity shares under Right Issue	31,45,00,000	31,450.00
<b>Balance as at March 31, 2023</b>	<b>31,55,00,000</b>	<b>31,550.00</b>

**b. Other equity**

	Reserves and Surplus		Other comprehensive income	Total other equity
	Retained earnings (Refer Note - 16)	Employee stock option outstanding (Refer Note - 16)	Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 16)	
<b>As at April 11, 2022</b>	-	-	-	-
(Loss) for the period	(4,612.78)	-	-	(4,612.78)
Deemed dividend	(33.89)	33.89	-	-
Recognition of Share Based Payment	-	128.72	-	128.72
Other comprehensive income for the period	-	-	(13.58)	(13.58)
<b>As at March 31, 2023</b>	<b>(4,646.67)</b>	<b>162.61</b>	<b>(13.58)</b>	<b>(4,497.64)</b>

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 304026E/E-300009

A. J. SHAIKH

Partner

Membership No.: 203637

PRASHANTH ALURU

(Whole-time

Director)

Place: Bengaluru

Date : May 16, 2023

ASHISH DIKSHIT

(Director)

(DIN: 01842066)

Place: Bengaluru

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Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

Standalone Statement of Cash Flows for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

	Notes	Period from April 11, 2022 to March 31, 2023
<b>Cash flows from operating activities</b>		
<b>(Loss) before tax</b>		<b>(5,463.70)</b>
Adjustments for:		
Depreciation and amortisation expense	30	170.46
Interest income	26	(80.13)
Finance costs	29	63.48
Loss on disposal of property, plant and equipment	31	29.64
Net gain recorded in profit or loss on financial assets designated as at fair value through profit or loss	26	(18.99)
Share-based payment to employees	28	128.72
Net gain on sale of current investments	26	(35.43)
<b>Operating (loss) before working capital changes</b>		<b>(5,205.95)</b>
Changes in working capital:		
(Increase) in trade receivables		(772.45)
(Increase) in inventories		387.99
(Increase) in other assets		(496.61)
Increase in trade payables		1,054.13
Increase in provisions		272.91
Increase in other liabilities		1,315.51
<b>Cash generated from operations</b>		<b>1,761.48</b>
Income taxes paid (net of refund)		(7.71)
<b>Net cash flows used in operating activities</b>		<b>(3,452.18)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets		(185.01)
Consideration paid for acquisition of/ investment in subsidiaries/businesses, net of cash taken over		(25,000.99)
Purchase of current investments		(4,435.17)
Proceeds from sale/ maturity of current investments		3,633.43
Inter-corporate deposits to subsidiaries		(1,120.00)
Repayment of Inter-corporate deposits by subsidiaries		350.00
Interest received		57.62
<b>Net cash flows used in investing activities</b>		<b>(26,700.12)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital	15	31,550.00
(Repayments) of non-current borrowings (net)		(1,202.49)
(Repayment) of lease liabilities		(105.06)
Interest paid		(19.63)
<b>Net cash flows generated from financing activities</b>		<b>30,222.82</b>



**Aditya Birla Digital Fashion Ventures Limited**

CIN - U74999MH2022PLC380326

**Standalone Statement of Cash Flows for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

	Notes	Period from April 11, 2022 to March 31, 2023
<b>Net increase in cash and cash equivalents</b>		<b>70.52</b>
Cash and cash equivalents at the beginning of the period		
<b>Cash and cash equivalents at the end of the period</b>		<b>70.52</b>
<b>Components of Cash and cash equivalents</b>		
Balances with banks - on current accounts	12	70.52
		<b>70.52</b>
<b>Total Cash and cash equivalents</b>		<b>70.52</b>

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

**As per our report of even date**

For Price Waterhouse &amp; Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 304026E/E-300009

**A. J. SHAIKH**

Partner

Membership No.: 203637

**For and on behalf of the Board of Directors of  
Aditya Birla Digital Fashion Ventures Limited****PRASHANTH ALURU**  
(Whole-time Director)  
(DIN: 06923683)Place: Bengaluru  
Date : May 16, 2023**ASHISH DIKSHIT**  
(Director)  
(DIN: 01842066)Place: Bengaluru  
Date : May 16, 2023**PAWAN KESARWANI**  
(Chief Financial Officer)Place: Bengaluru  
Date : May 16, 2023**YOSHITA VORA**  
(Company Secretary)  
(M.No.: A22220)Place: Bengaluru  
Date : May 16, 2023Place: Bengaluru  
Date : May 16, 2023

**Aditya Birla Digital Fashion Ventures Limited**

**CIN - U74999MH2022PLC380326**

**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

## **1. Corporate information**

Aditya Birla Digital Fashion Ventures Limited ("the Company"), a public company domiciled in India and was incorporated on April 11, 2022 ('date of incorporation') under the provisions of the Companies Act, 2013. The registered office of the Company is located at Piramal Agastya Corp Pak, Building A, 4<sup>th</sup> and 5<sup>th</sup> floor unit, 401, 403, 501, 504, LBS Road, Mumbai, Maharashtra – 400 070.

The Company is a new-age digital venture fashion and lifestyle space focusing on direct to consumer operations in India. The Company currently operates as "TMRW" – a house of brands entity.

These first financial statements, has been approved by the Board of Directors in their meeting held on May 16, 2023.

## **2. Significant accounting policies**

### **2.1 Basis of preparation**

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

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Goodwill and other intangible assets
- Defined employee benefit plans;
- Share-based payment; and
- Right of use assets and lease liabilities

This being the first year after incorporation of the Company, these financial statements have been prepared for the period starting from April 11, 2022 to March 31, 2023. Hence, there are no comparative numbers presented in these financial statements.

As per second proviso of Rule 6 of Companies (Accounts) Amendment Rule, 2016, the Company being - (i) a wholly owned subsidiary of Aditya Birla Fashion and Retail Limited ('ABFRL'); (ii) not listed in India or outside India and (iii) the parent Company files its consolidated financial statements, hence the Company has availed the exemption from preparation of consolidated financial statements.

### **2.2 Functional and Presentation Currency:**

The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Lakhs, unless otherwise stated. Nil amount in the financial statements and notes to accounts represents amount less than ₹ 5,000/-

### **2.3 Summary of significant accounting policies**

#### **(I) 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





**Aditya Birla Digital Fashion Ventures Limited**

**CIN - U74999MH2022PLC380326**

**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

- 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.

## **(II) Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM'). The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. The Chief Executive Officer ('CEO') has been identified as the CODM. The CODM has evaluated the performance of the Company based on single operative segment for the purpose of allocation of resources and evaluating financial performance. The Company is domiciled in India and all of its revenue comes from India. There are no assets held by the Company outside India.

## **(III) Fair value measurements and hierarchy**

The Company measures financial instruments, such as investments (other than equity investments in subsidiaries and joint ventures) and derivatives at fair value at each Standalone Balance Sheet date.

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

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

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

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

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

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

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



**Aditya Birla Digital Fashion Ventures Limited**

**CIN - U74999MH2022PLC380326**

**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

- 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.

#### **(IV) Foreign currencies**

##### Transactions and balances:

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

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

Non-monetary items 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 Standalone Statement of Profit and Loss, respectively).

#### **(V) Revenue from contracts with customers**

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

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

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

##### Revenue from sale of products

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Goods and Service Tax (GST) is not received by the 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.





**Aditya Birla Digital Fashion Ventures Limited**

**CIN - U74999MH2022PLC380326**

**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

Interest income

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

**(VI) Borrowing costs**

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

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

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

**(VII) Taxes**

Current tax

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

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

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



**Aditya Birla Digital Fashion Ventures Limited**

**CIN - U74999MH2022PLC380326**

**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

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

#### **(VIII) Property, plant and equipment**

Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes borrowing costs for long-term construction projects, if the recognition criteria is met.

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

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

#### **Depreciation methods, estimated useful lives and residual value**

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

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

<b>Assets</b>	<b>Useful life as prescribed by Schedule II of the Companies Act, 2013</b>
Other office equipment	5 years



**Aditya Birla Digital Fashion Ventures Limited**

**CIN - U74999MH2022PLC380326**

**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

(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
Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	5 years
Furniture and fittings (other than retail stores)	10 years	7 years
Office electrical equipment	5 years	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 other than stores	Shorter of useful life or lease term

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

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

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

**(IX) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

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

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

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

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



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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
Brands	10 years	Amortised on straight-line basis

**(X) Business combination and goodwill**

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised in Standalone statement of profit and loss as incurred.

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

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

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

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

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

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

**Impairment of non-financial assets**

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





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

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

**(XII) Leases**

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

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

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

Where the Company is the lessee

**Right-of-use assets**

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

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





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#### Lease liabilities

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

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

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

The Company presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Standalone Balance Sheet.

#### Short-term leases and leases of low value assets

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

### (XIII) 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 measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Standalone Statement of Profit and Loss are recognised immediately in the Standalone Statement of Profit and Loss.

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

All 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 (Investments in subsidiaries, trade receivables, cash and cash equivalents and other financial assets)

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

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

Effective Interest Rate (EIR) method:

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

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

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

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

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

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

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL) (Investments in mutual funds and security deposits)

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



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

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

(iv) **Equity investments**

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

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

**Impairment of financial assets:**

The Company follows the simplified approach method for computing the expected credit loss. The Company is majorly having transaction with B2B, market places and with direct to customers (D2C) through payment gateways, hence the Company has assessed the provision for loss allowances on an individual case basis.

The Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiaries is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiaries and joint venture and its carrying value, and then recognises the impairment loss in the standalone statement of profit and loss.

(b) **Non derivative financial liabilities**

(i) **Classification as debt or equity**

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



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**(1) Equity instruments:**

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

**(2) Financial liabilities:**

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

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

Financial liabilities at FVTPL:

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

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

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

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

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

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





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

Financial liabilities subsequently measured at amortised cost:

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

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

(ii) Loans and borrowings

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



(iii) Foreign exchange gains and losses

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

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Standalone Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.





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

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

#### De-recognition of financial assets and financial liabilities

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

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

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

#### Offsetting financial instruments

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



(XIV)

#### **Inventories**

Traded goods are valued at cost or net realisable value, whichever is lower. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

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



**(XV) Provisions and contingent liabilities**

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

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

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

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (Refer Note – 36).

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

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

**(XVI) Employee benefits**

**(a) Short-term employee benefits**

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

**(b) Defined contribution plan**

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

**(c) Defined benefit plan**

The Company operates a defined benefit gratuity plan in India. The Company contributes to a gratuity fund maintained by an independent insurance company. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Standalone Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the Standalone



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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. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Standalone Statement of Profit and Loss.

(d) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation in the Standalone Statement of Profit and Loss.

The Company presents the entire leave as a current liability in the Standalone Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

(XVII) **Share-based payment**

Employees of the Company receive remuneration in the form of equity-settled instruments for rendering services over a defined vesting period. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

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

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

(XVIII) **Earnings per share**

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

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends. The weighted average number of equity shares outstanding during the period is adjusted for treasury shares and events such as bonus issue, bonus element in a rights issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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



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**(XIX) Cash and cash equivalents**

Cash and cash equivalents in the Standalone Balance Sheet and for the purpose of the Standalone Statement of Cash Flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**3. Standards issues but not yet effective:**

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended the following accounting standards. These amendments are effective from April 01, 2023 and early adoption is permitted in some cases.

- a) Ind AS 1, Presentation of financial statements
- b) Ind AS 8, Accounting policies, changes in accounting estimates and errors
- c) Ind AS 12, Income taxes

The above amendments are not likely to have any material impact on the financial statements of the Company for the current or future reporting periods.



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**NOTE: 3**

**PROPERTY, PLANT AND EQUIPMENT**

Cost	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Additions	16.09	175.31	18.10	10.96	6.65	227.11
Additions pursuant to purchase of business undertaking (Refer Note 40)	1.21	0.94	7.09	1.03	0.84	11.11
Disposals*	-	29.64	-	-	-	29.64
<b>As at March 31, 2023</b>	<b>17.30</b>	<b>146.61</b>	<b>25.19</b>	<b>11.99</b>	<b>7.49</b>	<b>208.58</b>
<b>Depreciation</b>						
Depreciation for the period (Refer Note - 30)	2.08	15.25	5.15	2.00	1.86	26.34
Disposals	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>2.08</b>	<b>15.25</b>	<b>5.15</b>	<b>2.00</b>	<b>1.86</b>	<b>26.34</b>
<b>Net carrying value as at:</b>						
<b>March 31, 2023</b>	<b>15.22</b>	<b>131.36</b>	<b>20.04</b>	<b>9.99</b>	<b>5.63</b>	<b>182.24</b>

**Net carrying value**

	As at March 31, 2023
Property, plant and equipment	182.24
<b>Total</b>	<b>182.24</b>

\* Written off on account of loss due to floods





**Aditya Birla Digital Fashion Ventures Limited**

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**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 4****RIGHT-OF-USE ASSETS AND LEASE LIABILITIES****(a) Right-of-use assets**

<b>Buildings</b>	<b>Amount</b>
<b>Cost</b>	
Additions	704.15
<b>As at March 31, 2023</b>	<b>704.15</b>
<b>Depreciation</b>	
Depreciation for the period (Refer Note - 30)	108.00
<b>As at March 31, 2023</b>	<b>108.00</b>
<b>Net carrying value as at:</b>	
<b>March 31, 2023</b>	<b>596.15</b>
<b>Net carrying value</b>	
	<b>As at</b>
	<b>March 31, 2023</b>
Right-of-use assets	596.15
<b>Total</b>	<b>596.15</b>

**(b) Lease liabilities**

	<b>Amount</b>
Additions	669.86
Interest paid on lease liabilities (Refer Note - 29)	43.85
Payments - principal	(105.06)
<b>Balance as at March 31, 2023</b>	<b>608.65</b>
<b>Current</b>	<b>112.40</b>
<b>Non-current</b>	<b>496.25</b>

For maturity analysis of lease liabilities, refer Note - 37.



**Aditya Birla Digital Fashion Ventures Limited**

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**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 5****GOODWILL AND OTHER INTANGIBLE ASSETS**

	Nautinati Brand	Goodwill	Total
<b>Cost</b>			
Additions pursuant to purchase of business undertaking (Refer Note 40)	1,315.00	434.71	1,749.71
Disposals	-	-	-
<b>As at March 31, 2023</b>	<b>1,315.00</b>	<b>434.71</b>	<b>1,749.71</b>
<b>Amortisation</b>			
Amortisation for the period (Refer Note - 30)	36.12	-	36.12
Disposals	-	-	-
<b>As at March 31, 2023</b>	<b>36.12</b>	<b>-</b>	<b>36.12</b>
<b>Net carrying value as at:</b>			
<b>March 31, 2023</b>	<b>1,278.88</b>	<b>434.71</b>	<b>1,713.59</b>
<b>Net carrying value</b>			
	<b>Amount</b>		
Goodwill	434.71		
Brands	1,278.88		
<b>Total</b>	<b>1,713.59</b>		



**Aditya Birla Digital Fashion Ventures Limited****CIN - U74999MH2022PLC380326****Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 6**

	As at March 31, 2023
<b>(a) Investments in subsidiaries: (Carried at cost)</b>	
Unquoted equity instruments	
261,613 fully paid equity shares of ₹ 10/- each of Pratyaya E-Commerce Private Limited, with effect from July 22, 2022	570.00
5,500 fully paid equity shares of ₹ 10/- each of Imperial Online Services Private Limited, with effect from August 12, 2022	1,788.37
5,500 fully paid equity shares of ₹ 10/- each of Awesomefab Shopping Private Limited, with effect from August 28, 2022	2,052.51
37,837 fully paid equity shares of ₹ 10/- each of Bewakoof Brands Private Limited, with effect from February 15, 2023	19,581.90
<b>Total</b>	<b>23,992.78</b>
<b>(b) Current Investments (Carried at fair value through profit and loss (FVTPL))</b>	
Quoted investments	
Aditya Birla Sun Life Overnight Fund - Growth- Regular Plan (March 31, 2023: 70,986 units)	856.16
<b>Total</b>	<b>856.16</b>
Aggregate book value of unquoted investments	23,992.78
Aggregate book value of quoted investments	856.16
Aggregate market value of quoted investments	856.16

**Notes:**

- On June 23, 2022, the Board of Directors had approved the acquisition of 66.26% stake in Pratyaya E-Commerce Private Limited ('Pratyaya') by entering into a Share purchase agreement. On July 22, 2022, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Pratyaya is considered as a subsidiary of the Company.
- On July 04, 2022, the Board of Directors had approved the acquisition of 55% stake in Awesomefab Shopping Private Limited ('Awesomefab') by entering into a Share purchase agreement. On August 24, 2022, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Awesome Fab is considered as a subsidiary of the Company.
- On July 04, 2022, the Board of Directors had approved the acquisition of 55% stake in Imperial Online Services Private Limited ('Imperial') by entering into a Share purchase agreement. On August 12, 2022, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Imperial is considered as a subsidiary of the Company.
- On December 23, 2022, the Board of Directors had approved the acquisition of 81.75% stake in Bewakoof Brands Private Limited ('Bewakoof') by entering into a Share purchase agreement. On February 15, 2023, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Bewakoof is considered as a subsidiary of the Company. On March 30, 2023, the Company further acquired 3.42% stake in Bewakoof, by conversion of loan into equity, pursuant to clause 3.1 of the loan agreement dated March 22, 2023, for a total consideration of ₹ 8,674.99 Lakhs.

**NOTE: 7****NON-CURRENT FINANCIAL ASSETS - OTHERS**

	As at March 31, 2023
Security deposits	
Unsecured, considered good	65.18
<b>Total</b>	<b>65.18</b>



Aditya Birla Digital Fashion Ventures Limited

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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 8**

**DEFERRED TAX ASSETS (NET)**

Reflected in the Standalone Balance Sheet as follows:

	As at March 31, 2023
Deferred tax assets	855.49
<b>Total</b>	<b>855.49</b>

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

	Balance Sheet As at March 31, 2023	Statement of Profit and Loss Period from April 11, 2022 to March 31, 2023
Difference between carrying amount of Property, Plant and Equipment	(32.83)	(32.83)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	139.29	139.29
<b>Impact of Ind AS 116</b>		
ROU assets and lease liabilities	38.00	38.00
Loss as per income tax computations available for offsetting against future taxable income	711.03	711.03
<b>Net deferred tax assets</b>	<b>855.49</b>	<b>855.49</b>

**Reconciliation of deferred tax assets :**

	As at March 31, 2023
Deferred tax income/ (expense) recognised in profit and loss during the period (Refer Note - 32)	850.92
Deferred tax income/ (expense) recognised in OCI during the period (Refer Note - 32)	4.57
<b>As at March 31, 2023</b>	<b>855.49</b>

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**NOTE: 9**  
**INVENTORIES**

	As at March 31, 2023
<u>At lower of cost and net realisable value</u>	
Stock-in-trade	211.45
(includes Goods-in-transit ₹ 99.47 Lakhs)	
<b>Total</b>	<b>211.45</b>

**NOTE: 10**  
**CURRENT FINANCIAL ASSETS - LOANS**

	As at March 31, 2023
Loan to related parties (Refer Note - 39)	770.00
<b>Total</b>	<b>770.00</b>

**Disclosure under Section 186 of the Companies Act, 2013:**

**Details of deposits given to Subsidiaries:**

Name of Companies	Interest rates	Repayment terms	Given during the period	Repaid during the period	As at March 31, 2023
Pratyaya E-Commerce Private Limited	SBI 6M MCLR + 1%	On demand	770.00	-	770.00
Awesomefab India Private Limited	SBI 6M MCLR + 1%	On demand	350.00	350.00	-
Bewakoof Brands Private Limited	7.50%	6 months	8,674.99	8,674.99	-

The deposits have been utilised for meeting the day-to-day business requirements by respective companies.

**NOTE: 11**  
**TRADE RECEIVABLES**

	As at March 31, 2023
Trade receivables	992.15
Less: Loss Allowances	-
<b>Total</b>	<b>992.15</b>

**Break-up for security details:**

	As at March 31, 2023
<b>Trade receivables</b>	
Unsecured, considered good	992.15
	<b>992.15</b>

**Ageing of Trade Receivables:**

Particulars	Outstanding as on March 31, 2023 (for following periods from due date of payment)						Total
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	682.39	309.76	-	-	-	-	992.15
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:*	-	-	-	-	-	-	-
Disputed	-	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-	-
(ix) Provision on Trade Receivables assessed on individual basis	-	-	-	-	-	-	-
(x) Expected credit loss	-	-	-	-	-	-	-
<b>Total</b>	<b>682.39</b>	<b>309.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>992.15</b>

The Company follows the simplified approach method for computing the expected credit loss. The Company is majorly having transaction with B2B, market places and with direct to customers (D2C) through payment gateways, hence the Company has assessed the provision for loss allowances on an individual case basis. Based on the assessment, no loss allowance was required to be recognised during the period.





**NOTE: 12**  
**CASH AND CASH EQUIVALENTS**

	As at March 31, 2023
Balances with banks	
Current accounts	70.52
<b>Total</b>	<b>70.52</b>

Details of non-cash transactions from Investing activities and Changes in liabilities arising from financing activities:

As at March 31, 2023

	As at April 11, 2022	Adjustments	Cash flows (net)	Non-cash changes		As at March 31, 2023
				Fair value adjustments	Others	
<b>Investing activities</b>						
Purchase of current investments	-	-	4,435.17	18.99	35.43	4,489.59
Proceeds from sale/ maturity of current investments	-	-	(3,633.43)	-	-	(3,633.43)
<b>Total</b>	-	-	<b>801.74</b>	<b>18.99</b>	<b>35.43</b>	<b>856.16</b>
<b>Financing activities</b>						
Lease liabilities	-	-	(105.06)	-	713.71	608.65
<b>Total</b>	-	-	<b>(105.06)</b>	-	<b>713.71</b>	<b>608.65</b>

**NOTE: 13**  
**CURRENT FINANCIAL ASSETS - OTHERS**

	As at March 31, 2023
Interest accrued on deposits (Refer Note - 39)	18.06
<b>Total</b>	<b>18.06</b>

**NOTE: 14**  
**OTHER CURRENT ASSETS**

	As at March 31, 2023
Prepayments	12.42
Advance to suppliers	19.40
Advances to employees	0.50
Balances with government authorities (other than income tax)	454.22
<b>Total</b>	<b>486.54</b>



Aditya Birla Digital Fashion Ventures Limited

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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 15**

**EQUITY SHARE CAPITAL**

**Authorised share capital**

	As at March 31, 2023	
	No. of shares	Amount
Equity shares of ₹ 10 each		
As at April 11, 2022	10,00,000	100.00
Increase during the period	99,90,00,000	99,900.00
<b>As at March 31, 2023</b>	<b>1,00,00,00,000</b>	<b>1,00,000.00</b>

**Issued equity share capital**

	As at March 31, 2023	
	No. of shares	Amount
Equity shares of ₹ 10 each		
As at April 11, 2022	10,00,000	100.00
Equity shares under Rights Issue	36,45,00,000	36,450.00
<b>As at March 31, 2023</b>	<b>36,55,00,000</b>	<b>36,550.00</b>

**Subscribed and paid-up equity share capital**

	As at March 31, 2023	
	No. of shares	Amount
Equity shares of ₹ 10 each		
As at April 11, 2022	10,00,000	100.00
Equity shares under Rights Issue	31,45,00,000	31,450.00
<b>As at the end of the period</b>	<b>31,55,00,000</b>	<b>31,550.00</b>

**(i) Shares held by Promoters :**

Promoter name	Shares held by Promoters as at March 31, 2023		% Change during the period
	No. of Shares	% of total shares	
Aditya Birla Fashion and Retail Limited	31,54,99,994	99.99%	NA
<b>Total</b>	<b>31,54,99,994</b>	<b>99.99%</b>	

**(ii) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having face value of ₹ 10/- per share. Each holder of an equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company. The distribution will be in proportion to the number of the equity shares held by the shareholders.



**Aditya Birla Digital Fashion Ventures Limited**  
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**Notes to the standalone financial statements for the period ended March 31, 2023**  
(All amounts in ₹ Lakhs; unless otherwise stated)

**(iii) Issue of Right Shares**

Rights Issue - 2022-23 :

Approval : Board approved fund raising by way of a Rights Issue on following dates, at a price of ₹ 10 per Rights Equity Share aggregating to ₹ 36,450 Lakhs, in the ratio of 1 rights equity share for every 1 existing fully-paid share held by the eligible equity shareholders as on the following dates:

(i) July 4, 2022	1,90,00,000 shares
(ii) July 25, 2022	2,00,00,000 shares
(iii) August 1, 2022	2,00,00,000 shares
(iv) October 10, 2022	1,00,00,000 shares
(v) October 28, 2022	4,00,00,000 shares
(vi) December 5, 2022	1,35,00,000 shares
(vii) December 23, 2022	10,50,00,000 shares
(viii) February 15, 2023	13,70,00,000 shares*

The rights issue has been utilised for the purpose for which it has been obtained, except to the tune of Rs. ₹ 926.68 Lakhs, which will be utilised in the financial year 2023-24.

\* Out of the total shares issued, 5,00,00,000 shares have been allotted subsequent to the period end, on April 27, 2023.

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

Name of the shareholder	As at March 31, 2023	
	No. of shares held	% of paid-up share capital
Aditya Birla Fashion and Retail Limited	31,54,99,994	99.99%

**(v) Details of shares held by holding company**

Name of the shareholder	As at March 31, 2023	
	No. of shares held	Amount
Aditya Birla Fashion and Retail Limited	31,54,99,994	31,550.00

**(vi) Shares reserved for issue under Employee Stock Option Plan**

For details of shares reserved for issue under the Employee Stock Option Plan ('Scheme 2022') of the Company, refer Note - 36.

(vii) There are no shares allotted for consideration other than cash during the period

(viii) There were no bonus shares issued during the period



**Aditya Birla Digital Fashion Ventures Limited**

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**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 16****OTHER EQUITY****Reserves and surplus****Retained earnings**

(Loss) for the period	(4,612.78)
Deemed dividend	(33.89)
As at March 31, 2023	<u><u>(4,646.67)</u></u>

**Share options outstanding account**

Recognition of Share based payment	128.72
Deemed dividend	33.89
As at March 31, 2023	<u><u>162.61</u></u>

As at  
March 31, 2023

**Other comprehensive income****Remeasurement gains/ (losses) on defined benefit plans**

Gains/ (losses) during the period	(13.58)
As at March 31, 2023	<u><u>(13.58)</u></u>

<b>Total</b>	<u><u>(4,497.64)</u></u>
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**Aditya Birla Digital Fashion Ventures Limited**

CIN - U74999MH2022PLC380326

**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**Other equity****As at  
March 31, 2023**

Reserves and surplus	
Retained earnings	(4,646.67)
Share options outstanding account	162.61
Remeasurement gains/ (losses) on defined benefit plans	(13.58)
<b>Total</b>	<b>(4,497.64)</b>

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

**1. Retained earnings**

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

**2. Remeasurement gains/ (losses) on defined benefit plans**

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

**3. Share options outstanding account**

The fair value of the equity-settled share based payment transactions with employees is recognised in Standalone Statement of Profit and Loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

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Aditya Birla Digital Fashion Ventures Limited

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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 17**

**NON-CURRENT BORROWINGS**

			As at March 31, 2023
<u>Secured</u>			
Term loan from bank*			-
<b>Total</b>			<b>-</b>
	Effective interest rate % p.a	Maturity	As at March 31, 2023
<b>Term loan from bank</b>			
Term loan from Deutsche bank (Secured)	3 months treasury bill rate + 3.29%	July 05, 2037*	-

\* The Company has fully repaid a total outstanding of ₹ 494.36 Lakhs of borrowings during the period, which were taken over as part of the acquisition of business undertaking. (Refer Note - 40)

**NOTE: 18**

**NON-CURRENT FINANCIAL LIABILITIES - OTHERS**

		As at March 31, 2023
Security deposit from franchisees		34.74
<b>Total</b>		<b>34.74</b>

**NOTE: 19**

**NON-CURRENT PROVISIONS**

		As at March 31, 2023
Employee benefit obligation		
Provision for gratuity (Refer Note - 35)		154.39
Provision for compensated absences		119.02
<b>Total</b>		<b>273.41</b>

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**Aditya Birla Digital Fashion Ventures Limited**

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**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 20****CURRENT BORROWINGS**

	As at March 31, 2023
<u>Unsecured</u>	
Loans from others*	-
<b>Total</b>	<b>-</b>
	As at March 31, 2023
	Effective interest rate % p.a
Loans from others	11.25 % to 14.00 %

\* The Company has fully repaid a total outstanding of ₹ 708.13 Lakhs of borrowings during the period, which were taken over as part of the acquisition of business undertaking. (Refer Note - 40)

**NOTE: 21****TRADE PAYABLES**

	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	63.18
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,114.13
<b>Total</b>	<b>1,177.31</b>

\*Includes payables to related parties, For terms and conditions with related parties (Refer Note - 39).

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

	As at March 31, 2023
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period:	
Principal amount due to Micro and Small Enterprises	62.27
Interest due on the above	0.31
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting period	0.91
e. The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-

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



**Aditya Birla Digital Fashion Ventures Limited**

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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**Ageing of Trade Payables:**

Particulars	Outstanding as on March 31, 2023 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	26.98	36.20	-	-	-	63.18
(ii) Others	529.72	584.41	-	-	-	1,114.13
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

**NOTE: 22**

**CURRENT FINANCIAL LIABILITIES - OTHERS**

	As at March 31, 2023
Interest accrued but not due on borrowings	71.74
Creditors for capital supplies	42.10
Employee benefits payable	471.27
Deferred consideration	759.96
<b>Total</b>	<b>1,345.07</b>

**NOTE: 23**

**CURRENT PROVISIONS**

	As at March 31, 2023
Employee benefit obligation	
Provision for compensated absences	25.74
Provision for gratuity (Refer Note - 35)	14.34
<b>Total</b>	<b>40.08</b>

**NOTE: 24**

**OTHER CURRENT LIABILITIES**

	As at March 31, 2023
Advances received from customers	14.34
Statutory dues	276.86
<b>Total</b>	<b>291.20</b>



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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 25**

**REVENUE FROM OPERATIONS**

	Period from April 11, 2022 to March 31, 2023
Revenue from sale of products	
Sale of products	851.26
<b>Total</b>	<b>851.26</b>

**(a) Contract balances:**

	Period from April 11, 2022 to March 31, 2023
<b>Contract assets</b>	
Trade receivables	992.15
<b>Contract liabilities</b>	
Advance received from customers	14.34

(b) The Company is into the business of sale of retail garments having the same nature and timing of revenue. Hence, no disaggregation of revenue has been provided.

**NOTE: 26**

**OTHER INCOME**

	Period from April 11, 2022 to March 31, 2023
Interest income on deposits to related parties (Refer Note 39)	75.68
Unwinding of discount on security deposits	4.45
Net gain on sale of current investments	35.43
Fair value gain on financial instruments at FVTPL	18.99
<b>Total</b>	<b>134.55</b>



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**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 27****Period from  
April 11, 2022 to  
March 31, 2023****(a) Purchase of stock-in-trade**

Purchase of stock-in-trade	213.41
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<b>Total</b>	<b>213.41</b>
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**(b) Changes in inventories of stock-in-trade**

Inventories acquired as part of purchase of business undertaking (Refer note- 40)	
Stock-in-trade	599.44

	599.44
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Less:

Closing inventories	
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Stock-in-trade	211.45
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	211.45
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<b>Decrease in inventories</b>	<b>387.99</b>
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**NOTE: 28****EMPLOYEE BENEFITS EXPENSE****Period from  
April 11, 2022 to  
March 31, 2023**

Salaries, wages and bonus	2,580.83
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Contribution to provident and other funds	43.36
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Share-based payment to employees (Refer Note - 36)	128.72
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Gratuity expense (Refer Note - 35)	35.18
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Staff welfare expenses	49.20
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<b>Total</b>	<b>2,837.29</b>
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Aditya Birla Digital Fashion Ventures Limited

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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 29**

**FINANCE COSTS**

	Period from April 11, 2022 to March 31, 2023
Interest expense	
on borrowings	19.63
on lease liabilities (Refer Note - 4b & 37)	43.85
<b>Total</b>	<b>63.48</b>

**NOTE: 30**

**DEPRECIATION AND AMORTISATION EXPENSE**

	Period from April 11, 2022 to March 31, 2023
Depreciation on property, plant and equipment (Refer Note - 3)	26.34
Depreciation on right-of-use assets (Refer Note - 4a & 37)	108.00
Amortisation on intangible assets (Refer Note - 5)	36.12
<b>Total</b>	<b>170.46</b>

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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 31**

**OTHER EXPENSES**

	Period from April 11, 2022 to March 31, 2023
Electricity charges	16.68
Rent (Refer Note - 37)	1.04
Repairs and maintenance	
Buildings	24.26
Others	6.86
Rates and taxes	12.85
Advertisement and sales promotion	60.43
Legal and professional expenses	2,141.99
Printing and stationery	2.16
Travelling and conveyance	87.44
Communication expenses	3.89
Payment to auditors (Refer details below)	10.50
Information technology expenses	54.18
Outsourcing, housekeeping and security expenses	23.38
Share issue expenses	297.74
Loss on sale / discard of property, plant and equipment	29.64
Miscellaneous expenses	3.84
<b>Total</b>	<b>2,776.88</b>

**Payment to auditors:**

	Period from April 11, 2022 to March 31, 2023
For audit fees	8.50
For tax audit fees	1.50
For reimbursement of expenses	0.50
<b>Total</b>	<b>10.50</b>

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(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE: 32**

**INCOME TAX EXPENSE**

The major components of income tax (income)/ expense are:

**Standalone Statement of Profit and Loss:**

**Profit or loss section**

		Period from April 11, 2022 to March 31, 2023
<b>Current income tax</b>		
Current income tax charge	(A)	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(B)	(855.49)
		<b>(855.49)</b>
<b>Total</b>	<b>(A+B)</b>	<b>(855.49)</b>

**OCI section**

**Deferred tax related to items recognised in OCI during the period**

	Period from April 11, 2022 to March 31, 2023
Net (gains)/ losses on re-measurement of defined benefit plans	4.57
<b>Total</b>	<b>4.57</b>

**NOTE: 33**

**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/(loss) attributable to equity holders of the Company 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. There are no potential equity shares outstanding during the period.

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

	Period from April 11, 2022 to March 31, 2023
Earnings Per Share (EPS) is calculated as under:	
<b>Profit / (Loss) for calculation of EPS</b>	<b>(A) (4,626.36)</b>
Weighted average number of equity shares for calculation of Basic EPS	<b>(B) 7,57,83,562</b>
<b>Basic EPS (₹)</b>	<b>(A/B) (6.10)</b>
Weighted average number of equity shares outstanding*	7,57,83,562
Weighted average number of equity shares for calculation of Diluted EPS	7,57,83,562
<b>Diluted EPS (₹)</b>	<b>(C) (6.10)</b>
Nominal value of shares (₹)	10.00

\*Stock options granted to the employees under the ESOP scheme are considered to be potential equity shares. The same is not considered in the determination of diluted earnings per share as they are anti-dilutive. The stock options are not included in the determination of basic earnings per share. The details relating to stock options are given in Note - 36.



Aditya Birla Digital Fashion Ventures Limited

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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE - 34**

**SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

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

**(a) Taxes**

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

As at March 31, 2023, the Company has ₹ 4,602 Lakhs of tax losses carried forward as per income tax records of the Company. These losses pertain to unabsorbed business loss as at March 31, 2023 of ₹ 4,443 Lakhs which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2023 of ₹ 159 Lakhs which do not have any expiry period.

**(b) Leases**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination option. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**(c) Useful life of intangible assets**

The management has performed an assessment of the useful life of the Nautinati brand value and have concluded 10 years to be the life of the same.

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**Aditya Birla Digital Fashion Ventures Limited**

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**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE - 35**

**GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

The Company operates gratuity plan wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed period of service as per the Payment of Gratuity Act, 1972. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five periods of continuous service. The gratuity is unfunded and managed within the Company.

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:

**Unfunded defined benefit plan**

**Net benefit expense recognised through the Standalone Statement of Profit and Loss**

	Period from April 11, 2022 to March 31, 2023
Current service cost	28.81
Interest cost on defined benefit obligation	6.37
<b>Total</b>	<b>35.18</b>

**Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:**

	As at March 31, 2023
<b>Opening defined benefit obligation</b>	-
Current service cost	28.81
Interest cost on defined benefit obligation	6.37
Actuarial (gain)/ loss on account of:	
Changes in financial assumptions	(7.24)
Experience adjustments	25.39
<b>Actuarial (gain)/ loss recognised in OCI</b>	<b>18.15</b>
Benefits paid	-
Liabilities assumed/ (settled)*	-
Transfer in	115.40
<b>Closing defined benefit obligation</b>	<b>168.73</b>





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**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market yield prevailing as on that date, applicable to the period over which the obligation is expected to be settled.

A quantitative sensitivity analysis for significant assumptions is as follows:

Sensitivity level	As at March 31, 2023	
	0.50% decrease	0.50% increase
<b>Discount rate</b> Increase/ (Decrease) in DBO (₹ in Lakhs)	6.57	(6.21)
<b>Salary escalation rate</b> Increase/ (Decrease) in DBO (₹ in Lakhs)	(6.22)	6.52
<b>Employee Turnover</b> Increase/ (Decrease) in DBO (₹ in Lakhs)	32.06	(18.10)

The above sensitivity analysis have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The maturity profile of the defined benefit obligation are as follows:

	31-Mar-23
Within the next 12 months (next annual reporting period)	14.34
Between 2 and 5 periods	56.00
Between 6 and 10 periods	79.24
Beyond 10 periods	173.72
<b>Total</b>	<b>323.30</b>

The weighted average duration (based on discounted cashflows) of the defined benefit plan obligation at the end of the reporting period is 8 periods.

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	31-Mar-23
Discount rate (per annum)	7.45%
Salary growth rate (per annum)	8.00%

The principal demographic assumptions used in the valuation are shown in the table below:

Particulars	31-Mar-23
Mortality rate	100% of IALM 2012-14
Normal retirement age	60 periods
Up to 30 periods	18.00%
31 - 40 periods	15.00%
Above 40 periods	10.00%



## NOTE - 36

## SHARE-BASED PAYMENT

## I. Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022

During the period ended March 31, 2023, i.e. on December 23, 2022, the Board of Directors of the Company ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022 ("Scheme 2022") for issue of Stock Options in the form of Options ("Options") to the identified employees of the Company and of its holding company subject to the approval of the shareholders of the Company. Shareholders of the Company vide its resolution passed at Extra Ordinary General Meeting held on December 23, 2022, approved the introduction of Scheme 2022 and authorised the Board to finalise and implement the Scheme 2022.

Accordingly, under the said Scheme 2022, vide its resolution dated December 30, 2022, the Company commenced granting of options.

## i) Details of the grants under the Scheme 2022

	Tranche 1 Options
No. of Options	2,11,30,606
Vesting plan	Graded vesting
Exercise period	10 periods from the date of grant
Grant date	30-Dec-22
Grant/ exercise price (₹ per share)	10.00
Market price on the date of granting of Options (₹ per share)	5.96 to 6.63
Method of settlement	Equity

## ii) Vesting conditions:

- The Options shall vest, subject to continued employment and not on notice period as of respective vesting dates given above.
- The Options shall vest, subject to Achievement of annual performance milestones.
- The Options shall vest, subject to Achievement of target valuation less funding for the year ending March 31, 2026.
- Continued employment and not on notice period as of respective vesting dates given above and
- Minimum Delivered Full Performance ("DFP") rating in the respective year of vesting.

## iii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the period

	As at March 31, 2023
	No. of Options
<b>Tranche 1</b>	
<b>Outstanding at the beginning of the period</b>	-
Granted during the period	2,11,30,606
Forfeited during the period	-
Exercised during the period*	-
Lapsed during the period	-
<b>Outstanding at the end of the period</b>	<b>2,11,30,606</b>
<b>Unvested at the end of the period</b>	<b>2,11,30,606</b>
<b>Exercisable at the end of the period</b>	-

\* The weighted average share price at the date of exercise of these options is not applicable, as there has been no exercise during the period.



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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

iv) The following table lists the inputs to the model used for the Options as on grant date:

	Options
	Tranche 1
Expected dividend yield (%)	Nil
Expected volatility (%)	35.43% to 37.63%
Risk-free interest rate (%)	7.40% to 7.45 %
Weighted average fair value per Option (₹)	5.96 to 6.63
Model used	Binomial Method

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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE - 37**

**COMMITMENTS AND CONTINGENCIES**

**a) Leases**

**Lease commitments as lessee**

The Company has entered into agreements for taking on lease certain office premises, warehouses on lease basis. The lease term is for 11 months to 5 years, with escalation clauses in the lease agreements.

**Expenses/ Income recognised in the Standalone Statement of Profit and Loss**

	Period from April 11, 2022 to March 31, 2023
<b>Rent</b>	
Expense relating to short-term leases	1.04
<b>Finance cost</b>	
Interest expense on lease liabilities	43.85
<b>Depreciation and amortisation expenses</b>	
Depreciation on right-of-use assets	108.00

**Contractual maturities of lease liabilities**

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

	As at March 31, 2023
Within one year	161.65
After one period but not more than five years	572.04
More than five years	-
<b>Total</b>	<b>733.69</b>

Total cash outflow for leases for the period ended March 31, 2023 is ₹ 106.10 Lakhs (includes payments for short term leases).

**b) Capital commitments**

	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	55.00

**NOTE - 38**

**CONTINGENT LIABILITIES**

The Company does not have any contingent liabilities as on March 31, 2023.



**Aditya Birla Digital Fashion Ventures Limited**

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**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE - 39****RELATED PARTY TRANSACTIONS****Names of related parties and related party relationship with whom transactions have taken place:****Name of related parties****Holding Company**

Aditya Birla Fashion and Retail Limited

**Subsidiaries**

Pratyaya E-Commerce Private Limited (with effect from July 22, 2022)

Awesomefab Shopping Private Limited (with effect from August 24, 2022)

Imperial Online Services Private Limited (with effect from August 12, 2022)

Bewakoof Brands Private Limited (with effect from February 15, 2023)

Next Tree Products Private Limited (with effect from February 15, 2023)

**Key Management Personnel ("KMP")**

Mr. Prashanth Aluru - Chief Executive Officer and Director with effect from October 28, 2022 and December 30, 2022 respectively

Mr. Jagdish Bajaj - Director with effect from April 11, 2022

Mr. Pawan Kesarwani - Chief Financial Officer with effect from October 28, 2022

Ms. Ashish Dikshit - Director with effect from April 11, 2022

Ms. Yoshita Vora - Company Secretary with effect from December 30, 2022

Mr. Aryaman Vikram Birla - Director with effect from January 10, 2023

Mrs. Sangeeta Pendurkar - Director with effect from March 27, 2023

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

	Period from April 11, 2022 to March 31, 2023		
	Holding Company	Subsidiaries	KMP
Reimbursement for employee benefit expenses	733.72	-	-
Reimbursement for recruitment expenses	145.61	-	-
Reimbursement for legal and professional fees	320.48	-	-
Reimbursement for other expenses	174.40	-	-
Investment in share capital	31,550.00	-	-
Investment made in subsidiaries	-	23,992.78	-
Interest income	-	75.68	-
Inter corporate deposits given	-	9,794.99	-
Inter corporate deposits repaid/converted into equity	-	(9,024.99)	-
Purchase of property, plant and equipment	113.67	-	-
Purchase of stock in trade	3.29	-	-
Remuneration paid to KMP*	-	-	615.33

\* The Company proposes to obtain the shareholders approval by way of a resolution to be passed at the ensuing annual general meeting for managerial remuneration aggregating to Rs. 187.14 Lakhs paid to the whole time director in respect of the period ended March 31, 2023.





**Aditya Birla Digital Fashion Ventures Limited****CIN - U74999MH2022PLC380326****Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**Balances outstanding**

	As at March 31, 2023		
	Holding Company	Subsidiaries	KMP
Amounts owed to related parties	17.69	-	-
Inter corporate deposits receivable	-	770.00	-
Interest receivable on inter corporate deposits	-	18.06	-

**Terms and conditions of transactions with related parties**

Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. Deposits to wholly-owned subsidiaries are unsecured, interest bearing and settlement occurs in cash. For the period ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

**Compensation of KMP of the Company**

	Period from April 11, 2022 to March 31, 2023
Short-term employee benefits	510.68
Post-employment benefits	35.26
Employee share based payment	69.39
<b>Total</b>	<b>615.33</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key managerial personnel.



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Aditya Birla Digital Fashion Ventures Limited

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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE - 40**

**BUSINESS COMBINATION**

**Acquisitions during the period ended March 31, 2023**

**Business acquisition of Nauti Nati**

On November 17, 2022, the Board of Directors approved the acquisition of online retail garment sale business on a going concern basis for a sale consideration of ₹ 1,000 Lakhs from Omega Designs Private Limited. Accordingly, the assets and liabilities were taken over as at December 22, 2022, the excess of purchase consideration paid over net assets taken over and identified intangible assets is recognised as goodwill.

	Fair value recognised on acquisition	
	Amount	Amount
Property, plant and equipment	11.11	
Non-current tax assets (net)	4.80	
Inventories	599.44	
Current investments	4.67	
Trade receivables	219.70	
Cash and bank balance	16.79	
Other assets	84.95	
<b>Total Assets</b>	<b>941.46</b>	
Trade payables	127.84	
Borrowings	1,202.49	
Provisions	22.43	
Other liabilities	313.40	
<b>Total Liabilities</b>	<b>1,666.16</b>	
Net assets/(liabilities) taken over	(724.70)	
Amount of consideration paid	1,000.00	
Nautinati brand value recognised	1,315.00	
<b>Goodwill recognised on acquisition</b>		<b>434.71</b>

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Aditya Birla Digital Fashion Ventures Limited  
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Notes to the standalone financial statements for the period ended March 31, 2023  
(All amounts in ₹ Lakhs; unless otherwise stated)

**NOTE - 41**  
**FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES**

**A. Accounting classification and fair values**

The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows:

**As at March 31, 2023**

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>								
Investment in mutual funds (Refer Note - 6b)	856.16	-	-	856.16	856.16	-	-	-
Loans (Refer Note - 10)	-	-	770.00	770.00	-	-	-	770.00
Security deposits (Refer Note - 7)	65.18	-	-	65.18	-	-	-	-
Trade receivables (Refer Note - 11)	-	-	992.15	992.15	-	-	-	-
Cash and cash equivalents (Refer Note - 12)	-	-	70.52	70.52	-	-	-	-
Other financial assets (Refer Notes - 13 and 7)	-	-	83.24	83.24	-	-	-	-
<b>Total</b>	<b>921.34</b>	<b>-</b>	<b>1,915.91</b>	<b>2,837.25</b>	<b>856.16</b>	<b>-</b>	<b>-</b>	<b>770.00</b>
<b>Financial liabilities</b>								
Trade payables (Refer Note - 21)	-	-	1,177.31	1,177.31	-	-	-	-
Other financial liabilities (Refer Notes - 22 and 18)	-	-	1,379.81	1,379.81	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,557.12</b>	<b>2,557.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The investments made in subsidiaries as at March 31, 2023 is ₹ 23,992.78 lakhs and are measured at cost.

**Key inputs for level 1 fair valuation techniques**

Quoted Investment: Valuation has been done based on market value of the investment i.e. fair value (level 1)



Aditya Birla Digital Fashion Ventures Limited

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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**B. Risk management objectives and policies**

The Company's principal financial liabilities, comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023.

**i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company does not have an exposure to the risk of changes in market interest rates as there are no debt obligations as at period ended March 31, 2023.

**ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency.

Company's foreign risk for the period ended March 31, 2023 are insignificant.



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**Notes to the standalone financial statements for the period ended March 31, 2023**

(All amounts in ₹ Lakhs; unless otherwise stated)

**b) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Company periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and security deposits).

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2023 is the carrying amount as provided in Note - 11.

**c) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings. The Company believes that the working capital is sufficient to meet its current requirements

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

**As at March 31, 2023**

	₹ in Lakhs			
	Less than 1 years	1 to 5 years	More than 5 years	Total
Lease liabilities	161.65	572.04	-	733.69
Other financial liabilities	1,345.07	34.74	-	1,379.81
Trade payables	1,177.31	-	-	1,177.31
<b>Total</b>	<b>2,684.03</b>	<b>606.78</b>	<b>-</b>	<b>3,290.81</b>





**NOTE - 42****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 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 and funding requirements of the Company are approved by the Board of Directors, and is monitored by various metrics.

The Company has funded the entire capital through equity.

**NOTE - 43****RATIO DISCLOSURES****As at March 31, 2023**

Current ratio (times) <sup>1</sup>	1.19
Debt equity ratio (times) <sup>2</sup> #	NA
Debt service coverage ratio (times) <sup>3</sup> #	NA
Return On Equity (%) <sup>4</sup>	-17%
Inventory turnover (times) <sup>5</sup>	4.03
Debtors turnover (times) <sup>6</sup>	0.86
Trade Payables turnover (times) <sup>7</sup>	0.18
Net capital turnover (times) <sup>8</sup>	1.94
Net profit margin (%) <sup>9</sup>	-542%
Return On Average Capital Employed (%) <sup>10</sup>	-20%
Return On Investment (%) <sup>11</sup>	-18%

Ratios have been computed as follows:

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

2. Debt equity ratio = Debt / Equity

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

Equity = Equity share capital + Other equity (excluding Ind AS 116)

3. Debt service coverage ratio = Earnings before interest\* and tax / [Finance cost\* + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]

4. Return on equity ratio = Profit after tax / Average of opening and closing Net Worth

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

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

7. Trade payables turnover = Total Purchases / Average of opening and closing Trade Payables

8. Net capital turnover = Revenue from Operations for the period / Average of opening and closing Working Capital

9. Net profit margin = Profit After Tax / Revenue from Operations

10. Return on Average Capital Employed = Earnings before interest and tax / Average of opening and closing Capital Employed

11. Return on Investment = Earnings before interest and tax / Average of opening and closing Total Assets

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

# The Company does not have any borrowings as at March 31, 2023, hence debt equity ratio and debt service coverage ratio is not applicable.

**NOTE - 44****CORE INVESTMENT COMPANIES**

The Company is not a Core Investment Company ('CIC') as defined in the regulations of Reserve Bank of India. The Group has 8 CICs, which are part of the Group.

**NOTE - 45****ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III****(i) DETAILS OF BENAMI PROPERTY HELD**

No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

**(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES**

The Company has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.



Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

**(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES**

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

**(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS**

The Company has no borrowings which are secured against current assets.

**(v) WILFUL DEFAULTER**

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

**(vi) COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS**

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

**(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM**

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

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)
- b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(viii) UNDISCLOSED INCOME**

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

**(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY**

The Company has not traded or invested in crypto currency or virtual currency during the current financial period.

**(x) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS) AND INTANGIBLE ASSETS**

The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the current financial period. The Company did not have any investment property during the current financial period.

**(xi) REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES**

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 304026E/E-300009

  
**A. J. SHAIKH**  
Partner  
Membership No.: 203637

For and on behalf of the Board of Directors of  
Aditya Birla Digital Fashion Ventures Limited

  
**PRASHANTH ALURU**  
(Whole-time Director)  
(DIN: 06923683)

Place: Bengaluru  
Date : May 16, 2023

  
**PAWAN KESARWANI**  
(Chief Financial Officer)

Place: Bengaluru  
Date : May 16, 2023

  
**ASHISH DIKSHIT**  
(Director)  
(DIN: 01842066)

Place: Bengaluru  
Date : May 16, 2023

  
**YOSHITA VORA**  
(Company Secretary)  
(M.No.: A22220)

Place: Bengaluru  
Date : May 16, 2023

Place: Bengaluru  
Date : May 16, 2023