

# Price Waterhouse & Co Chartered Accountants LLP

## Independent Auditor's Report

To the Members of Aditya Birla Garments Limited

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Aditya Birla Garments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31, 2023, and loss and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the period then ended.

### Basis for Opinion

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

### Other Information

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

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

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

We have nothing to report in this regard.



Price Waterhouse & Co Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor Bengaluru - 560 008

T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

Registered office and Head office: Plot No. 56 & 57, Block DN, Sector-V, Salt Lake, Kolkata - 700 091

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

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

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

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



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

### Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.



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To the Members of Aditya Birla Garments Limited  
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- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended March 31, 2023.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 39 (A) to the financial statements);  
  
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 39(B) to the financial statements); and  
  
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the period.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.



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

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12. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Firm Registration Number: 304026E/E-300009



**A. J. Shaikh**

Partner

Membership Number: 203637

UDIN: 23203637BGXOYR8021

Place: Bengaluru

Date: May 12, 2023



# Price Waterhouse & Co Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Aditya Birla Garments Limited on the financial statements for the Period ended March 31, 2023  
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### Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Aditya Birla Garments Limited ("the Company") as of March, 31, 2023 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes



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## Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Aditya Birla Garments Limited on the financial statements for the Period ended March 31, 2023  
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those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

### For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009



**A. J. Shaikh**

Partner

Membership Number: 203637

UDIN: 23203637BGXOYR8021

Place: Bengaluru

Date: May 12, 2023

# Price Waterhouse & Co Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Aditya Birla Garments Limited on the financial statements as of and for the period ended March 31, 2023

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- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the period and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 3.1 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company has started the operations in March 2023 and sold all products manufactured, consequently, does not hold any inventory as at Balance sheet date. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the period, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.





# Price Waterhouse & Co Chartered Accountants LLP

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- vi. The Central Government of India has not specified the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Provident fund, employees' state insurance, and Professional taxes, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the period, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period.
- (x)(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (x)(b) The Company has made a preferential allotment of shares during the period, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised except as described below:



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(Amount in Rs. Lakhs)

Nature of securities viz. Equity share / Preference shares / Convertible Debenture	Purpose for which funds raised	Total Amount Raised / Opening unutilized balance	Amount utilized for the other purpose	Un-utilized balance as at Balance sheet date	Remarks
Equity shares	Capital requirements of the business	1,400	-	34.28	Refer Note No.10 (f) to the financial statement

- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.
- (xi) (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (xi)(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the period by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. The Company is not mandated to have an internal audit system during the period.



# Price Waterhouse & Co Chartered Accountants LLP

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- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the period. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group has 8 CICs (registered and unregistered) as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has incurred cash losses of Rs. 383.09 Lakhs in the financial period.
- xviii. There has been no resignation of the statutory auditors during the period and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 33 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.



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

### **Annexure B to Independent Auditors' Report**

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

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

Firm Registration Number: 304026E/E-300009



**A. J. Shaikh**

Partner

Membership Number: 203637

UDIN: 23203637BGXOYR8021

Place: Bengaluru

Date: May 12, 2023

**Aditya Birla Garments Limited**  
**CIN - U18100MH2022PLC384566**  
**Balance Sheet as at March 31, 2023**  
**(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)**

	Notes	As at 31-Mar-2023
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3.1	333.92
Right-of-use assets	4.1	88.91
Capital work-in-progress	3.3	167.80
Intangible assets	3.2	6.02
Non-current tax assets (net)	5	0.09
Other non-current assets	6	534.00
<b>Total non-current assets</b>		<b>1,130.74</b>
<b>Current assets</b>		
Financial assets		
(i) Cash and cash equivalents	7	34.28
(ii) Other financial assets	8	5.13
Other current assets	9	67.41
<b>Total current assets</b>		<b>106.82</b>
<b>Total Assets</b>		<b>1,237.56</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity share capital	10	1500.00
Other equity	11	(395.67)
<b>Total Equity</b>		<b>1,104.33</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	4.2	1.00
Provisions	12	4.09
<b>Total non-current liabilities</b>		<b>5.09</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Trade payables	13	3.43
-outstanding dues of micro enterprises and small enterprises		57.02
-other than micro enterprises and small enterprises		0.01
(ii) Lease liabilities	4.2	49.31
(iii) Other financial liabilities	14	0.81
Provisions	15	17.56
Other current liabilities	16	128.14
<b>Total current liabilities</b>		<b>128.14</b>
<b>Total Equity and liabilities</b>		<b>1,237.56</b>

**Summary of significant accounting policies**

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The accompanying notes are an integral part of the financial statements.  
As per our report of even date

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

A.J. Shankh  
Partner  
Membership No.:203637

Place : Bengaluru  
Date: 12/05/2023

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

R. Swaminathan  
Director  
DIN : 09638315

Place : Bengaluru  
Date: 12/05/2023

Jagdish Bajaj  
Director  
DIN : 08498055

Place : Bengaluru  
Date: 12/05/2023

Narasimha Murthy Narahari  
Chief Executive Officer  
DIN : 09638314  
Place : Bengaluru  
Date: 12/05/2023

Shiva Kumar.N  
Chief Finance Officer  
PAN:AOVPS2404M

Place : Bengaluru  
Date: 12/05/2023

Prativa Shrama  
Company Secretary  
PAN:DURPS8487M

Place : Bengaluru  
Date: 12/05/2023



**Aditya Birla Garments Limited**  
**CIN - U18100MH2022PLC384566**  
**Statement of Profit and Loss for the period ended March 31, 2023**  
**(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)**

	Notes	Period ended March 31, 2023
<b>Income</b>		
Revenue from operations	17	9.15
Other income	18	2.99
<b>Total income</b>		<b>12.14</b>
<b>Expenses</b>		
Employee benefits expense	19	146.20
Finance costs	20	0.10
Depreciation and amortisation expense	21	12.87
Other expenses	22	248.93
<b>Total expenses</b>		<b>408.10</b>
<b>(Loss) before tax</b>		<b>(395.96)</b>
<b>Income tax expense:</b>		
Current tax		-
<b>Total tax credit</b>		<b>-</b>
<b>(Loss) for the Period</b>		<b>(395.96)</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit and loss A/c</b>		
Re-measurement gains on defined benefit plans	23	0.29
<b>Other comprehensive income for the period</b>		<b>0.29</b>
<b>Total comprehensive income for the period</b>		<b>(395.67)</b>
<b>Earnings per equity share [Nominal value of share Rs. 10 (March 31, 2023: Rs. 10)] (In Rs.)</b>	24	
(1) Basic		(8.14)
(2) Diluted		(8.14)
<b>Summary of significant accounting policies</b>	2	

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


As per our report of even date


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

  
A.J. Shaikh  
Partner  
Membership No.:203637

Place : Bengaluru  
Date: 12/05/2023

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


  
R Swaminathan  
Director  
DIN : 09638315


  
Jagdish Bajaj  
Director  
DIN : 08498055

Place : Bengaluru  
Date: 12/05/2023

Place : Bengaluru  
Date: 12/05/2023

Narasimha Murthy Narahari  
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Company Secretary  
PAN:DURPS8487M  
Place : Bengaluru  
Date: 12/05/2023

Aditya Birla Garments Limited  
CIN - U18100MH2022PLC384566  
Statement of Cash flows for the period ended March 31, 2023  
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

	Notes	Period ended March 31, 2023
<b>(A) Cash flows from operating activities</b>		
(Loss) before tax for the period		(395.96)
Adjustments for:		
Depreciation and amortization expense	21	12.87
Finance costs	20	0.10
Net gain on sale of current investments	18	(2.99)
Remeasurement gain/ (loss) on defined benefit plan	23	0.29
<b>Operating loss before working capital changes</b>		<b>(385.69)</b>
<b>Change in working capital</b>		
Increase/ (decrease) in trade payables		60.45
Increase/ (decrease) in provisions		4.91
Increase/ (decrease) in other current assets		(72.53)
Increase/ (decrease) in other liabilities		66.87
<b>Cash used in operations</b>		<b>(325.99)</b>
Income tax paid (net of refund)		(0.09)
<b>Net cash flows used in operating activities</b>	<b>(A)</b>	<b>(326.08)</b>
<b>(B) Cash flow from investing activities</b>		
Purchase of property, plant & equipment		(1,142.53)
Purchase of current investments		(419.98)
Proceeds from sale/ maturity of current investments		422.97
<b>Net cash flows used in investing activities</b>	<b>(B)</b>	<b>(1,139.54)</b>
<b>(C) Cash flow from financing activities</b>		
Proceeds from issue of share capital		1500.00
Payment of principal portion of lease liabilities		(0.10)
<b>Net cash flows from financing activities</b>	<b>(C)</b>	<b>1499.90</b>
(This space is intentionally left blank)		
<b>Net Increase in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>34.28</b>
Cash and cash equivalents at the beginning of the year		-
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>34.28</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks - on current accounts		34.28
<b>Total cash and cash equivalents</b>		<b>34.28</b>

Note: The Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

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

As per our report of even date

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

A.J. Shaikh  
Partner  
Membership No.: 203637

Place : Bengaluru  
Date: 12/05/2023

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

R Swaminathan  
Director  
DIN : 09638315

Place : Bengaluru  
Date: 12/05/2023

Jagdish Baja  
Director  
DIN : 08498055

Place : Bengaluru  
Date: 12/05/2023

Narasinha Murthy Narahari  
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DIN : 09638314  
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Prativa Shrama  
Company Secretary  
PAN:DURPS8487M  
Place : Bengaluru  
Date: 12/05/2023

**A Equity share capital**

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

As at June 15, 2022  
Shares issued during the period [refer note 10 (f)]  
As at March 31, 2023

No. of shares	Rs. (In Lakhs)
10,00,000	100.00
1,40,00,000	1,400.00
<b>1,50,00,000</b>	<b>1,500.00</b>

**B Other equity**

Particulars	Reserves and surplus	Total other equity
	Retained earnings (refer note 11)	
As at June 15, 2022		-
(Loss) for the period	(395.96)	(395.96)
Other comprehensive income for the period	0.29	0.29
As at March 31, 2023	<b>(395.67)</b>	<b>(395.67)</b>

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

As per our report of even date

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

A.J.Shaikh  
Partner  
Membership No.:203637

Place : Bengaluru  
Date: 12/05/2023

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

R Swaminathan  
Director  
DIN : 09638315

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Place : Bengaluru  
Date: 12/05/2023

Prativa Shrama  
Company Secretary  
PAN:DURPS8487M  
Place : Bengaluru  
Date: 12/05/2023

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

### 1. CORPORATE INFORMATION

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

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

The financial statements are reviewed and have been approved by the Board of Directors in their meeting held on May 12, 2023.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;
- Right of use assets and Lease Liabilities.

The company has been incorporated in accordance with PLI scheme notified through gazette notification dated September 24, 2021 and as per paragraph 7.1 of the guidelines for PLI textiles dated December 28, 2021 and amended gazette notification dated February 22, 2022 as amended from time to time by Ministry of Textiles.

This being the first financial year after incorporation of the Company, these financial statements have been prepared for the period starting from the date of incorporation of the company i.e 15th June, 2022 to March 31, 2023. Hence there are no comparative figures presented.

#### 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 Lakh, unless otherwise stated. Rs 0 in Financial statements and Notes represents amount less than Rs 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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

- Cash or cash equivalents unless restricted from being exchanged or used to settle 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.

The operating cycle is the time between the acquisition of assets for processing and their realization 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's CODM is identified to be the Managing Director and COO of the Company, who plans the allocation of resources and assess the performance of the segments. The Company has only one reportable segment 'Revenue from sale of goods and services' to be reported in its financial statements.

### 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 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





## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

For assets and liabilities that are recognized 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

### (IV) 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:

- a) Identify the contract with a customer;
- b) Identify the performance obligations in the contract;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligations in the contract; and
- e) 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.

#### Income from services

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

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.

### (V) Government grants

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

- a) When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- b) When the grant relates to an asset, it is recognised as income in Statement of Profit and Loss in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, at a below-market rate of interest, the effect of this favorable interest is treated as a government grant. The loan or assistance is initially recognised and measured at fair value, and the government grant is measured as the difference between the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

### (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 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.

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

The Company had adopted the new tax regime under Section 115BAB of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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

### (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 taxes, duties, freight and other incidental expenses, related to the acquisition and installation of the asset concerned and borrowing costs for long-term construction projects, if the recognition criteria is met.

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

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

#### 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

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

### b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office 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.

### c) Leasehold assets

Assets	Estimated useful life
Leasehold improvements other than stores	Period of lease

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 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. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss, in the period in which the expenditure is incurred.

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 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





## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

recognised in the Statement of Profit and Loss when the asset is de-recognised.

### Amortisation methods and periods

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

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

### **X) 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 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 Statement of Profit and Loss.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

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..

### XI) 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:

- a. 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;
- b. 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
- c. 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

### 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 Balance Sheet.

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

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

### Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

### XII) 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 Statement of Profit and Loss are recognised immediately in the Statement of Profit and Loss.

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

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

### (XIII) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursements.

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

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

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

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

### (XIV) 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 ESI, which are recognised in the Statement





## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

of Profit and Loss, on accrual basis. The Company recognises contribution payable to the provident fund scheme and ESI as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund and ESI.

### (c) 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 Statement of Profit and Loss.

### (XV) **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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

### (XVI) Cash and cash equivalents

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

### 2.4 New and amended standards adopted by the Company:

The Company has applied the Ind AS accounting from the annual reporting period commencing 15/06/2022.

### 2.5 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 period.



**Aditya Birla Garments Limited**

CIN - U18100MH2022PLC384566

Notes to the financial statements for the period ended 31st Mar 2023  
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

**3.1 Property, Plant and Equipment**

	Leasehold improvements	Plant and machineries	Furniture and fixtures	Office equipment	Computers	Total
<b>Cost</b>						
As at June 15, 2022	10.93	288.88	30.82	5.45	8.93	345.01
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at March 31, 2023	<b>10.93</b>	<b>288.88</b>	<b>30.82</b>	<b>5.45</b>	<b>8.93</b>	<b>345.01</b>
<b>Depreciation</b>						
As at June 15, 2022	0.93	2.12	5.99	1.44	0.62	11.09
Depreciation for the Period (refer note 21)	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at March 31, 2023	<b>0.93</b>	<b>2.12</b>	<b>5.99</b>	<b>1.44</b>	<b>0.62</b>	<b>11.09</b>
<b>Net carrying value as at:</b>						
As at March 31, 2023	<b>10.00</b>	<b>286.76</b>	<b>24.83</b>	<b>4.01</b>	<b>8.31</b>	<b>333.92</b>

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3.2 Intangible assets

	Computer software	Total
<b>Cost</b>		
As at June 15, 2022	6.20	6.20
Additions	-	-
Disposals	-	-
As at March 31, 2023	6.20	6.20
<b>Amortisation</b>		
As at June 15, 2022	0.18	0.18
Amortisation for the period (refer note 30)	-	-
Disposals	-	-
As at March 31, 2023	0.18	0.18
<b>Net carrying value as at:</b>		
As at March 31, 2023	6.02	6.02

3.3 Capital work in progress Ageing Schedule

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	167.80	-	-	167.80
Projects temporarily suspended	-	-	-	-

3.4 Capital work in progress Movement Schedule

As at June 15, 2022	519.01
Additions	351.21
Capitalised	-
As at March 31, 2023	167.80



Aditya Birla Garments Limited  
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Notes to the financial statements for the period ended 31st Mar 2023  
(All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated)

<b>4.1 Right-of-use assets</b>	<b>As at 31-Mar-2023</b>
Leasehold Land	88.91
	<b>88.91</b>
Set out below are the carrying amounts of right-of-use assets recognized and movements during the year;	
<b>Cost</b>	<b>Amount</b>
Additions	90.51
<b>As at March 31, 2023</b>	<b>90.51</b>
<b>Depreciation</b>	
Depreciation for the period (refer note 21)	1.60
<b>As at March 31, 2023</b>	<b>1.60</b>
<b>Net carrying value as at March 31, 2023</b>	<b>88.91</b>
<b>4.2 Lease liabilities</b>	<b>As at 31-Mar-2023</b>
Additions	1.00
Interest expense on lease liabilities (refer note 20)	0.10
Payments	(0.10)
<b>Balance at end of the period</b>	<b>1.00</b>
<b>Current</b>	<b>0.01</b>
<b>Non-current</b>	<b>1.00</b>
For maturity analysis of lease liabilities refer note 30.	
<b>5 Other non-current tax assets</b>	<b>As at 31-Mar-2023</b>
Income tax receivable	0.09
	<b>0.09</b>
<b>6 Other non-current assets</b>	<b>As at 31-Mar-2023</b>
Capital advances	534.00
	<b>534.00</b>
<b>7 Cash and cash equivalents</b>	<b>As at 31-Mar-2023</b>
Balances with bank:	
Current accounts	34.28
<b>Total</b>	<b>34.28</b>
<b>8 Other financial assets</b>	<b>As at 31-Mar-2023</b>
<b>At amortised cost</b>	
Security deposits	4.81
Others	0.32
<b>Total</b>	<b>5.13</b>
<b>9 Other current assets</b>	<b>As at 31-Mar-2023</b>
Prepayments	2.02
Balance with government authorities (other than income tax)	65.25
Advance to suppliers	0.14
<b>Total</b>	<b>67.41</b>



**Aditya Birla Garments Limited**

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Notes to the financial statements for the period ended 31st Mar 2023

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

**10 Equity share capital**

**Authorised share capital**

Equity shares of Rs. 10 each

As at June 15, 2022

Increase during the Period

As at March 31, 2023

No. of Shares	Rs. (In Lakhs)
1,00,00,000	1,000
3,00,00,000	3,000
<b>4,00,00,000</b>	<b>4,000</b>

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

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

Issued during the period

As at June 15, 2022

Issued during the period (14,00,000 equity shares of Rs.10/- each)

As at March 31, 2023

No. of Shares	Rs. (In Lakhs)
-	-
10,00,000	100
1,40,00,000	1,400
<b>1,50,00,000</b>	<b>1,500</b>

**a) Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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

**b) Shares held by Holding Company**

Aditya Birla Fashion and Retail Limited, the holding company

(March 31, 2023: 1,49,99,994 equity shares of Rs 10/- each)

As at  
31-Mar-2023

14,99,99,940

**14,99,99,940**

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

Aditya Birla Fashion and Retail Limited

As at March 31, 2023

No. of shares % of paid up

1,49,99,994 99.99%

**1,49,99,994 99.99%**

**d) Details of Shareholding of Promoters:**

**Shares held by promoters as at March 31, 2023**

Name of the Promoter	No. of Shares	% of total numbers of shares
Aditya Birla Fashion and Retail Limited	1,49,99,994	99.99%
<b>Total</b>	<b>1,49,99,994</b>	<b>99.99%</b>

**e) There are no shares allotted for consideration other than cash during the period**

**f) On November 22, 2022, the Company has issued rights share of 90,00,000 equity shares at an issue price of Rs. 10 per share. On January 18, 2023, the Company has issued rights share of 50,00,000 equity shares at an issue price of Rs 10 per share.**

The money raised on issue of rights shares on preferential basis has been utilised for the purpose for which it has been obtained except for unutilised balance of Rs. 34.28 Lakhs.

**g) There are no shares reserved for issue under option**

**h) There are no bonus shares issued during the period**





**Aditya Birla Garments Limited**

CIN - U18100MH2022PLC384566

Notes to the financial statements for the period ended 31st Mar 2023

(All amounts are in Rupees (Rs.) Lakhs)

**11 Other equity**

	<b>Amount</b>
<b>Reserves and surplus</b>	
<b>Retained earnings</b>	
As at June 15, 2022	-
Loss for the period	(395.96)
As at March 31, 2023	<u>(395.96)</u>
<b>Other comprehensive income</b>	
As at June 15, 2022	-
Re-measurement gains on defined benefit plans	0.29
As at March 31, 2023	<u>0.29</u>
<b>Total</b>	
As at March 31, 2023	<b>(395.67)</b>

**Retained earnings**

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



**12 Provisions**

**As at  
31-Mar-2023**

**Non-current**

Provision for gratuity (refer note 27)

Provision for leave encashment

**Total**

1.15

2.94

**4.09**

**13 Trade payables**

**As at  
31-Mar-2023**

Total outstanding dues of micro enterprises and small enterprises (refer note 25)

Total outstanding dues of creditors other than micro enterprises and small enterprises \*(refer note 31)

**Total**

3.43

57.02

**60.45**

\* Includes payable to related parties, for terms and conditions with related parties (refer note 29) and includes provision for audit fees and other expenses

Particulars	Unbilled	Not Due	Outstanding as on March 31, 2023 for following periods from the due date		
			Less than 1 year	1-2 Years	Total
Undisputed Trade payables:					
Micro enterprises and small enterprises		3.43			3.43
Others	9.13	47.90			57.02
Disputed Trade payables:					
Micro enterprises and small enterprises					-
Others					-
<b>Total</b>	<b>9.13</b>	<b>51.32</b>	<b>-</b>	<b>-</b>	<b>60.45</b>

**14 Other financial liabilities**

**As at  
31-Mar-2023**

**Current**

Employee benefits payable

Capital creditors (refer note 25)

**Total**

28.67

20.64

**49.31**

**15 Provisions**

**As at  
31-Mar-2023**

**Current**

Provision for gratuity (refer note 27)

Provision for compensated absences

**Total**

0.00

0.81

**0.81**

The leave obligations cover the Company's liability for earned leave.

**16 Other current liabilities**

**As at  
31-Mar-2023**

Statutory liabilities \*

**Total**

17.56

**17.56**

\* Includes dues towards provident fund, withholding taxes, goods and services tax, professional tax and employees state insurance corporation.



<b>17 Revenue from operations</b>	<b>Period ended March 31, 2023</b>
<b>Revenue from contract with customers</b>	
Sale of products (refer note 31)	4.33
<b>Revenue from rendering of services</b>	
Income from Cut & Make services (refer note 31)	4.67
<b>Other operating income</b>	
Scrap sales	0.15
<b>Total</b>	<b>9.15</b>
<b>18 Other income</b>	<b>Period ended March 31, 2023</b>
Net gain on sale of current investments	2.99
<b>Total</b>	<b>2.99</b>
<b>19 Employee benefits expense</b>	<b>Period ended March 31, 2023</b>
Salaries, wages and bonus	108.73
Contribution to provident and other funds (net) [refer note 27]	13.89
Gratuity expenses (refer note 27)	0.96
Compensated absences	3.31
Staff welfare expense	19.31
<b>Total</b>	<b>146.20</b>
<b>20 Finance costs</b>	<b>Period ended March 31, 2023</b>
Interest expense on lease liabilities (refer note 4.2)	0.10
<b>Total</b>	<b>0.10</b>
<b>21 Depreciation and amortization expense</b>	<b>Period ended March 31, 2023</b>
Depreciation of property, plant and equipment (refer note 3.1)	11.09
Amortisation of intangible assets (refer note 3.2)	0.18
Depreciation of right-of-use assets (refer note 4.1)	1.60
<b>Total</b>	<b>12.87</b>
<b>22 Other expenses</b>	<b>Period ended March 31, 2023</b>
Rent	10.15
Consumption of Stores & Spares	25.03
Travelling and conveyance	15.89
Repair and maintenance	
- Plant and machinery	0.72
- Others	10.29
Bank charges	0.06
Security and housekeeping expenses	5.59
Rates and taxes	30.22
Insurance	1.01
Payment to Auditors	
- For Audit fees	5.00
Communication expenses	0.42
Printing and stationary	1.62
Electricity Expenses	10.28
Consultancy charges	127.82
Transportation & Handling Charges	0.65
Miscellaneous expenses	4.18
<b>Total</b>	<b>248.93</b>
<b>23 Components of other comprehensive income (OCI)</b>	<b>Period ended March 31, 2023</b>
Re-measurement gains on defined benefit plans	0.29
<b>Total</b>	<b>0.29</b>

**24 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 by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	As at 31-Mar-2023
Loss attributable to equity holders for basic earnings per share	(395.96)
Net loss for calculation of basic EPS	(395.96)
Weighted average number of equity shares *	48,63,014
<b>Basic earnings per share (in Rs.)</b>	<b>(8.14)</b>
Net loss for calculation of diluted EPS	(395.96)
Weighted average number of equity shares *	48,63,014
<b>Diluted earnings per share (in Rs.)</b>	<b>(8.14)</b>

\* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the period. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

**25 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006.

The following disclosures are required under Section 22 of MSMED Act, 2006 under the chapter of delayed payment to micro and small enterprises:

Particulars	As at 31-Mar-2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	9.47
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period.	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period.	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period.	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the Period) but without adding the interest specified under the MSMED Act.	-
Interest accrued and remaining unpaid at the end of the accounting Period.	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-

Includes dues towards capital creditors amounting to Rs 6.04Lacs



**26 Significant accounting judgments, estimates and assumptions**

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

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

**(i) Employee benefit plans**

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

The parameter most subject to change is the discounting rate. In determining the appropriate discounting rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Based on periodic review of the demographic assumptions, attrition rate assumption used for actuarial valuation of liability related to gratuity & compensated absences has been assessed during the year ended March 31, 2023. For the purpose of assessing the attrition rate, the Company considered the historical attrition trend in the holding company and expected rate based on such trend/ Similar experience of holding company

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

**(iii) Going concern**

The Management has performed an assessment of the company's ability to continue as a going concern. Based on the assessment the management believes that there is no material uncertainty with respect to any event or conditions that may cast significant doubt on the entity to continue as going concern. The entity has also obtained financial support letter from its holding company, hence the financial statement has been prepared on a going concern basis



27 Employee benefits expenses

A. Defined contribution plans

(i) Employers' contribution to Provident Fund

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

The expense recognised during the period towards defined contribution plan is Rs. 11.17 Lacs

(ii) Employers' contribution to Employee's state insurance scheme is Rs.2.72 Lacs

B. Defined benefit plans

(a) Gratuity

The Company has a defined benefit gratuity plan as per The Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The following tables summarize the components of net benefit expense that has been recognized in the statement of profit and loss and the funded status and amount recognized in the balance sheet:

(i) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

Changes in the defined benefit obligation as at March 31, 2023:

		As at 31-Mar-2023
Opening defined benefit obligation		-
Current service cost		0.93
Interest cost		0.03
Transfer in / (out)		0.48
<b>Total</b>	<b>(A)</b>	<b>1.44</b>
Actuarial (gain)/ loss on account of		
Changes in demographic assumptions		
Changes in financial assumptions		(0.29)
Experience adjustments		
<b>Actuarial (gain)/ loss recognised in OCI</b>	<b>(B)</b>	<b>(0.29)</b>
Benefits paid	<b>(C)</b>	
<b>Closing defined benefit obligation</b>	<b>(A+B+C)</b>	<b>1.15</b>

Bifurcation between current and non current liability

	As at 31-Mar-2023
Current liability	0.00
Non-current liability	1.15
<b>Net Liability</b>	<b>1.15</b>

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

Particulars	Period ended March 31, 2023
<b>Gratuity cost charged to Statement of Profit or Loss</b>	
Current service cost	0.93
Interest expense	0.03
<b>Total</b>	<b>0.96</b>
<b>Gratuity cost charged to other comprehensive income</b>	
Actuarial gain	(0.29)
<b>Total</b>	<b>(0.29)</b>





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

Particulars	As at 31-Mar-2023
Discount rate	7.45%
Salary escalation rate	5.00%
Retirement age	60 years
Up to 30 Years	40.00%
31-44 Years	5.00%
Above 44 Years	3.00%

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

Particulars	As at 31-Mar-2023
Within the next 12 months (next annual reporting period)	0.01
Between 2 and 5 years	0.28
Between 6 and 10 years	0.49
Beyond 10 years	3.12
<b>Total expected cash flow profile (payments)</b>	<b>3.90</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 14 years. Expected contributions to defined benefits plan for the year ending 31st Mar 2023 is Rs. 1.15 Lacs

## 28 Capital Commitments

The Company has Capital commitments as on the Balance Sheet date of Rs 5,640.43 Lacs

## 29 Contingent liabilities

The company has been incorporated during the period and the company is not having any contingent liabilities as at Balance sheet date



### 30 Leases

#### Lease commitments as lessee

The Company has entered into agreements for taking on lease of land. The lease term is for a period of 33 years . Consistent with industry practice, the Company has contracts which have fixed rentals.

#### Expenses/ (income) recognised in the Statement of Profit and loss:

	Period ended March 31, 2023
<b>Rent</b>	
Fixed rent	0.10
<b>Total rent expense</b>	<b>0.10</b>
<b>Finance cost</b>	
Interest expense on lease liabilities	0.10
<b>Depreciation expense</b>	
Depreciation expense for right-of-use assets	1.60
<b>Total</b>	<b>1.80</b>

#### Lease commitments for leases not considered in measurement of lease liabilities:

#### Contractual maturities of lease liabilities

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

	As at 31-Mar-2023
Less than one year	0.1
One to five years	0.4
More than five years	2.8
<b>Total</b>	<b>3.3</b>

Post 33 years of period, the Company has the option to buyout or extension of the lease up to 99 years and the company assess its intention to continue considering location and other economic factors associated with the lease arrangement.

i) The Company does not have any leases of low value assets and income from subleasing.

iii) Total cash outflow for leases for the year ended March 31, 2023 is Rs 0.1 Lakhs



### 31 Related party disclosures

#### a. Names of related parties and nature of relationship

Names of related parties	Description of relationship - Holding / subsidiary
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##### Related Party who exercise control

Aditya Birla Fashion And Retail Limited	Holding Company
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##### Other related parties

##### Key management personnel

Jacob John	Director
Jagdish Prasad Bajaj	Director
Narasimha Murthy Narahari	CEO and Director
Ramachandran Swaminathan	Director
Shiva Kumar N	Chief Finance Officer
Prativa Sharma	Company Secretary

#### b. Transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For the year 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 year through examining the financial position of the related party and the market in which the related party operates.

##### Name of related parties with whom transactions have taken place during the relevant financial year

##### Name of related parties

##### Nature of transactions

##### Holding Company

Aditya Birla Fashion And Retail Limited	Reimbursement of expenses, Purchases of Consumables & Spares and Assets and Sales
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(This space is intentionally left blank)

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

Nature of Transaction	Relation	Period ended March 31, 2023
Sales of goods	Refer note 17	Holding company
Sale of services	Refer note 17	Holding company
Purchase of Consumption of Stores & Spares	Refer note 22	Holding company
Reimbursement for payment on behalf of the Company		Holding company
Reimbursement of expenses		
- Consultancy Expenses	Refer note 22	Holding company
- Repairs & Maintenance	Refer note 22	Holding company
- Staff Welfare	Refer note 22	Holding company
- Other Expenses	Refer note 22	Holding company
Purchase of Property, Plant and Equipment	Refer note 3.1	Holding company

Above amounts are excluding GST

#### c. Outstanding balances

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

##### Particulars

##### Payables

Holding Company

As at  
31-Mar-2023

36.73



**32 Financial instruments - Fair value**

For financials assets and liabilities that are measured at amortised cost, the carrying values are equal to fair values.



### 33 Analytical Ratios

Particulars	As at March 31, 2023
Current ratio	0.83
Return On Equity	(0.72)
Net profit ratio	(44.00)
Return on Capital Employed	(0.72)
Net Capital Turnover Ratio	(0.84)
Return on Investment	(0.64)

#### Note

As this is the first year of incorporation for the company, there are no comparative figures presented

Ratios have been computed as follows:

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

2. Debt equity ratio = Debt / Equity

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

Equity = Equity share capital + Other equity (excluding Indian Accounting Standard 116)

3. Debt service coverage ratio = Earnings before interest (excluding impact of interest on lease liability as per IND AS 116) and tax / [Finance cost (excluding impact of interest on lease liability as per IND AS 116) + Principal repayment 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. Net profit ratio = Profit After Tax / Revenue from Operations

8. Return on Average Capital Employed = Earnings Before Interest and Tax / Average Capital Employed

9. Trade Payables Turnover Ratio = Cost of Goods Sold / Average Trade Payables

10. Net Capital Turnover ratio = Revenue / Average Working Capital

11. Return on Investments = Earnings Before Interest and Tax / Average Total Assets

12. Revenue includes Sales of products and services

13. Debt Equity ratio and Debt service coverage ratio is not applicable as there is no borrowing in the financial statement as at March 31, 2023

14. Inventory turnover ratio is not applicable as there is no inventory held by the company as at March 31, 2023.

15. Debtor turnover ratio is not applicable as there is no trade receivable outstanding as at March 31, 2023.



**Additional Regulatory information**

**34 Details of benami property held**

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

**35 Wilful defaulter**

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

**36 Compliance with number of layers of companies**

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

**37 Accrual Basis of accounting**

The company has followed accrual basis of accounting for all its assets, liabilities, equity, income and expenses.

**38 Compliance with approved scheme(s) of arrangements**

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

**39 Utilisation of borrowed funds and share premium**

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

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

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

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

**40 Undisclosed income**

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

**41 Details of crypto currency or virtual currency**

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

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

The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) and Intangible assets during the current year. The Company did not have any Investment Property during the current year.

**43 Relationship with struck off companies**

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

**44 Core Investment Companies (CIC)**

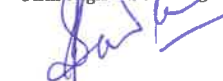
The Company is not a Core Investment Company as defined in the regulations made by the reserve bank of india ,However the Group has 8 CICs (registered and unregistered) as part of the Group.

**45 Details of Charge or Satisfaction yet to be registered 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

In terms of our report attached

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



A.J. Shaikh  
Partner  
Membership No.:203637

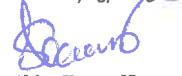
Place : Bengaluru  
Date: 12/05/2023

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



R Swaminathan  
Director  
DIN : 09638315

Place : Bengaluru  
Date: 12/05/2023



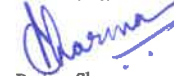
Shiva Kumar.N  
Chief Finance Officer  
PAN:AOVPS2404M

Place : Bengaluru  
Date: 12/05/2023



Jagdish Bajaj  
Director  
DIN : 08498055

Place : Bengaluru  
Date: 12/05/2023



Pratiha Shrama  
Company Secretary  
PAN:DURPS8487M

Place : Bengaluru  
Date: 12/05/2023



Narasimha Murthy Narahari  
Chief Executive Officer  
DIN : 09638314

Place : Bengaluru  
Date: 12/05/2023