Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report

To the Members of Aditya Birla Digital Fashion Ventures Limited

Report on the Audit of the Financial statements

Opinion

1. We have audited the accompanying financial statements of Aditya Birla Digital Fashion Ventures Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income/ loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

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

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

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

   We have nothing to report in this regard.

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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:
   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year and the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income/loss), 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 April 1, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

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(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract and derivative contracts as at March 31, 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 45 (vii) of financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 45 (vii) of financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

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vi. Based on our examination, the Company has used accounting software, which is operated by a third party software service provider, for maintaining its books of account and in the absence adequate information in the service organisation's auditor's report, we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

12. Managerial remuneration of Rs.831 Lakhs paid by the Company to its whole time director is in excess of the limits specified in Section 197 read with Schedule V to the Act. The Company has obtained a special resolution from the shareholders at the Annual General Meeting with respect to the excess managerial remuneration paid/ payable (Refer Note 39 to the financial statements).

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009

A. J. Shaikh
Partner
Membership Number: 203637

UDIN: 24203637BKENLL9229
Bengaluru
May 21, 2024

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11 (g) of the Independent Auditor's Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the financial statements for the year ended March 31, 2024

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 Digital Fashion Ventures Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing 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.

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Annexure A to Independent Auditor's Report

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, 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, 2024, 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/E300009
Chartered Accountants

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLL9229

Bengaluru
May 21, 2024

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year 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 to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is 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 the financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from bank. on the basis of security of current assets. The Company has filed quarterly returns or statements with such bank, which are in agreement with the unaudited books of account.

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Annexure B to Independent Auditors' Report

iii. (a) The Company has made investments in five subsidiary companies, nine mutual fund schemes, granted unsecured loans to four subsidiary companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances, investments and guarantees or security to subsidiaries, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

(Rs in Lakhs)

	Guarantees	Securities	Investments	Loans	Advances in nature of loans
Aggregate amount granted/ invested during the year					
- Subsidiaries	-	-	23,983	1,498	-
- Joint Ventures	-	-	-	-	-
- Associates	-	-	-	-	-
- Others	-	-	22,089	-	-
Balance outstanding as at balance sheet date in respect of the above case					
- Subsidiaries	-	-	47,976	770	-
- Joint Ventures	-	-	-	-	-
- Associates	-	-	-	-	-
- Others	-	-	557	-	-

Also, refer Note 6(a), 6(b) and 10 to the financial statements.

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.

(c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

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(e) Following loans were granted to same parties, which has fallen due during the year and were renewed/extended. Further, there are no loans granted/ renewed/ extended to settle the overdue loans.

(Rs in Lakhs)

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Pratyaya E-Commerce Private Limited	770	770	100%

Also, refer Note 10 to the financial statements

(f) Following loans were granted during the year, to related parties under Section 2(76), which are repayable on demand.

(Rs in Lakhs)

	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	565 -	- -	565 -
Total (A+B)	565	-	565
Percentage of loans/advances in nature of loan to the total loans	100%	-	100%

Also, refer Note 10 to the financial statements.

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. Further in our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Companies Act 2013 in respect of the investments made, loans provided and the Company has not provided any advances in nature of loan, guarantees or security to parties covered under section 186 of the Act.

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. 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.

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vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally been regular in depositing the undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Professional Tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion 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 previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) 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) In our opinion, and according to 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, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company did not have any joint ventures or associate companies during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

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(b) During the year, the Company has made a preferential allotment of shares in the nature of optionally convertible redeemable preference shares (OCRPS) and has also issued equity shares under right issue, in compliance with the requirements of Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised as described below:

(Rs in Lakhs)

Nature of securities viz. Equity share / Preference shares	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
Optionally Convertible Redeemable Preference Shares	Capital requirements of the business	15,000	-	-	Refer Note 15, 16 and 17 to the financial statements
Equity shares	Capital requirements of the business	927	-	-	Refer Note 15 to the financial statements
Equity shares	Capital requirements of the business	18,450	-	-	Refer Note 15 to the financial statements

The Company has not made private placement of shares or fully or partially or optionally convertible debentures during the year.

xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

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Annexure B to Independent Auditors' Report

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting standards 24' related party disclosure 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 internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has eight CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs.10,320 lakhs in the financial year and of Rs. 5,298 lakhs in the immediately preceding financial period.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

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xix. According to the information and explanations given to us and on the basis of the financial ratios (Refer Note 43 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

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

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

A. J. Shaikh
Partner
Membership Number 203637
UDIN: 24203637BKENLL9229

Bengaluru
May 21, 2024

Aditya Birla Digital Fashion Ventures Limited
CIN - U74999MH2022PLC380326
Balance Sheet as at March 31, 2024
(All amounts in INR Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	147	182
Right-of-use assets	4(a)	624	596
Goodwill	5	435	435
Other Intangible assets	5	1,148	1,279
Financial assets			
(i) Investment in subsidiaries	6(a)	47,976	23,993
(ii) Other financial assets	7	98	65
Deferred tax assets (net)	8	855	855
Non-current tax assets (net)		21	13
Total - Non-current assets		**51,304**	**27,418**
Current assets			
Inventories	9	531	211
Financial assets			
(i) Current Investments	6(b)	557	856
(ii) Loans	10	770	770
(iii) Trade receivables	11	280	992
(iv) Cash and cash equivalents	12	44	71
(v) Other financial assets	13	29	18
Other current assets	14	1,181	487
Total - Current assets		**3,392**	**3,405**
TOTAL - ASSETS		**54,696**	**30,823**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	50,000	31,550
Other equity	16	(14,228)	(4,498)
Total - Equity		**35,772**	**27,052**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	15,073	-
(-) Lease liabilities	4(b)	457	496
(ii) Other financial liabilities	18	11	35
Provisions	19	206	273
Total - Non-current liabilities		**15,747**	**804**
Current liabilities			
Financial liabilities			
(i) Borrowings	20	831	-
(ii) Lease liabilities	4(b)	210	113
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	21	40	63
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	734	1,114
(iv) Other financial liabilities	22	862	1,345
Provisions	23	229	40
Other current liabilities	24	271	292
Total - Current liabilities		**3,177**	**2,967**
Total - Liabilities		**18,924**	**3,771**
TOTAL - EQUITY AND LIABILITIES		**54,696**	**30,823**

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
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

A. J. SHAIKH
Partner
Membership No.: 203637

Place: Bengaluru
Date : May 21, 2024

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

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

Place: Bengaluru
Date : May 21, 2024

ASHISH DIKSHIT
(Director)
(DIN: 01842066)

Place: Chennai
Date : May 21, 2024

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

Place: Mumbai
Date : May 21, 2024

Aditya Birla Digital Fashion Ventures Limited
CIN - U74999MH2022PLC380326
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in INR Lakhs unless otherwise stated)

Particulars	Notes	Year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Revenue from operations	25	450	851
Other income	26	398	134
Total income		**848**	**985**
Expenses			
Purchase of stock-in-trade	27(a)	1,254	213
Changes in inventories of stock-in-trade	27(b)	(320)	388
Employee benefits expense	28	6,497	2,837
Finance costs	29	632	64
Depreciation and amortisation expense	30	390	170
Other expenses	31	3,126	2,777
Total expenses		**11,579**	**6,449**
(Loss) before tax		**(10,731)**	**(5,464)**
Income tax expense			
(a) Current tax	32	-	-
(b) Deferred tax (credit)/charge	32	-	(851)
Total tax expense		**-**	**(851)**
(Loss) for the year/period		**(10,731)**	**(4,613)**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
(a) Re-measurements of post employment benefit obligations	32	10	(18)
Income tax effect on above		-	5
Total other comprehensive income/(loss) for the year/period, net of tax		**10**	**(13)**
Total comprehensive (loss) for the year/period		**(10,721)**	**(4,626)**
Earnings per equity share [Nominal value of share INR 10]	33		
Basic (INR)		**(2.48)**	**(6.10)**
Diluted (INR)		**(2.48)**	**(6.10)**

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
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

A. J. SHAIKH
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(M.No.: A22220)

Place: Mumbai
Date : May 21, 2024

Aditya Birla Digital Fashion Ventures Limited
CIN - U74999MH2022PLC380326
Statement of Changes in Equity for the year ended March 31, 2024
(All amounts in INR Lakhs unless otherwise stated)

a. Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	INR	No. of shares	INR
Equity shares of INR 10 each issued				
Balance as at the beginning of the year/period	36,55,00,000	36,550	10,00,000	100
Equity shares under rights issue (Refer Note 15)	13,45,00,000	13,450	36,45,00,000	36,450
Balance as at the end of the year/period	50,00,00,000	50,000	36,55,00,000	36,550

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	INR	No. of shares	INR
Equity shares of INR 10 each subscribed and paid up				
Balance as at the beginning of the year/period	31,55,00,000	31,550	10,00,000	100
Equity shares under rights issue (Refer Note 15)	18,45,00,000	18,450	31,45,00,000	31,450
Balance as at the end of the year/period	50,00,00,000	50,000	31,55,00,000	31,550

b. Other equity

Particulars	Equity component of compound financial instrument	Reserves and Surplus		Other comprehensive income	Total other equity
		Retained earnings (Refer Note - 16)	Employee stock option outstanding (Refer Note - 16)	Re-measurements of post employment benefit obligations (Refer Note - 16)	
As at April 11, 2022		-	-	-	-
(Loss) for the period	-	(4,613)	-	-	(4,613)
Deemed dividend (Refer Note 36)	-	(34)	34	-	-
Recognition of share based payment expenses	-	-	129	-	129
Other comprehensive income/(loss) for the period	-	-	-	(14)	(14)
As at March 31, 2023	-	(4,647)	163	(14)	(4,498)
(Loss) for the year	-	(10,731)	-	-	(10,731)
Equity component of compound financial instrument (Refer Note 17)	443	-	-	-	443
Deemed dividend (Refer Note 36)	-	(130)	130	-	-
Recognition of share based payment expenses	-	-	548	-	548
Other comprehensive income/(loss) for the year	-	-	-	10	10
As at March 31, 2024	443	(15,508)	841	(4)	(14,228)

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
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

A. J. SHAIKH
Partner
Membership No.: 203637

Place: Bengaluru
Date : May 21, 2024

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

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Place: Bengaluru
Date : May 21, 2024

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

Place: Mumbai
Date : May 21, 2024

Aditya Birla Digital Fashion Ventures Limited
CIN - U74999MH2022PLC380326
Statement of Cash Flows for the year ended March 31, 2024
(All amounts in INR Lakhs unless otherwise stated)

Particulars	Notes	Year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Cash flows from operating activities			
(Loss) before tax		(10,731)	(5,464)
Adjustments for:			
Depreciation and amortisation expense	30	390	170
Interest income	26	(110)	(80)
Finance costs	29	632	64
Loss on disposal of property, plant and equipment	31	-	30
Net gain on financial assets designated as at fair value through profit or loss	26	(14)	(19)
Unwinding of discount on security deposits	26	(8)	
Allowances for bad and doubtful debts	31	44	-
Gain on modification of lease	26	(1)	-
Profit on sale of Property, plant and equipment	26	(3)	-
Share-based payment to employees	28	548	129
Net gain on sale of current investments	26	(223)	(35)
Operating (loss) before working capital changes		(9,476)	(5,205)
Changes in working capital:			
Decrease / (Increase) in trade receivables		668	(773)
(Increase) / Decrease in inventories		(320)	388
(Increase) in other assets		(728)	(497)
(Decrease) / Increase in trade payables		(404)	1,054
Increase in provisions		132	273
(Decrease) / Increase in other liabilities		(461)	1,316
Cash generated from operations		(1,113)	1,761
Income taxes paid (net of refund)		(8)	(8)
Net cash flows used in operating activities (A)		(10,597)	(3,452)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(22)	(185)
Consideration paid for acquisition of/ investment in subsidiaries/businesses, net of cash taken over		(23,983)	(25,001)
Purchase of current investments		(22,089)	(4,435)
Proceeds from sale/ maturity of current investments		22,625	3,633
Proceeds from sale of property, plant and equipment		8	-
Inter-corporate deposits to subsidiaries	10	(1,498)	(1,120)
Repayment of Inter-corporate deposits by subsidiaries	10	1,498	350
Interest received		99	57
Net cash flows used in investing activities (B)		(23,362)	(26,700)
Cash flows from financing activities			
Proceeds from issuance of equity share capital	15	18,450	31,550
Proceeds from non - current borrowings (net off charges)		15,000	-
Proceeds from current borrowings (net off charges)		831	-
(Repayments) of non-current borrowings (net)		-	(1,203)
(Repayment) of lease liabilities	4(b)	(229)	(105)
Interest paid		(120)	(19)
Net cash flows generated from financing activities (C)		33,932	30,223
Net increase in cash and cash equivalents(D = A+B+C)		(27)	71

Aditya Birla Digital Fashion Ventures Limited
CIN - U74999MH2022PLC380326
Statement of Cash Flows for the year ended March 31, 2024
(All amounts in INR Lakhs unless otherwise stated)

Particulars	Notes	Year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Cash and cash equivalents at the beginning of the year/period		71	-
Cash and cash equivalents at the end of the year/period	12	**44**	**71**
Components of Cash and cash equivalents			
Balances with banks - on current accounts	12	44	71
		44	**71**
Total Cash and cash equivalents		**44**	**71**

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
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

A. J. SHAIKH
Partner
Membership No.: 203637

Place: Bengaluru
Date : May 21, 2024

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

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

Place: Bengaluru
Date : May 21, 2024

ASHISH DIKSHIT
(Director)
(DIN: 01842066)

Place: Chennai
Date : May 21, 2024

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

Place: Mumbai
Date : May 21, 2024

1. Corporate information

Aditya Birla Digital Fashion Ventures Limited ("the Company"), a public Company domiciled company in India and was incorporated on April 11, 2022 ('date of incorporation') under the provisions of the Companies Act, 2013. The registered office of the Company is located at Piramal Agastya Corp Pak, Building A, 4th and 5th floor unit, 401, 403, 501, 503, LBS Road, Mumbai, Maharashtra 400070

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

The financial statements have been approved by the Board of Directors in their meeting held on **May 21, 2024.**

2. Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

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

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

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

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupee (Rs. / INR) which is the functional currency of the Company. All amounts are rounded to the nearest Lakhs, unless otherwise stated. Nil amount in the financial statements and notes to accounts represents amount less than INR 0.50 (Fifty Thousand Rupees).

2.3 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

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ADITYA BIRLA DIGITAL FASHION VENTURES LTD.

2.4 New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12 The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

2.5 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

The areas involving critical estimates or judgements are:

- estimated useful life of intangible asset – Refer Note 5
- determination of lease term and estimation of amount payable under residual value guarantees – Refer Note 4
- estimated goodwill impairment – Refer Note 5
- recognition of deferred tax assets for carried forward tax losses – Refer Note 8

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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Aditya Birla Digital Fashion Ventures Limited
CIN - U74999MH2022PLC380326
Notes to the Financial Statements for the year ended March 31, 2024
(All amounts in INR Lakhs unless otherwise stated)

NOTE: 3
PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment is stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis upto the month preceding the month of deletions/ disposals. Additions of the value below INR 0.05 are fully depreciated in the same month of addition. 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	Estimated useful life
Other office equipment	5 years

(b) Assets where useful life differ from Schedule II

Assets	Class of assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Management's estimated useful life
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office equipment	5 years	4 years
Vehicles	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	5 years

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

Leasehold assets:

Assets	Estimated useful life
Leasehold improvements other than stores	Period of lease or management's estimate of useful life, whichever is shorter

Particulars	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
[A] Cost						
As at April 11, 2022						
Additions	16	175	18	11	7	227
Additions pursuant to purchase of business undertaking (Refer Note 40)	1	1	7	1	1	11
Disposals*	-	30	-	-	-	30
As at March 31, 2023	17	146	25	12	8	208
Additions	-	6	5	11	-	22
Disposals	-	-	-	-	7	7
As at March 31, 2024	17	152	30	23	1	223
*Written off on account of loss due to floods						
[B] Accumulated depreciation and impairment losses						
As at April 11, 2022						
Depreciation for the period (Refer Note - 30)	2	15	5	2	2	26
Disposals	-	-	-	-	-	-
As at March 31, 2023	2	15	5	2	2	26
Depreciation for the year (Refer Note - 30)	4	38	5	4	2	53
Disposals	-	-	-	-	3	3
As at March 31, 2024	6	53	10	6	1	76
Net carrying value as at: [A-B]						
March 31, 2023	15	131	20	10	6	182
March 31, 2024	11	99	20	17	-	147

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NOTE: 4
RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting policy

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

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

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 lease commencement date to the end of the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. 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.

Lease liabilities

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

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortised cost using the effective interest method.
In addition, the carrying amount of lease liabilities is re-measured if there is a modification arising due to change in the lease term, change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero and there is a further reduction in measurement of the lease liability.

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

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ADITYA BIRLA DIGITAL FASHION VENTURES LTD.

Aditya Birla Digital Fashion Ventures Limited
CIN - U74999MH2022PLC380326
Notes to the Financial Statements for the year ended March 31, 2024
(All amounts in INR Lakhs unless otherwise stated)
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.

(a) Right-of-use assets

Buildings	**Amount**
[A] Cost	
As at April 11, 2022	
Additions to right-of-use assets	704
As at March 31, 2023	**704**
Additions to right-of-use assets	289
Derecognition of right of use assets*	(55)
As at March 31, 2024	**938**
[B] Accumulated Depreciation	
As at April 11, 2022	
Depreciation for the period	108
As at March 31, 2023	**108**
Depreciation for the year	206
As at March 31, 2024	**314**
Net carrying value as at: [A-B]	
March 31, 2023	**596**
March 31, 2024	**624**

(b) Lease liabilities

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Opening Balance	609	-
Additions	281	670
Interest expense on lease liabilities (Refer Note - 29 and 37)	62	44
Derecognition of lease liability *	(56)	-
Lease payments during the year	(229)	(105)
Closing balance	**667**	**609**
Current	**210**	**113**
Non-current	**457**	**496**

* Derecognition is on account of reduction in period of lease as a result of modification of agreement terms
For maturity analysis of lease liabilities, refer note - 37

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ADITYA BIRLA DIGITAL FASHION VENTURES LTD.

Aditya Birla Digital Fashion Ventures Limited
CIN - U74999MH2022PLC380326
Notes to the Financial Statements for the year ended March 31, 2024
(All amounts in INR Lakhs unless otherwise stated)

NOTE: 5
GOODWILL AND OTHER INTANGIBLE ASSETS

Accounting policy

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

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

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

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

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

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

Particulars	Brands and Trademarks	Goodwill	Total
Cost			
As at April 11, 2022			
Additions pursuant to purchase of business undertaking (Refer Note 40)	1,315	435	**1,750**
Disposals	-	-	-
As at March 31, 2023	**1,315**	**435**	**1,750**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2024	**1,315**	**435**	**1,750**
Amortisation			
As at April 11, 2022			
Amortisation for the period (Refer Note - 30)	36	-	**36**
Disposals	-	-	-
As at March 31, 2023	**36**	**-**	**36**
Amortisation for the year (Refer Note - 30)	131	-	**131**
Disposals	-	-	-
As at March 31, 2024	**167**	**-**	**167**
Net carrying value as at: [A-B]			
March 31, 2023	**1,279**	**435**	**1,714**
March 31, 2024	**1,148**	**435**	**1,583**

Note: The Company has conducted an annual impairment assessment on the carrying value of goodwill. Based on the said assessment, no impairment has been identified.

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ADITYA BIRLA DIGITAL FASHION VENTURES LTD.

(All amounts in INR Lakhs unless otherwise stated)

NOTE: 6
INVESTMENTS

Accounting policy

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

If the Company decides to classify an equity instrument as at Fair Value Through Other Comprehensive Income ('FVTOCI'), then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Investments in subsidiaries: (Carried at cost)		
Unquoted equity instruments		
300,280 (March 31, 2023: 261,613) fully paid equity shares of INR 10/- each of Pratyaya E-Commerce Private Limited	822	570
7,033 (March 31, 2023 : 5,500) fully paid equity shares of INR 10/- each of Imperial Online Services Private Limited	2,288	1,788
5,948 (March 31, 2023. 5,500) fully paid equity shares of INR 10/- each of Awesomefab Shopping Private Limited	2,217	2,053
66,328 (March 31, 2023: 57,837) fully paid equity shares of INR 10/- each of Bewakoof Brands Private Limited	27,266	19,582
Preference shares		
409,483 (March 31, 2023: Nil) fully paid 9.45 % compulsory convertible preference shares of INR 1/- each of Pratyaya E-Commerce Private Limited	950	-
490 (March 31, 2023. Nil) fully paid 0.1 % compulsory convertible preference shares of INR 1/- each of Bewakoof Brands Private Limited	433	-
Total	47,976	23,993
(b) Current Investments (Carried at fair value through profit and loss (FVTPL))		
Quoted investments		
Aditya Birla Sun Life Overnight Fund - Growth- Regular Plan March 31, 2024: Nil units; (March 31, 2023: 70,986 units)	-	856
Aditya Birla Sun Life Liquid Fund - Growth March 31, 2024: 1,44,505 units; (March 31, 2023: Nil units)	557	-
Total	557	856

Particulars	As at March 31, 2024	As at March 31, 2023
Aggregate book value of unquoted investments	47,976	23,993
Aggregate book value of quoted investments	557	856
Aggregate market value of quoted investments	557	856

Notes:

1. On June 23, 2022, the Board of Directors had approved the acquisition of 66.26% stake in Pratyaya E-Commerce Private Limited ('Pratyaya') by entering into a Share purchase agreement. On July 22, 2022, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Pratyaya is considered as a subsidiary of the Company. During the current year the Company has invested additional INR 252 in equity shares of Pratyaya. The Company has also invested INR 950 in 9.45% Compulsorily Convertible preference shares of Pratyaya.

2. On July 04, 2022, the Board of Directors had approved the acquisition of 55% stake in Awesomefab Shopping Private Limited ('Awesomefab') by entering into a Share purchase agreement. On August 24, 2022, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Awesome Fab is considered as a subsidiary of the Company. During the current year the Company had given an Inter Corporate Deposit ('ICD') of INR 165, the same has been converted to equity shares of Awesomefab during the year.

3. On July 04, 2022, the Board of Directors had approved the acquisition of 55% stake in Imperial Online Services Private Limited ('Imperial') by entering into a Share purchase agreement. On August 12, 2022, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Imperial is considered as a subsidiary of the Company. During the current year the Company had given an ICD of INR 500, the same has been converted to equity shares of Imperial.

4. On December 23, 2022, the Board of Directors had approved the acquisition of 81.75% stake in Bewakoof Brands Private Limited ('Bewakoof') by entering into a Share purchase agreement. On February 15, 2023, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Bewakoof is considered as a subsidiary of the Company. On March 30, 2023, the Company further acquired 3.42% stake in Bewakoof, by conversion of loan into equity, pursuant to clause 3.1 of the loan agreement dated March 22, 2023, for a total consideration of INR 8,675. During the current year the Company has invested additional INR 7,683 in Bewakoof equity shares. The Company has also invested INR 950 in 0.1% Cumulative Compulsorily Convertible preference shares of Bewakoof.

5. Based on the approval by shareholders on September 5, 2023, the Company had made primary infusion in Styleverse Lifestyle Private Limited ('SLPL') to control 50.98 % stake by subscribing 10,405 shares issued by SLPL. On October 30, 2023, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, SLPL is considered as a subsidiary of the Company.

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ADITYA BIRLA

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Notes to the Financial Statements for the year ended March 31, 2024
(All amounts in INR Lakhs unless otherwise stated)

NOTE: 7
NON-CURRENT FINANCIAL ASSETS - OTHERS

Unsecured, considered good	As at March 31, 2024	As at March 31, 2023
Security deposits	98	65
Total	**98**	**65**

NOTE: 8
DEFERRED TAX ASSETS (NET)

Reflected in the Balance Sheet as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets*	855	855
Total	**855**	**855**

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

Particulars	Balance Sheet	Balance Sheet	Statement of Profit and Loss
	As at March 31, 2024	As at March 31, 2023	Year ended March 31, 2024
Difference between carrying amount of property, plant and equipment	(33)	(33)	-
Deferred tax pursuant to business combination	-	-	-
Provision for gratuity	-	-	-
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	139	139	-
Impact of Ind AS 116			
ROU assets and lease liabilities	38	38	-
Loss as per income tax computations available for offsetting against future taxable income	711	711	-
Others	-	-	-
Net deferred tax assets	**855**	**855**	**-**

Reconciliation of deferred tax assets :

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax credit/ (charge) recognised in profit and loss during the year/period (Refer Note - 32)	-	851
Deferred tax credit/ (charge) recognised in OCI during the year/period (Refer Note - 32)	-	4
Total	**-**	**855**

*The Company has recognised deferred tax asset arising from unused tax losses only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the entity.

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NOTE: 9
INVENTORIES

Accounting policy
Traded goods are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average cost basis.

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

Particulars	As at March 31, 2024	As at March 31, 2023
At lower of cost and net realisable value		
Stock-in-trade (includes Goods-in-transit March 31, 2024: INR 8 , March 31, 2023: INR 99)	531	211
Total	531	211

NOTE: 10
CURRENT FINANCIAL ASSETS - LOANS

Loan to related party (Refer Note - 39)	770	770
Total	770	770
Break-up of security details		
Loans considered good – secured	-	-
Loans considered good – unsecured	770	770
Loans which have significant increase in credit risk	-	-
Loans – credit impaired	-	-
Total	770	770
Loss allowance	-	-
Total loans	770	770

Disclosure under Section 186 of the Companies Act, 2013:

Details of deposits given to Subsidiaries:

Name of Companies	Interest rates	Repayment/ conversion terms	As at April 1, 2023	Given during the year	Repaid during the year	Converted to equity/preference share	As at March 31, 2024
Pratyaya E Commerce Private Limited	SBI 6M MCLR + 1%	30 Nov 2024 or such other date as agreed by Lender	770	-	-	-	770
Pratyaya E-Commerce Private Limited	9.40%	On demand	-	200	(200)	-	-
Awesomefab India Private Limited	9.40%	Compulsorily convertible within 3 months	-	165	-	(165)	-
Awesomefab India Private Limited	SBI 6M MCLR + 1%	On demand	-	200	(200)	-	-
Imperial Online Services Private Limited	9.40%	3 months	-	500	-	(500)	-
Bewakoof Brands Private Limited	9.40%	3 months	-	433	-	(433)	-

Name of Companies	Interest rates	Repayment terms	As at April 11, 2022	Given during the period	Repaid during the period	Converted to equity/preference	As at March 31, 2023
Pratyaya E-Commerce Private Limited	SBI 6M MCLR + 1%	On demand	-	770	-	-	770
Awesomefab India Private Limited	SBI 6M MCLR + 1%	On demand	-	350	(350)	-	-
Bewakoof Brands Private Limited	7.50%	6 months	-	8,675	(8,675)	-	-

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

NOTE: 11
TRADE RECEIVABLES

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

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables from others	324	992
	324	992
Less: Loss Allowances	(44)	-
Total	280	992
Trade receivables		
Unsecured, considered good	280	992
Unsecured, considered doubtful	44	-
	324	992

Ageing of Trade Receivables:

Particulars	Outstanding as on March 31,2024 (for following periods from due date of payment)						
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	153	90	-	37	-	-	280
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	44	-	-	44
(iii) Undisputed - Credit Impaired							-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:		-	-	-	-	-	-
Disputed	-	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-	-
(ix) Provision on Trade Receivables assessed on individual basis	-	-	-	(44)	-	-	(44)
(x) Expected credit loss	-	-	-	-	-	-	-
Total	153	90	-	37	-	-	280

Ageing of Trade Receivables:

Particulars	Outstanding as on March 31,2023 (for following periods from due date of payment)						
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	682	310	-	-	-	-	992
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired							-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:		-	-	-	-	-	-
Disputed	-	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-	-
(ix) Provision on Trade Receivables assessed on individual basis	-	-	-	-	-	-	-
(x) Expected credit loss	-	-	-	-	-	-	-
Total	682	310	-	-	-	-	992

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

Reconciliation of loss allowance provision of trade receivables

Particulars	Amount
Loss allowance on 01 April 2023	-
Increase/(decrease) in loss allowance recognised in the statement of profit or loss during the year	44
Receivables written off during the year as Unused amount reversed	-
Loss allowance on 31 March 2024	44

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NOTE: 12
CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
Current accounts	44	71
Total	44	71

Details of non-cash transactions from investing activities and changes in liabilities arising from financing activities:

As at March 31, 2024

Paricualars	As at April 1, 2023	Adjustments	Cash flows (net)	Non-cash changes: Fair value adjustments	Non-cash changes: Others	As at March 31, 2024
Investing activities						
Purchase of current investments	857	-	22,089	14	223	23,183
Proceeds from sale/ maturity of current investments	-	-	(22,625)	-	-	(22,625)
Total	857	-	(536)	14	223	558
Financing activities						
Lease liabilities	609	-	(229)	-	287	667
Borrowings	-	-	15,831	(443)	516	15,904
Total	609	-	15,602	(443)	803	16,571

As at March 31, 2023

Paricualars	As at April 11, 2022	Adjustments	Cash flows (net)	Non-cash changes: Fair value adjustments	Non-cash changes: Others	As at March 31, 2023
Investing activities						
Purchase of current investments	-	-	4,435	19	35	4,490
Proceeds from sale/ maturity of current investments	-	-	(3,633)	-	-	(3,633)
Total	-	-	802	19	35	857
Financing activities						
Lease liabilities	-		(105)	-	714	609
Total	-	-	(105)	-	714	609

NOTE: 13
CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued on deposits (Refer Note - 39)	7	18
Other receivables*	22	-
Total	29	18

* Includes INR 12 (March 31, 2023 : Nil) receivable from subsidaries (Refer Note - 39)

NOTE: 14
OTHER CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with government authorities (other than income tax)	1,005	454
Right to return assets	41	-
Advance to suppliers	93	19
Prepayments	42	12
Advances to employees	-	1
Total	1,181	486

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NOTE: 15
EQUITY SHARE CAPITAL

Authorised share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each				
As at the beginning of the year/period	1,00,00,00,000	1,00,000	10,00,000	100
Add : Increase during the year/period	-	-	99,90,00,000	99,900
As at the end of the year/period	1,00,00,00,000	1,00,000	1,00,00,00,000	1,00,000
Optionally Convertible Redeemable Preference Shares ('OCRPS') of INR 10 each				
As at the beginning of the year/period	-	-	-	-
Add : Increase during the year/period	25,00,00,000	25,000	-	-
As at the end of the year/period	25,00,00,000	25,000	-	-
Issued equity share capital				
Equity shares of INR 10 each				
As at the beginning of the year/period	36,55,00,000	36,550	10,00,000	100
Add : Equity shares under Rights Issue	13,45,00,000	13,450	36,45,00,000	36,450
As at the end of the year/period	50,00,00,000	50,000	36,55,00,000	36,550
Subscribed and paid-up equity share capital				
Equity shares of INR 10 each				
As at the beginning of the year/period	31,55,00,000	31,550	10,00,000	100
Add : Equity shares under Rights Issue	18,45,00,000	18,450	31,45,00,000	31,450
As at the end of the year/period	50,00,00,000	50,000	31,55,00,000	31,550

(i) Shares held by Promoters :

Particulars	Shares held by Promoters as at March 31, 2024		Shares held by Promoters as at March 31, 2023		% Change during the year
Promoter name	No. of Shares	% of total shares	No. of Shares	% of total shares	
Aditya Birla Fashion and Retail Limited					
Equity shares	49,99,99,994	99.99%	31,54,99,994	99.99%	NA
OCRPS (Refer Note 17)	25,00,00,000	100.00%	-	-	100.00%

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

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company. The distribution will be in proportion to the number of the equity shares held by the shareholders. Also refer note 17.

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(iii) Issue of Right Shares

Rights Issue - 2022-23 :

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

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

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

Rights issue 2023-24

Approval : Board approved fund raising by way of a Rights Issue on following dates, at a price of INR 10 per Rights Equity Share aggregating to INR 18,450, in the ratio of 1 rights equity share for every 1 existing fully-paid share held by the eligible equity shareholders as on the following dates:

(i) April 27, 2023	5,00,00,000 shares
(ii) August 10, 2023	3,50,00,000 shares
(iii) October 12, 2023	9,95,00,000 shares

The rights issue has been utilised for the purpose for which it has been obtained, except to the tune of Nil (March 31, 2023 : INR 927) which will be utilised in the subsequent financial year.

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023		% Change during the period
	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital	
Aditya Birla Fashion and Retail Limited					
Equity shares	49,99,99,994	99.99%	31,54,99,994	99.99%	NA
OCRPS (Refer Note 17)	25,00,00,000	100.00%	-	NA	NA

(v) Details of shares held by holding company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	Amount	No. of shares held	Amount
Aditya Birla Fashion and Retail Limited				
Equity shares of INR 10 each	49,99,99,994	50,000	31,54,99,994	31,550
OCRPS of INR 10 each, INR 6 each paid up	25,00,00,000	15,000	-	-

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

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

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

(viii) There were no bonus shares issued during the year and previous period.

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NOTE: 16
OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
Equity component of compound financial instrument		
As at the beginning of the year/period	-	-
Addition for the year/period	443	-
As at the end of the year/period	443	-
Reserves and surplus		
Retained earnings		
As at the beginning of the year/period	(4,647)	-
(Loss) for the year/period	(10,731)	(4,613)
Deemed dividend (Refer Note - 36)	(130)	(34)
As at the end of the year/period	(15,508)	(4,647)
Share options outstanding account		
As at the beginning of the year/period	163	-
Recognition of Share based payment	548	129
Deemed dividend (Refer Note - 36)	130	34
As at the end of the year/period	841	163
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans		
As at the beginning of the year/period	(14)	-
Gains/ (losses) during the year/period	10	(14)
As at the end of the year/period	(4)	(14)
Total	(14,228)	(4,498)

Other equity

	As at March 31, 2024	As at March 31, 2023
Equity component of compound financial instrument	443	-
Reserves and surplus		
Retained earnings	(15,508)	(4,647)
Share options outstanding account	841	163
Remeasurement gains/ (losses) on defined benefit plans	(4)	(14)
Total	(14,228)	(4,498)

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

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

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

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

4. Equity component of compound financial instrument
Equity component of compound financial instrument represents the difference between the OCRPS face value and the present value of payment / conversion to be made towards the OCRPS on the trigger date.

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NOTE: 17
NON-CURRENT BORROWINGS

Particulars	As at March 31, 2024	As at March 31, 2023
Preference shares*		
7% Optionally Convertible Redeemable Preference Shares (OCRPS) #	15,073	-
Total	15,073	-

* The Company has issued 250,000,000 7% OCRPS with face value of INR 10 each, INR 6 each paid up to Aditya Birla Fashion and Retail Limited. (i) These OCRPS are redeemable at the end of 3 years from effective date or fund raising event at an agreed conversion ratio on the date of redemption. (ii) dividend at 7% per annum on the outstanding amount is payable on a cumulative basis. (iii) for the working capital requirements of the Company.
# Includes dividend accumulated of INR 517 (March 31, 2023: Nil).

NOTE: 18
NON-CURRENT OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposit from franchisees	11	35
Total	11	35

NOTE: 19
NON-CURRENT PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation		
Provision for gratuity (Refer Note - 35)	206	154
Provision for compensated absences	-	119
Total	206	273

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NOTE: 20
BORROWINGS

Particulars	As at March 31, 2024	As at March 31, 2023
Bank overdraft*	831	-
Total	831	-
Aggregate secured borrowing	831	-
Aggregate unsecured borrowing	-	-

*The Company has obtained a fund based facility for overdraft ('OD'), line of credit for short term loans (sub limit of OD), working capital demand loan (sub limit of OD) and non-fund based facility for letter of credit (sub limit of OD) from ICICI Bank Limited with a limit of INR 1,200 (March 31, 2023: Nil). Interest would be charged on the OD amount at I-MCLR-6M and it is currently at the rate of 9.00%. The loan has been secured through exclusive charge on current assets of the Company including inventory, finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable, other current assets etc., both present and future.

NOTE: 21
TRADE PAYABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	40	63
Total outstanding dues of creditors other than micro enterprises and small enterprises #	734	1,114
Total	774	1,177

Includes payables to related party (Refer Note - 39).

Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

Particulars	As at March 31, 2024	As at March 31, 2023
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period:		
Principal amount due to Micro and Small Enterprises	37	62
Interest due on the above	3	-
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting period	3	1
e. The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

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Ageing of Trade Payables:

Particulars	Outstanding as on March 31,2024 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed MSME	33	7	-	-	-	40
(ii) Undisputed others	716	15	3	-	-	734
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	749	22	3	-	-	774

Ageing of Trade Payables:

Particulars	Outstanding as on March 31, 2023 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed MSME	27	36	-	-	-	63
(ii) Undisputed others	530	584	-	-	-	1,114
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	557	621	-	-	-	1,177

NOTE: 22
CURRENT FINANCIAL LIABILITIES - OTHERS

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	6	72
Creditors for capital supplies	-	42
Employee benefits payable	856	471
Deferred consideration	-	760
Total	862	1,345

NOTE: 23
CURRENT PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation		
Provision for compensated absences	215	26
Provision for gratuity (Refer Note - 35)	14	14
Total	229	40

NOTE: 24
OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Advances received from customers	10	15
Statutory dues	240	277
Refund liabilities	21	-
Total	271	292

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NOTE: 25
REVENUE FROM OPERATIONS

Accounting policy

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 and there are no unfulfilled obligations that affect the customers' acceptance of the products. Control of the products are considered to be transferred at a point in time when goods have been despatched or delivered, as per the terms agreed with the customer. Revenue is recognised at the transaction price which the Company expects to be entitled. The Company does not adjust any of the transaction prices for the time value of money as contracts with the customers do not contain a significant financing component, since the sales are generally made with a credit period of 21 to 90 days, which is consistent with the market practice.

Particulars	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Revenue from sale of products		
Sale of products	450	851
Total	**450**	**851**
(a) Contract balances:		
Contract assets		
Trade receivables	280	992
Contract liabilities		
Advance received from customers	10	15
Refund liability	21	-
	31	**15**
(b) Reconciliation of revenue as recognised in the Statement of Profit and Loss with the contracted price:		
Revenue as per contracted price	1,732	1,020
Less:		
Sales return	728	-
Discount	554	169
Revenue as per the Statement of Profit and Loss	**450**	**851**

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

NOTE: 26
OTHER INCOME

Net gain on sale of current investments	223	35
Interest income on deposits to related parties (Refer Note 39)	110	76
Fair value gain on financial instruments at FVTPL	14	19
Unwinding of discount on security deposits	8	4
Profit on sale of property, plant and equipment	3	-
Gain on modification of lease	1	-
Miscellaneous income	39	-
Total	**398**	**134**

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NOTE: 27
COST OF MATERIAL CONSUMED

Particulars	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
(a) Purchase of stock-in-trade	1,254	213
Total	**1,254**	**213**
(b) Changes in inventories of stock-in-trade		
Opening inventory*		
Stock-in-trade	211	599
	211	599
Less:		
Closing inventories		
Stock-in-trade	531	211
	531	211
Decrease in inventories	**(320)**	**388**

*Inventories of previous period was acquired as part of purchase of business undertaking (Refer Note 40)

NOTE: 28
EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus	5,637	2,581
Contribution to provident and other funds	100	43
Share-based payment to employees (Refer Note - 36)	548	129
Gratuity expense (Refer Note - 35)	73	35
Staff welfare expenses	139	49
Total	**6,497**	**2,837**

NOTE: 29
FINANCE COSTS

Interest expense		
on borrowings	53	20
on lease liabilities (Refer Note - 4(b) & 37)	62	44
on OCRPS	517	-
Total	**632**	**64**

NOTE: 30
DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on property, plant and equipment (Refer Note - 3)	53	26
Depreciation on right-of-use assets (Refer Note - 4(a) and 37)	206	108
Amortisation on intangible assets (Refer Note - 5)	131	36
Total	**390**	**170**

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NOTE: 31
OTHER EXPENSES

Particulars	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Electricity charges	25	17
Rent (Refer Note - 37)	58	1
Repairs and maintenance		
Buildings	19	24
Others	13	7
Rates and taxes	9	13
Advertisement and sales promotion	401	60
Transportation and handling charges	10	-
Legal and professional expenses	1,805	1,871
Printing and stationery	6	2
Travelling and conveyance	159	87
Allowances for bad and doubtful debts	44	-
Communication expenses	17	4
Payment to auditors (Refer details below)	9	9
Information technology expenses	291	54
Outsourcing, housekeeping and security expenses	178	23
Share issue expenses	-	298
Recruitment expenses	76	272
Loss on sale / discard of property, plant and equipment	-	30
Miscellaneous expenses	6	5
Total	**3,126**	**2,777**

Payment to auditors:

Particulars	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
For audit fees	8	8
For reimbursement of expenses	1	1
Total	**9**	**9**

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NOTE: 32
INCOME TAX EXPENSE
The major components of income tax (income)/ expense are:

Statement of Profit and Loss:
Profit or loss section

		For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Current income tax			
Current income tax charge		-	-
	(A)	-	-
Deferred tax			
Relating to origination and reversal of temporary differences		-	(855)
	(B)	-	(855)
Total	(A+B)	-	(855)

OCI section
Deferred tax related to items recognised in OCI during the year/period

	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Net (gains)/ losses on re-measurement of defined benefit plans	10	(18)
Net (gain)/loss on revaluation of cash flow hedges	-	-
Unrealised (gain)/loss on FVTOCI debt securities	-	-
Total	10	(18)

NOTE: 33
EARNINGS PER SHARE (EPS)

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

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. There are no potential equity shares outstanding during the period.

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

		For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Earnings Per Share (EPS) is calculated as under:			
Profit / (Loss) as per the Statement of Profit and Loss		(10,721)	(4,626)
Profit / (Loss) for calculation of EPS	(A)	(10,721)	(4,626)
Weighted average number of equity shares for calculation of Basic EPS	(B)	43,14,97,260	7,57,83,562
Basic EPS (INR)	(A/B)	(2.48)	(6.10)
Weighted average number of equity shares outstanding*		43,14,97,260	7,57,83,562
Weighted average number of equity shares for calculation of Diluted EPS		43,14,97,260	7,57,83,562
Diluted EPS (INR)	(C)	(2.48)	(6.10)
Nominal value of shares (INR)		10.00	10.00

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

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NOTE - 34

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next ten years and have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Company.

(b) Taxes

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

As at March 31, 2024, the Company has INR 15,043 (March 31, 2023 : INR 4,602) of tax losses carried forward as per income tax records of the Company. These losses pertain to unabsorbed business loss as at March 31, 2024 of INR 14,959 (March 31, 2023 : INR 4,443) which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2024 of INR 499 (March 31, 2023 of INR 159) which do not have any expiry period.

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

(d) Useful life of intangible assets

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

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NOTE - 35
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

Unfunded defined benefit plan

Net benefit expense recognised through the Statement of Profit and Loss

	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Current service cost	60	29
Interest cost on defined benefit obligation	13	6
Total	**73**	**35**

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

	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Opening defined benefit obligation	169	-
Current service cost	60	29
Interest cost on defined benefit obligation	13	6
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	4	(7)
Experience adjustments	(14)	25
Actuarial (gain)/ loss recognised in OCI	**(10)**	**18**
Benefits paid	-	-
Liabilities assumed/ (settled)	(12)	-
Transfer in	-	115
Closing defined benefit obligation	**220**	**169**

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

A quantitative sensitivity analysis for significant assumptions is as follows:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	9	-9	7	-6
(% change compared to base due to sensitivity)	4.20%	-3.90%	4.20%	-3.90%
Salary growth rate (-/+ 5%)	-9	9	-6	7
(% change compared to base due to sensitivity)	-3.90%	4.10%	-3.90%	4.10%
Attrition Rate (- / + 50% of attrition rates)	54	-32	32	-18
(% change compared to base due to sensitivity)	24.5%	-14.20%	19.0%	-10.70%

There has been no change from the previous period in the method and assumptions used in preparing the sensitivity analysis

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

	31-Mar-24	31-Mar-23
Within the next 12 months (next annual reporting period)	14	14
Between 2 and 5 years	70	56
Between 6 and 10 years	198	79
Beyond 10 years	152	174

The weighted average duration (based on discounted cashflows) of the defined benefit plan obligation at the end of the reporting period is 8 years (March 31, 2023 : 8 years).

Net liability is classified as follows:		
Current (Refer Note 23)	14	14
Non-current (Refer Note 19)	206	154
Net liability	**220**	**169**

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

Particulars	31-Mar-24	31-Mar-23
Discount rate (per annum)	7.45%	7.20%
Salary growth rate (per annum)	8.00%	8.00%

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

Particulars	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Normal retirement age	60 Years	60 Years
Up to 30 years	18.00%	18.00%
31 - 40 years	15.00%	15.00%
Above 40 years	10.00%	10.00%

LEAVE OBLIGATIONS

The leave obligations cover the Company's liability for earned leave and sick leave which are classified as other long-term benefits.

The entire amount of the provision of INR 215 is presented as current, since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Particulars	31-Mar-24
Leave obligations not expected to be settled within the next 12 months	215

DEFINED CONTRIBUTION PLANS

Amount recognsied as an expense and included in Note 28 as "Contribution to provident and other funds"

Particulars	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Contribution to Government Provident Fund	57	33
Contribution to Employee Pension Scheme (EPS)	19	10
Contribution to National Pension Scheme (NPS)	24	-
Total	100	43

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NOTE - 36
SHARE-BASED PAYMENT

Accounting policy

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

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

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

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

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

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

i) Details of the grants under the Scheme 2022

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of Options/ RSUs	2,11,30,606	3,21,497	37,20,017	29,000
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	Type 1, Type 2 & Type 4 : Graded vesting Type 3: Bullet vesting	Graded Vesting	Type 1, Type 2 & Type 4 : Graded vesting Type 3: Bullet vesting	Graded Vesting
Exercise period	10 years from the date of grant	10 years from the date of grant	10 years from the date of grant	10 years from the date of grant
Grant date	30 December 2022	27 April 2023	31 October 2023	30 January 2024
Grant/ exercise price (INR per share)	10	10	10	10
Market price on the date of granting of Options/ RSUs (INR per share)	9.92	10.06	10.06	9.48
Method of settlement	Equity	Equity	Equity	Equity

ii) Vesting conditions:

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

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iii) Movement of Options granted

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

	As at March 31, 2024	As at March 31, 2023
	No. of Options	No. of Options
Tranche 1		
Outstanding at the beginning of the financial year	2,11,30,606	-
Granted during the financial year/period	-	2,11,30,606
Exercised during the financial year/period*	-	-
Lapsed during the financial year/period	-	-
Outstanding at the end of the financial year/period	2,11,30,606	2,11,30,606
Unvested at the end of the financial year/period	1,84,70,909	2,11,30,606
Exercisable at the end of the financial year/period	26,59,697	-
Tranche 2		
Outstanding at the beginning of the financial year/period	-	-
Granted during the financial year/period	3,21,497	-
Exercised during the financial year/period*	-	-
Lapsed during the financial year/period	-	-
Outstanding at the end of the financial year/period	3,21,497	-
Unvested at the end of the financial year/period	3,21,497	-
Exercisable at the end of the financial year/period	-	-
Tranche 3		
Outstanding at the beginning of the financial year	-	-
Granted during the financial year/period	37,20,017	-
Exercised during the financial year/period*	-	-
Lapsed during the financial year/period	(13,106)	-
Outstanding at the end of the financial year/period	37,06,911	-
Unvested at the end of the financial year/period	37,06,911	-
Exercisable at the end of the financial year/period	-	-
Tranche 4		
Outstanding at the beginning of the financial year	-	-
Granted during the financial year/period	29,000	-
Exercised during the financial year/period*	-	-
Lapsed during the financial year/period	(3,500)	-
Outstanding at the end of the financial year/period	25,500	-
Unvested at the end of the financial year/period	25,500	-
Exercisable at the end of the financial year/period	-	-

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

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

	Options	Options	Options	Options
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	35.16% to 35.43%	37.31%	36.55%	41.07%
Risk-free interest rate (%)	7.33% to 7.40%	7.10%	7.51%	7.30%
Weighted average fair value per Option (INR)	6.13	6.33	6.39	4.95
Model used	Binomial Method	Binomial Method	Binomial Method	Binomial Method

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ADITYA BIRLA DIGITAL FASHION VENTURES LTD

(All amounts in INR Lakhs unless otherwise stated)

NOTE - 37
COMMITMENTS AND CONTINGENCIES

a) Leases

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

Expenses/ Income recognised in the Statement of Profit and Loss

	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Rent		
Expense relating to short-term leases (Refer Note - 31)	29	1
Expense relating to leases of low value assets (Refer Note - 31)	29	-
Finance cost		
Interest expense on lease liabilities (Refer Note -29)	62	44
Depreciation		
Depreciation on right-of-use assets (Refer Note - 30)	206	108

Contractual maturities of lease liabilities
The below table provides details regarding the contractual maturities of lease liabilities on

	As at March 31, 2024	As at March 31, 2023
Within one year	296	162
After one period but not more than five years	538	572
More than five years	-	-
Total	834	734

Total cash outflow for leases for the year ended March 31, 2024 is INR 287 (March 31, 2023 : INR 106) (includes payments for short term leases).

b) Capital commitments

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	55

NOTE - 38
CONTINGENT LIABILITIES

The Company does not have any contingent liabilities as on March 31, 2024 and March 31, 2023

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ADITYA BIRLA DIGITAL FASHION VENTURES LTD.

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Notes to the Financial Statements for the year ended March 31, 2024
(All amounts in INR Lakhs unless otherwise stated)

NOTE - 39
RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:

Name of related parties

Holding Company
Aditya Birla Fashion and Retail Limited

Subsidiaries
Pratyaya E-Commerce Private Limited (with effect from July 22, 2022)
Awesomefab Shopping Private Limited (with effect from August 24, 2022)
Imperial Online Services Private Limited (with effect from August 12, 2022)
Bewakoof Brands Private Limited (with effect from February 15, 2023)
Next Tree Products Private Limited (with effect from February 15, 2023)*
Styleverse Lifestyle Private Limited (with effect from October 30, 2023)

Key Management Personnel ("KMP")
Mr. Prashanth Aluru - Chief Executive Officer and Director (with effect from October 28, 2022)
Mr. Jagdish Bajaj - Director (with effect from April 11, 2022)*
Mr. Pawan Kesarwani - Chief Financial Officer (effective till 4 April 2024)
Ms. Ashish Dikshit - Director (with effect from April 11, 2022)*
Ms. Yoshita Vora - Company Secretary (with effect from December 30, 2022)*
Mr. Aryaman Vikram Birla - Director (with effect from January 10, 2023)*
Mrs. Sangeeta Pendurkar - Director (with effect from March 27, 2023)*

* No transactions noted in the current year
The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

	For the year ended March 31, 2024		
	Holding Company	**Subsidiaries**	**KMP**
Reimbursement for employee benefit expenses	(10)	-	-
Reimbursement for legal and professional fees	400	-	-
Reimbursement for other expenses	18	-	-
Issue of share capital	18,450	-	-
Issue of OCRPS	15,000	-	-
Interest expense on OCRPS	517	-	-
Investment made in subsidiaries	-	23,983	-
Interest income	-	110	-
Inter corporate deposits given	-	1,498	-
Inter corporate deposits repaid/converted into equity	-	(1,498)	-
Purchase of stock in trade	-	7	-
Expense cross charge	-	68	-
ESOP TDS	13	-	-
Insurance liability	(29)	-	-
Purchase of property, plant and equipment	(2)	-	-
Employee Liability transfer	1	-	-
Remuneration paid to KMP#	-	-	1,038

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(All amounts in INR Lakhs unless otherwise stated)

	Period from April 11, 2022 to March 31, 2023		
	Holding Company	**Subsidiaries**	**KMP**
Reimbursement for employee benefit expenses	734	-	-
Reimbursement for recruitment expenses	146	-	-
Reimbursement for legal and professional fees	320	-	-
Reimbursement for other expenses	174	-	-
Issue of share capital	31,550	-	-
Investment made in subsidiaries	-	23,993	-
Interest income	-	76	-
Inter corporate deposits given	-	9,795	-
Inter corporate deposits repaid/converted into equity	-	(9,025)	-
Purchase of property, plant and equipment	114	-	-
Purchase of stock in trade	3	-	-
Remuneration paid to KMP#	-	-	615

The Company has obtained a special resolution from shareholders for managerial remuneration aggregating to INR 831 (March 31, 2023: INR 187) paid to the whole time director.

Balances outstanding

	As at March 31, 2024		
	Holding Company	**Subsidiaries**	**KMP**
Amounts owed to related parties	38	-	-
Interest accrued on OCRPS	517	-	-
OCRPS	14,556	-	-
Inter corporate deposits receivable	-	770	-
Interest receivable on inter corporate deposits	-	7	-
Other receivables from subsidaries	-	12	-

	As at March 31, 2023		
	Holding Company	**Subsidiaries**	**KMP**
Amounts owed to related parties	18	-	-
Inter corporate deposits receivable	-	770	-
Interest receivable on inter corporate deposits	-	18	-

Terms and conditions of transactions with related parties

Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. Deposits to wholly-owned subsidiaries are unsecured, interest bearing and settlement occurs in cash. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

Compensation of KMP of the Company

	For the year ended March 31, 2024	Period from April 11, 2022 to March 31, 2023
Short-term employee benefits	705	511
Post-employment benefits	51	35
Employee share based payment	282	69
Total	**1,038**	**615**

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

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NOTE - 40
BUSINESS COMBINATION

Acquisitions during the period ended March 31, 2023

Business acquisition of Nauti Nati

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

	Fair value recognised on acquisition	
	Amount	**Amount**
Property, plant and equipment	11	
Non-current tax assets (net)	5	
Inventories	599	
Current investments	5	
Trade receivables	219	
Cash and bank balance	17	
Other assets	85	
Total Assets	**941**	
Trade payables	128	
Borrowings	1,203	
Provisions	22	
Other liabilities	313	
Total Liabilities	**1,666**	
Net assets/(liabilities) taken over	(725)	
Amount of consideration paid	1,000	
Nauti Nati brand value recognised	1,315	
Goodwill recognised on acquisition		**435**

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Notes to the Financial Statements for the year ended March 31, 2024
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NOTE - 41
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2024 are as follows:

As at March 31, 2024

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investment in mutual funds (Refer Note - 6(b))	557	-	-	557	557	-	-
Loans (Refer Note - 10)	-	-	770	770	-	-	770
Security deposits (Refer Note - 7)	-	-	98	98	-	-	-
Trade receivables (Refer Note - 11)	-	-	324	324	-	-	-
Cash and cash equivalents (Refer Note - 12)	-	-	44	44	-	-	-
Other financial assets (Refer Notes - 7 and 13)	-	-	127	127	-	-	-
Total	**557**	**-**	**1,363**	**1,920**	**557**	**-**	**770**
Financial liabilities							
Trade payables (Refer Note - 21)	-	-	774	774	-	-	774
Other financial liabilities (Refer Notes - 18 and 22)	-	-	873	873	-	-	873
Current borrowings (Refer Note - 20)	-	-	831	831	-	-	831
Non-current borrowings (Refer Note - 17)	-	-	15,073	15,073	-	-	15,073
Lease liabilities (Refer Note - 4(b))	-	-	667	667	-	-	667
Total	**-**	**-**	**18,218**	**18,218**	**-**	**-**	**18,218**

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

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NOTE - 40
BUSINESS COMBINATION

Acquisitions during the period ended March 31, 2023

Business acquisition of Nauti Nati

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

	Fair value recognised on acquisition	
	Amount	**Amount**
Property, plant and equipment	11	
Non-current tax assets (net)	5	
Inventories	599	
Current investments	5	
Trade receivables	219	
Cash and bank balance	17	
Other assets	85	
Total Assets	**941**	
Trade payables	128	
Borrowings	1,203	
Provisions	22	
Other liabilities	313	
Total Liabilities	**1,666**	
Net assets/(liabilities) taken over	(725)	
Amount of consideration paid	1,000	
Nauti Nati brand value recognised	1,315	
Goodwill recognised on acquisition		**435**

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

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2024 are as follows:

As at March 31, 2024

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investment in mutual funds (Refer Note - 6(b))	557	-	-	557	557	-	-
Loans (Refer Note - 10)	-	-	770	770	-	-	770
Security deposits (Refer Note - 7)	-	-	98	98	-	-	-
Trade receivables (Refer Note - 11)	-	-	324	324	-	-	-
Cash and cash equivalents (Refer Note - 12)	-	-	44	44	-	-	-
Other financial assets (Refer Notes - 7 and 13)	-	-	127	127	-	-	-
Total	557	-	1,363	1,920	557	-	770
Financial liabilities							
Trade payables (Refer Note - 21)	-	-	774	774	-	-	774
Other financial liabilities (Refer Notes - 18 and 22)	-	-	873	873	-	-	873
Current borrowings (Refer Note - 20)	-	-	831	831	-	-	831
Non-current borrowings (Refer Note - 17)	-	-	15,073	15,073	-	-	15,073
Lease liabilities (Refer Note - 4(b))	-	-	667	667	-	-	667
Total	-	-	18,218	18,218	-	-	18,218

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

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As at March 31, 2023

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value Level 1	Level 2	Level 3
Financial assets							
Investment in mutual funds (Refer Note - 6(b))	856	-	-	856	856	-	-
Loans (Refer Note - 10)	-	-	770	770	-	-	770
Security deposits (Refer Note - 7)	65	-	-	65	-	-	-
Trade receivables (Refer Note - 11)	-	-	992	992	-	-	-
Cash and cash equivalents (Refer Note - 12)	-	-	71	71	-	-	-
Other financial assets (Refer Notes - 7 and 13)	-	-	83	83	-	-	-
Total	921	-	1,916	2,837	856	-	770
Financial liabilities							
Trade payables (Refer Note - 21)	-	-	1,177	1,177	-	-	-
Other financial liabilities (Refer Notes - 18 and 22)	-	-	1,380	1,380	-	-	-
Current borrowings (Refer Note - 20)	-	-	-	-	-	-	-
Non-current borrowings (Refer Note - 17)	-	-	-	-	-	-	-
Lease liabilities (Refer Note - 4(b))	-	-	609	609	-	-	-
Total	-	-	3,166	3,166	-	-	-

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

The investments made in subsidiaries as at March 31, 2024 - INR 47,976 (March 31, 2023: INR 23,993) are measured at cost.

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

(vii) Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

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

(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The Company contributes to a gratuity fund maintained by an independent insurance company. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the statement of profit and loss. Re-measurement gains or losses (excluding amounts included in net interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the statement of profit and loss.

(d) Compensated absences

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

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

NOTE - 48
Previous year figures have been regrouped or reclassified, where necessary, to comply with Division II of Schedule III

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A. J. SHAIKH
Partner
Membership No.: 203637

Place: Bengaluru
Date : May 21, 2024

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

PRASHANTH ALURU
(Whole-time Director)
(DIN: 06921683)

Place: Bengaluru
Date : May 21, 2024

ASHISH DIKSHIT
(Director)
(DIN: 01842066)

Place: Chennai
Date : May 21, 2024

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

Place: Mumbai
Date : May 21, 2024

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(All amounts in INR Lakhs unless otherwise stated)

As at March 31, 2023

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value Level 1	Level 2	Level 3
Financial assets							
Investment in mutual funds (Refer Note - 6(b))	856	-	-	856	856	-	-
Loans (Refer Note - 10)	-	-	770	770	-	-	770
Security deposits (Refer Note - 7)	65	-	-	65	-	-	-
Trade receivables (Refer Note - 11)	-	-	992	992	-	-	-
Cash and cash equivalents (Refer Note - 12)	-	-	71	71	-	-	-
Other financial assets (Refer Notes - 7 and 13)	-	-	83	83	-	-	-
Total	**921**	**-**	**1,916**	**2,837**	**856**	**-**	**770**
Financial liabilities							
Trade payables (Refer Note - 21)	-	-	1,177	1,177	-	-	-
Other financial liabilities (Refer Notes - 18 and 22)	-	-	1,380	1,380	-	-	-
Current borrowings (Refer Note - 20)	-	-	-	-	-	-	-
Non-current borrowings (Refer Note - 17)	-	-	-	-	-	-	-
Lease liabilities (Refer Note - 4(b))	-	-	609	609	-	-	-
Total	**-**	**-**	**3,166**	**3,166**	**-**	**-**	**-**

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

The investments made in subsidiaries as at March 31, 2024 - INR 47,976 (March 31, 2023: INR 23,993) are measured at cost.

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

B. Risk management objectives and policies

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

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

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.
The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

i) Interest rate risk

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

ii) Foreign currency risk

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

Company's foreign risk for the year ended March 31, 2024 and period ended March 31, 2023 are insignificant.

b) Credit risk

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

The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.
The Company is exposed to credit risk from its operating activities (primarily trade receivables and security deposits).
The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2024 and March 31, 2023 is the carrying amount as provided in Note - 11.

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c) Liquidity risk

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

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

As at March 31, 2024

	Less than 1 years	1 to 5 years	More than 5 years	Total
Lease liabilities	296	538	-	834
Other financial liabilities	862	11	-	873
Trade payables	774	-	-	774
Total	**1,932**	**549**	**-**	**2,481**

As at March 31, 2023

	Less than 1 years	1 to 5 years	More than 5 years	Total
Lease liabilities	162	572	-	734
Other financial liabilities	1,345	35	-	1,380
Trade payables	1,177	-	-	1,177
Total	**2,684**	**607**	**-**	**3,291**

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NOTE - 42
CAPITAL MANAGEMENT

The Company's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.
The capital structure and funding requirements of the Company are approved by the Board of Directors, and is monitored by various metrics.

The following table summarises the capital of the Company (debts excludes lease liabilities):

	As at March 31, 2024	As at March 31, 2023
Short-term debts (including current maturities of long-term borrowings)	831	-
Long-term debts	15,073	-
Total borrowings	15,904	-
Equity	35,772	27,052

NOTE - 43
RATIO DISCLOSURES

	As at March 31, 2024	As at March 31, 2023	Variance	Reason
Current ratio (times)[1]	1.14	1.19	-4%	Variance less than 25%
Debt equity ratio (times)[2]#	0.43	NA	100%	Due to the outstanding borrowings as on 31 March 2024
Debt service coverage ratio (times)[3]	-17.72	-275.11	NA	Due to increase in finance cost - Interest on OCRPS
Return On Equity (%)[4]	-30%	-17%	76%	Due to increase in losses during the year
Inventory turnover (times)[5]	0.30	4.03	-92%	Due to decrease in revenue during the year
Debtors turnover (times)[6]	0.18	0.86	-79%	Due to decrease in revenue during the year
Trade Payables turnover (times)[7]	1.28	0.18	609%	Due to better settlement cycle
Net capital turnover (times)[8]	0.92	1.94	-52%	Due to decrease in revenue during the year
Net profit margin (%)[9]	-2380%	-542%	339%	Due to increase in losses during the year
Return On Average Capital Employed (%)[10]	-122%	-20%	511%	Due to increase in losses during the year
Return On Investment (%)[11]	-24%	-18%	35%	Due to increase in losses during the year

Ratios have been computed as follows:
1. Current ratio = Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)
2. Debt equity ratio = Debt / Equity
Debt = Borrowings (excluding Lease Liabilities accounted as per Ind AS 116) - Cash and Bank Balance (includes fixed deposits) - Liquid Investments
Equity = Equity share capital + Other equity (excluding Ind AS 116)
3. Debt service coverage ratio = Earnings before interest* and tax / [Finance cost* + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]
4. Return on equity ratio = Profit after tax / Average of opening and closing Net Worth
5. Inventory turnover = Revenue from Operations for the period / Average of opening and closing Inventories
6. Debtors turnover = Revenue from Operations for the period / Average of opening and closing Trade Receivables
7. Trade payables turnover = Total Purchases / Average of opening and closing Trade Payables
8. Net capital turnover = Revenue from Operations for the period / Average of opening and closing Working Capital
9. Net profit margin = Profit After Tax / Revenue from Operations
10. Return on Average Capital Employed = Earnings before interest and tax / Average of opening and closing Capital Employed
11. Return on Investment = Earnings before interest and tax / Average of opening and closing Total Assets

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

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

NOTE - 44
CORE INVESTMENT COMPANIES

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

NOTE - 45
ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

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

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES
The Company has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

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(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

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

(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS

During the year, the Company has been sanctioned working capital limits in excess of INR 500 , in aggregate, from bank. on the basis of security of current assets. The Company has filed quarterly returns or statements with such bank, which are in agreement with the unaudited books of account.

(v) WILFUL DEFAULTER

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

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

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

(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

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

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) UNDISCLOSED INCOME

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

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

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

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

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

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

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

NOTE - 46

During the year ended March 31, 2024, no material foreseeable loss (March 31, 2023: Nil) was incurred for any long term contract (including derivative contracts)

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NOTE - 47

SUMMARY OF OTHER ACCOUNTING POLICIES

This note provides a list of other accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Segment information

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

(ii) 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 value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability; or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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

(iii) 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 and OCRPS.

(iv) 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 income tax is recognised using the balance sheet approach. Deferred income tax assets and labilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from initial recognition of an asset or liability in a transaction that is not a business combination and affects nether accounting nor taxable profits or losses at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets are 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 income tax asset to be utilized.

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

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(v) 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.

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

(a) Non-derivative financial assets

(i) Financial assets at amortised cost (Investments in subsidiaries, trade receivables, cash and cash equivalents and other financial assets)

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

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

Effective Interest Rate (EIR) method:

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

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

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

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

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

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

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

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

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

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

Impairment of financial assets:

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

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

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(b) Non derivative financial liabilities

(i) Classification as debt or equity

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

(1) Equity instruments:

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

(2) Financial liabilities:

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

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

Financial liabilities at FVTPL:

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

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

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

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

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

Financial liabilities subsequently measured at amortised cost:

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

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

(ii) Loans and borrowings

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

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(iii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.
• For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the statement of profit and loss, except for those which are designated as hedging instruments in a hedging relationship.
• For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the statement of profit and loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

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

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

De-recognition of financial assets and financial liabilities

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

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

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

Offsetting financial instruments

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

(vi) 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 (Refer Note – 37).

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.

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(vii) Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

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

(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The Company contributes to a gratuity fund maintained by an independent insurance company. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the statement of profit and loss. Re-measurement gains or losses (excluding amounts included in net interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the statement of profit and loss.

(d) Compensated absences

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

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

NOTE - 48
Previous year figures have been regrouped or reclassified, where necessary, to comply with Division II of Schedule III

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A. J. SHAIKH
Partner
Membership No.: 203637

Place: Bengaluru
Date : May 21, 2024

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

PRASHANTH ALURU
(Whole-time Director)
(DIN: 06921683)

Place: Bengaluru
Date : May 21, 2024

ASHISH DIKSHIT
(Director)
(DIN: 01842066)

Place: Chennai
Date : May 21, 2024

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

Place: Mumbai
Date : May 21, 2024