

# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Aditya Birla Lifestyle Brands Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") (refer Note 49 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the period from April 9, 2024 to March 31, 2025, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2025, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the period then ended.

### Basis for Opinion

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

### Emphasis of matter

4. We draw attention to Note 48 to the consolidated financial statements regarding the Scheme of Arrangement (the 'Scheme') between the Company, Aditya Birla Fashion and Retail Limited, and their respective shareholders and creditors, as approved by the National Company Law Tribunal ("NCLT") vide its order dated March 27, 2025. The Company was incorporated on April 9, 2024. However, the Scheme has been given effect to in the consolidated financial statements from the 'appointed date' of April 1, 2024, as per the Scheme approved by NCLT.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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



# Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT  
To the Members of Aditya Birla Lifestyle Brands Limited  
Report on the Consolidated Financial Statements  
Page 2 of 9

## Key audit matter

### Provision for Inventory obsolescence

(Refer Notes 12 and 2.4(c) to the consolidated financial statements)

The Group held inventories of Rs. 2,108.82 crores at March 31, 2025. In accordance with Ind AS 2, *Inventories*, inventories are carried at lower of cost or net realizable value.

The Group operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost.

Management has a policy to recognize provisions for inventory considering assessment of future trends and the Group's past experience related to its ability to liquidate the aged inventory.

The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimate.

### Provisions for discount and sales returns

(Refer Note 2.4(d) to the consolidated financial statements)

The Group has recognised provisions for unsettled discounts and sales returns amounting to Rs.289.84 crores and Rs.499.11 crores respectively, at March 31, 2025.

Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer.

Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts.

## How our audit addressed the key audit matter

Our audit procedures included the following:

- Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for inventory obsolescence.
- Evaluated the methodology used by the management to determine the provision for inventory obsolescence.
- Tested the ageing report including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Group's policy.
- Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis.
- Evaluated the adequacy of the disclosures made in the consolidated financial statements.

Our audit procedures included the following:

- Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for discounts and sales returns.
- Evaluated the periodic account reconciliations prepared by the management during the period.
- Evaluated the management estimates and judgements in determining the provision for discounts and sales returns.
- Evaluated the contract terms for a sample of customer contracts to assess the reasonableness of the provision for discounts and returns and determine whether the same is in line with terms of the contract.





# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited  
Report on the Consolidated Financial Statements

Page 3 of 9

Key audit matter	How our audit addressed the key audit matter
<p>The estimate of sales returns and discounts depends on contract terms, forecasts of sales volumes and past history of quantum of returns. The expected returns and discounts that have not yet been settled with the customers are estimated and accrued.</p> <p>Determination of provisions for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.</p>	<ul style="list-style-type: none"> <li>• Verified credits notes issued to customers on a sample basis and assessed the validity of claims with the underlying documents and appropriate approvals.</li> <li>• Evaluated the adequacy of the disclosures made in the consolidated financial statements.</li> </ul>
<p><b>Impairment assessment of goodwill</b> (Refer Note 5 to the consolidated financial statements)</p> <p>The Group has goodwill of Rs.627.67 crores at March 31, 2025.</p> <p>The goodwill was acquired through a business combination which occurred prior to transfer of business from Aditya Birla Fashion and Retail Limited. Goodwill was allocated to a Cash Generating Unit (CGU) of the group. In accordance with Ind AS 36, <i>Impairment of Assets</i>, goodwill acquired in a business combination is required to be tested for impairment annually.</p> <p>Management has performed impairment assessment for the CGU to which goodwill has been allocated by comparing the carrying amount of the assets relating to CGU, including the goodwill, with the recoverable amount of the CGU. Recoverable amount is the higher of its value in use and fair value less costs of disposal.</p> <p>Impairment assessment of goodwill requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the design and tested operating effectiveness of Holding Company's controls to assess impairment of goodwill on an annual basis.</li> <li>• Evaluated whether the CGU was determined and the goodwill allocation was performed in accordance with requirements of Ind AS 36 and our knowledge of the Group's operations.</li> <li>• Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount of the CGU.</li> <li>• Evaluated the objectivity, competency and independence of the management expert engaged by the Holding Company.</li> <li>• Assessed the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis.</li> <li>• Evaluated the sensitivity analysis performed by management on the growth rates and discount rates to determine whether reasonable changes in these key assumptions would result in the carrying amount of CGU to exceed its recoverable amount.</li> <li>• Involved auditor's expert to assist in evaluating the impairment assessment including certain assumptions used.</li> <li>• Evaluated the adequacy of the disclosures made in the consolidated financial statements.</li> </ul>



# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

Page 4 of 9

### Other Information

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

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

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group and in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.





# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

Page 5 of 9

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
  - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
  - e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.



# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

Page 6 of 9

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), 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 paragraph 3(xxi) of CARO 2020.
16. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books, except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, in the absence of sufficient appropriate audit evidence, we are unable to verify whether the backup of certain books and papers maintained in electronic mode has been maintained on a daily basis on servers physically located in India during the period.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.





# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

Page 7 of 9

- (e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above on reporting under Section 143(3)(b) and paragraph 16(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group 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 consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group. (Refer Note 44 to the consolidated financial statements)
  - ii. The Group was not required to recognise a provision as at March 31, 2025 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group has made a provision as required under the accounting standards for material foreseeable losses, if any, on derivative contracts as at March 31, 2025.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
  - iv. (a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 52(vii) to the consolidated 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 Holding Company or its subsidiary 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 Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 52(vii) to the consolidated financial statements).



# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

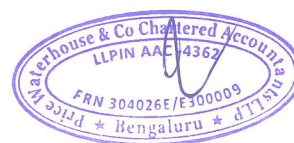
To the Members of Aditya Birla Lifestyle Brands Limited

Report on the Consolidated Financial Statements

Page 8 of 9

- (b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 52(vii) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary 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 52(vii) to the consolidated financial statements).
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The Holding Company and its subsidiary have not declared or paid any dividend during the period.
- vi. Based on our examination, which included test checks, the Holding Company and its subsidiary, have used accounting software for maintaining books of account, which have a feature of recording audit trail (edit log) facility and that have operated throughout the period for all relevant transactions recorded in the software, except for changes, if any, made by certain users with specific access at the application level and for direct database changes. During the course of performing our procedures, we did not notice any instance of the audit trail feature being tampered with, except for the aforesaid instances of audit trail not maintained where the question of our commenting on whether the audit trail feature has been tampered with does not arise. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Holding Company and its subsidiary, as per the statutory requirements for record retention.

In respect of the Holding company, certain accounting software are maintained by third party service providers and due to absence of or insufficient information in the service auditors' report related to audit trail, we are unable to comment whether the audit trail feature of the aforesaid software were 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. Further, the audit trail was not maintained in the prior year and hence the question of our commenting on whether the audit trail was preserved by the Holding Company as per the statutory requirements for record retention does not arise.





# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Lifestyle Brands Limited


Report on the Consolidated Financial Statements

Page 9 of 9

17. The Company and its subsidiary company have not paid any remuneration to its directors during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company and its subsidiary.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009



A.J. Shaikh

Partner

Membership Number: 203637

UDIN: 25203637BMK5JR3450

Place: Mumbai

Date: May 23, 2025

# Price Waterhouse & Co Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the consolidated financial statements as of and for the period April 9, 2024 to March 31, 2025  
Page 1 of 2

### Report on the Internal Financial Controls with reference to consolidated financial statements under clause (i) of sub-section 3 of Section 143 of the Act

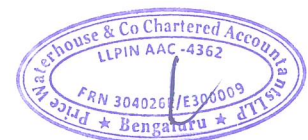
1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the period ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Aditya Birla Lifestyle Brands Limited (hereinafter referred to as "the Holding Company") and its subsidiary which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 the respective 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 Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated 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 consolidated financial statements, whether due to fraud or error.





# Price Waterhouse & Co Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the consolidated financial statements as of and for the period April 9, 2024 to March 31, 2025  
Page 2 of 2

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

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

6. A company's internal financial control 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 control 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 holding 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.

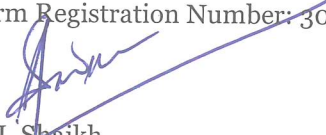
### Inherent Limitations of Internal Financial Controls with reference to financial statements

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 control 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 Holding Company and its subsidiary which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

  
A.J. Shaikh  
Partner

Membership Number: 203637

UDIN: 25203637BMKSJR3450

Place: Mumbai

Date: May 23, 2025

# Price Waterhouse & Co Chartered Accountants LLP

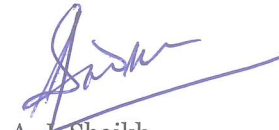
## Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Aditya Birla Lifestyle Brands Limited on the Consolidated Financial Statements as of and for the period from April 09, 2024 to March 31, 2025

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1	Aditya Birla Lifestyle Brands Limited	U46410MH2024PLC423195	Holding Company	May 23, 2025	(i)(c)

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



A. J. Shaikh  
Partner

Membership Number: 203637

UDIN: 25203637BMKSJR3450

Place: Mumbai  
Date: May 23, 2025



**Aditya Birla Lifestyle Brands Limited**  
**Consolidated Balance Sheet as at March 31, 2025**

		₹ in Crore
	Notes	As at March 31, 2025
<b>ASSETS</b>		
<b>I Non-current assets</b>		
(a) Property, plant and equipment	3a	638.54
(b) Capital work-in-progress	3b	13.00
(c) Right-of-use assets	4a	1,524.37
(d) Goodwill	5	627.67
(e) Other intangible assets	5	489.60
(f) Financial assets		
(i) Loans	7	0.48
(ii) Security deposits	8	176.73
(iii) Other financial assets	9	204.67
(g) Deferred tax assets (net)	10	129.91
(h) Non-current tax assets (net)		14.76
(i) Other non-current assets	11	54.05
<b>Total - Non-current assets</b>		<b>3,873.78</b>
<b>II Current assets</b>		
(a) Inventories	12	2,108.82
(b) Financial assets		
(i) Current investments	6	117.18
(ii) Loans	13	5.74
(iii) Security deposits	14	100.15
(iv) Trade receivables	15	1,322.05
(v) Cash and cash equivalents	16	53.06
(vi) Bank balance other than cash and cash equivalents	17	0.59
(vii) Other financial assets	18	76.16
(c) Other current assets	19	621.50
<b>Total - Current assets</b>		<b>4,405.25</b>
<b>TOTAL - ASSETS</b>		<b>8,279.03</b>



**Aditya Birla Lifestyle Brands Limited**  
Consolidated Balance Sheet as at March 31, 2025

	Notes	As at March 31, 2025
<b>EQUITY AND LIABILITIES</b>		
<b>I Equity</b>		
(a) Equity share capital	20	0.05
(b) Share Suspense	21	1,220.26
(c) Other equity	21	56.22
<b>Total - Equity</b>		<b>1,276.53</b>
<b>II Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	22	77.44
(ii) Lease liabilities	4b	1,516.88
(iii) Deposits		274.30
(iv) Other financial liabilities	23	518.08
(b) Provisions	24	22.71
(c) Other non-current liabilities	25	26.02
<b>Total - Non-current liabilities</b>		<b>2,435.43</b>
<b>III Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	26	874.75
(ii) Lease liabilities	4b	463.38
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	27	89.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	27	2,032.21
(iv) Deposits		250.55
(v) Other financial liabilities	28	147.36
(b) Provisions	29	141.64
(c) Other current liabilities	30	568.07
<b>Total - Current liabilities</b>		<b>4,567.07</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>8,279.03</b>

Basis of preparation

2

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

As per our report of even date

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

ICAI Firm Registration No. 304026E/E-300009

  
**A.J. SHAIKH**  
(Partner)

Membership No.: 203637

Place: Mumbai

Date : May 23, 2025

**For and on behalf of the Board of Directors of**  
**Aditya Birla Lifestyle Brands Limited**

  
**ASHISH DIKSHIT**  
(Managing Director)

(DIN: 01842066)

Place: Mumbai

Date : May 23, 2025

  
**VISHAK KUMAR**  
(Deputy Managing Director and CEO)

(DIN: 09078653)


Place: Mumbai

Date : May 23, 2025

  
**DHARMENDRA LODHA**  
(Chief Financial Officer)

Place: Mumbai

Date : May 23, 2025

  
**RAJEEV AGRAWAL**  
(Company Secretary)

(M.No: A18877)

Place: Mumbai

Date : May 23, 2025





**Aditya Birla Lifestyle Brands Limited**  
**Consolidated Statement of Profit and Loss for the period ended March 31, 2025**

	Notes	₹ in Crore Period ended March 31, 2025
I Revenue from operations	31	7,829.96
II Other income	32	77.71
III Total income (I + II)		<u>7,907.67</u>
IV Expenses		
(a) Cost of materials consumed	33a	1,010.33
(b) Purchase of stock-in-trade	33b	2,121.28
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	33c	140.41
(d) Employee benefits expense	34	918.42
(e) Finance costs	35	382.00
(f) Depreciation and amortisation expense	36	705.73
(g) Rent expense	43a & 4a	764.70
(h) Other expenses	37	1,683.06
Total expenses		<u>7,725.93</u>
V Profit/(Loss) before exceptional items and tax (III - IV)		<u>181.74</u>
VI Exceptional items	37a	(98.33)
VII Profit/(Loss) before Tax (V + VI)		<u>83.41</u>
VIII Income tax expense		
(a) Current tax	38	-
(b) Current tax relating to earlier years	38	-
(c) Deferred tax	38	23.81
		<u>23.81</u>
IX Profit/(Loss) for the year (VII - VIII)		<u>59.60</u>
X Other comprehensive income		
Items that will not be reclassified to profit or loss		
(a) Re-measurement gains/ (losses) on defined benefit plans	21	(4.37)
Income tax effect on above		1.08
Total other comprehensive income for the year		<u>(3.29)</u>
XI Total comprehensive income for the year (IX + X)		<u>56.31</u>
XII Earnings per equity share [Nominal value of share ₹ 10]	39	
Basic (₹)		0.49
Diluted (₹)		0.49
Basis of preparation	2	

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP  
Chartered Accountants

ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH  
(Partner)

Membership No.: 203637

Place: Mumbai

Date : May 23, 2025

For and on behalf of the Board of Directors of  
Aditya Birla Lifestyle Brands Limited

ASHISH DIKSHIT  
(Managing Director)

(DIN: 01842066)

Place: Mumbai

Date : May 23, 2025

VISHAK KUMAR  
(Deputy Managing Director and CEO)

(DIN: 09078653)

Place: Mumbai

Date : May 23, 2025

DHARMENDRA LODHA  
(Chief Financial Officer)

Place: Mumbai

Date : May 23, 2025

RAJEEV AGRAWAL  
(Company Secretary)

(M.No: A18877)

Place: Mumbai

Date : May 23, 2025



Aditya Birla Lifestyle Brands Limited

Consolidated Statement of Changes in Equity for the period ended March 31, 2025

a. Equity share capital

	As at March 31, 2025	
	No. of shares	₹ in Crore
Equity shares of ₹ 10 each issued		
As at the beginning of the year	-	-
Equity share issued on incorporation of the company	50,000	0.05
As at the end of the year	50,000	0.05

As at March 31, 2025

	No. of shares	₹ in Crore
Equity shares of ₹ 10 each subscribed and paid up		
As at the beginning of the year	-	-
Equity share issued on incorporation of the company	50,000	0.05
As at the end of the year	50,000	0.05

b. Other equity

	Reserves and surplus			Other Comprehensive Income	Total other equity	Share suspense account (Refer Note - 21)
	Retained earnings (Refer Note - 21)	Group share based payment reserve (Refer Note - 21)	Capital reserve (Refer Note - 21)	Remeasurement gains/(losses) on defined benefit plans (Refer Note - 21)		
As at April 1, 2024						
Profit for the year	59.60	-	-	-	59.60	-
Other comprehensive income for the year	-	-	-	(3.29)	(3.29)	-
Pursuant to Composite scheme	-	40.00	(41.58)	-	(1.58)	-
Capital contribution on Group share-based payment	-	1.49	-	-	1.49	-
As at March 31, 2025	59.60	41.49	(41.58)	(3.29)	56.22	1,220.26

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

As per our report of even date

For Pricewaterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 304026E/E-300009

A.J. SUDHAKAR

(Partner)

Place: Mumbai

Date : May 23, 2025

For and on behalf of the Board of Directors of

Aditya Birla Lifestyle Brands Limited

ASHISH DASHIT

(Managing Director)

(DIN: 01842066)

Place: Mumbai

Date : May 23, 2025

ASHISH KUMAR

(Deputy Managing Director and CEO)

(DIN: 01842066)

Place: Mumbai

Date : May 23, 2025



DHARMENDRA LODHA

(Chief Financial Officer)

Place: Mumbai

Date : May 23, 2025

RAJEEV AGRAWAL

(Company Secretary)

(M.No: A18877)

Place: Mumbai

Date : May 23, 2025

Aditya Birla Lifestyle Brands Limited  
Consolidated Statement of Cash Flows for the period ended March 31, 2025

		₹ in Crore
	Notes	Period ended March 31, 2025
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax		83.41
Adjustments for:		
Depreciation, impairment and amortisation expense	36 and 37a	788.55
Finance costs	35	382.00
Gain on termination of right-of-use assets (Including Exceptional item)	32 and 37a	(8.93)
(Profit)/ Loss on sale/discard of property, plant and equipment	32	(0.01)
Share-based payment	34	19.76
Interest income	32	(6.08)
Net gain on current investments (including on redemption)	32	(0.07)
Net Unrealised exchange (gain)/ loss		14.03
Interest income from financial assets at amortised cost	32	(44.68)
Provision for doubtful debts, deposits and advances	37	1.68
Bad debts written off		0.86
<b>Operating profit before working capital changes</b>		<b>1,230.52</b>
Changes in working capital:		
(Increase)/ decrease in trade receivables		(376.81)
(Increase)/ decrease in inventories		92.53
(Increase)/ decrease in other assets		57.21
Increase/ (decrease) in trade payables		166.32
Increase/ (decrease) in provisions		26.52
Increase/ (decrease) in other liabilities		(48.57)
<b>Cash generated from/ (used) in operations</b>		<b>1,147.72</b>
Income taxes paid (net of refund)		(3.55)
<b>Net cash flows from/ (used) in operating activities</b>		<b>1,144.17</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets		(246.48)
Proceeds from sale of property, plant and equipment and intangible assets		2.95
(Purchase)/proceeds from sale or redemption of current investments (net)		244.64
Interest received		5.84
<b>Net cash flows from/ (used) in investing activities</b>		<b>6.95</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares		0.05
Proceeds from non-current borrowings (net off charges)		37.21
Proceeds/ (repayments) of current borrowings (net)		(478.71)
Repayment of non-current borrowings		(11.83)
Repayment of lease liabilities		(453.22)
Interest paid on lease liabilities		(187.74)
Interest paid		(136.17)
<b>Net cash flows from/ (used) in financing activities</b>		<b>(1,230.41)</b>





**Aditya Birla Lifestyle Brands Limited**  
**Consolidated Statement of Cash Flows for the period ended March 31, 2025**

	Notes	₹ in Crore Period ended March 31, 2025
<b>Net (Decrease)/ Increase In cash and cash equivalents</b>		<b>(79.29)</b>
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents acquired pursuant to Composite scheme (Refer note: 48)		132.35
<b>Cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>53.06</b>
<b>Components of Cash and cash equivalents</b>		
Balances with banks - on current accounts		19.66
Balances with credit card companies		29.87
Cash on hand		0.42
Cheques/ drafts on hand		3.11
<b>Total Cash and cash equivalents</b>		<b>53.06</b>

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: Mumbai

Date : May 23, 2025

**For and on behalf of the Board of Directors of**  
**Aditya Birla Lifestyle Brands Limited**

**ASHISH DIKSHIT**  
(Managing Director)

(DIN: 01842066)

Place: Mumbai

Date : May 23, 2025

**VISHAK KUMAR**  
(Deputy Managing Director and CEO)

(DIN: 01842066)

Place: Mumbai

Date : May 23, 2025

**DHARMENDRA LODHA**  
(Chief Financial Officer)

Place: Mumbai

Date : May 23, 2025

**RAJEEV AGRAWAL**  
(Company Secretary)

(M.No: A18877)

Place: Mumbai

Date : May 23, 2025



**Aditya Birla Lifestyle Brands Limited**

**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

**1. Corporate information**

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

The Company and its subsidiaries (together referred as the "Group") are engaged in the business of manufacturing and retailing of branded apparels/accessories and runs a chain of apparels and accessories retail stores in India.

The Consolidated financial statements, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors in their meeting held on May 23, 2025.

**2. Basis of preparation**

**2.1 Compliance with Ind AS and historical cost convention**

The Consolidated financial statements of the Group 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;
- Share-based payment; and
- Derivative financial instruments.

**2.2 Functional and Presentation Currency:**

The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. (₹ 1 Crore is equal to ₹ 10 Million)

**2.3 Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

All other liabilities are classified as non-current.

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

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

## **2.4 Critical Accounting Judgements, Estimates And Assumptions**

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

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Group'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 Group. 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 three years and next 2 years 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 Group 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 Group. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note – 5a

### **(b) Share-based payment**

The Group uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Consolidated Statement of Profit and Loss. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 42.

### **(c) Provision on inventories**

The Group has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non-core (fashion) and sub-categorised into finished goods and raw materials. The Group provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.





(d) Provision for discount and sales return

The Group provides for discount and sales return based on season wise, brand wise and channel wise trend. The Group reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

(e) Leases

The Group 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 Group has several lease contracts that include extension and termination options. The Group 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 Group 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.

**2.5 New and amended standards adopted by the Group:**

The Ministry of Corporate Affairs has vide notification dated May 7, 2025 notified Companies (Indian Accounting Standards) Amendment Rules, 2025 (the 'Rules') which amended the following accounting standards. These amendments are effective from April 01, 2025. a) Ind AS 21, "The Effects of Changes in Foreign Exchange Rates b) Ind AS 101, First-time Adoption of Indian Accounting Standards. The above amendments are not likely to have any material impact on the financial statements of the Company.



## **2.6 Principles of consolidation**

The consolidated financial statements (CFS) comprise the financial statements of the Company and its Subsidiary. Subsidiary is the entity controlled by the Group. The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110) notified under Section 133 of the Companies Act, 2013. The Group controls an investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

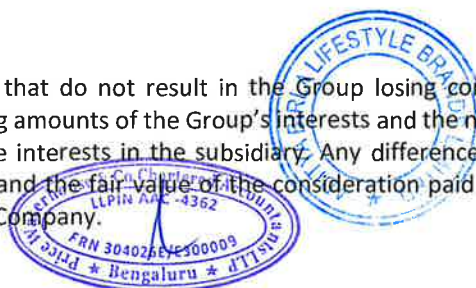
The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures for subsidiaries:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non- controlling interests, even if this results in the non- controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

**NOTE: 3a**

**PROPERTY, PLANT AND EQUIPMENT**

**Accounting Policy**

Freehold land is carried at historical cost. 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 up to the month preceding the month of deletions/ disposals. The management believes that the estimated useful lives below reflect fair approximation of the period over which the assets are likely to be used.

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

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Factory buildings	Freehold buildings	30 years
Fences, wells, tube wells	Freehold building	5 years
Borewells (pipes, tubes and other fittings)	Freehold building	5 years
Plant and machinery (other than retail stores)	Plant and equipment	15 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 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	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	5 – 6 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 – 6 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	3 - 4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office equipment	5 years	4 - 6 years
Air conditioner (Other than retail stores)	Office equipment	5 years	15 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	5 years

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

Property, plant and equipment taken over pursuant to the Scheme of Arrangement from Aditya Birla Fashion and Retail Limited have been depreciated over their remaining estimated useful lives.

**Leasehold assets**

Assets	Estimated useful life
Leasehold improvements at stores	Lease term or management's estimate of useful life, whichever is shorter
Leasehold improvements other than stores	

Refer note 51 for other accounting policies relevant to property, plant and equipment





PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Freehold buildings	Plant and equipment	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	₹ in Crore Total
<b>Cost</b>									
As at April 1, 2024	-	-	-	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	5.92	66.50	323.76	201.56	55.93	265.04	27.98	27.13	973.82
Additions	0.26	44.41	65.41	51.62	12.60	83.38	11.29	18.28	287.25
Disposals	-	-	5.34	19.86	10.56	26.51	2.88	4.36	69.51
As at March 31, 2025	6.18	110.91	383.83	233.32	57.97	321.91	36.39	41.05	1,191.56
<b>Depreciation</b>									
As at April 1, 2024	-	-	-	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	-	10.36	134.62	105.80	23.64	175.35	15.35	4.61	469.73
Depreciation for the year (Refer Note: 36)	-	2.75	23.44	42.32	12.38	53.51	7.36	7.92	149.68
Disposals	-	-	4.89	19.84	10.52	26.27	2.88	1.99	66.39
As at March 31, 2025	-	13.11	153.17	128.28	25.50	202.59	19.83	10.54	553.02
<b>Net carrying value as at:</b>									
March 31, 2025	6.18	97.80	230.66	105.04	32.47	119.32	16.56	30.51	638.54

Net carrying value

₹ In Crore

As at

March 31, 2025

Property, plant and equipment

638.54

Total

638.54

Note:

The Group has received assets relating to Madura Fashion & Lifestyle business pursuant to Composite Scheme. Title deeds of Property, Plant and Equipment are held in the name of Aditya Birla Fashion & Retail Limited (Demerged Company) [Refer Note: 48]. Management will initiate the process to transfer these assets in the name of the Holding Company or its Subsidiary.



NOTE: 3b  
CAPITAL WORK-IN-PROGRESS

	₹ in Crore
	As at
	March 31, 2025
Capital work-in-progress	13.00
Total	13.00

Ageing of Capital work-In-progress as on March 31, 2025

	₹ in Crore				
Capital work-In-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects In progress	13.00	-	-	-	13.00
(ii) Projects temporarily suspended	-	-	-	-	-

There are no projects as at the reporting date where costs have been exceeded as compared to original plan or where completion is overdue.



**NOTE: 4**

**RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

Accounting Policy

At inception of a contract, the Group 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 Group assess whether:

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

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

Where the Group is the lessee

**Right-of-use assets**

The Group 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 Group 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. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Right-of-use assets taken over pursuant to the Scheme of Arrangement from Aditya Birla Fashion and Retail Limited have been depreciated over their remaining estimated useful lives.

**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 Group 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 Group presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Consolidated Balance Sheet.

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

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

Where the Group is the lessor

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





(a) Right-of-use assets

	₹ in Crore					
	Land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Total
<b>Cost</b>						
As at April 1, 2024	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	11.33	2,648.24	15.60	84.96	3.49	2,763.62
Additions	-	604.48	-	4.51	-	608.99
Termination	-	511.61	-	-	-	511.61
As at March 31, 2025	11.33	2,741.11	15.60	89.47	3.49	2,861.00
<b>Depreciation</b>						
As at April 1, 2024	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	0.96	1,198.19	10.65	55.71	1.93	1,267.44
Depreciation for the year (Refer Note: 36)	0.16	477.78	3.09	17.35	0.68	499.06
Termination	-	429.87	-	-	-	429.87
As at March 31, 2025	1.12	1,246.10	13.74	73.06	2.61	1,336.63
<b>Net carrying value as at:</b>						
March 31, 2025	10.21	1,495.01	1.86	16.41	0.88	1,524.37

**Note:**

The Group has received Right-of-use assets relating to Madura Fashion & Lifestyle business pursuant to Composite Scheme. Title deeds of Right-of-use assets are held in the name of Aditya Birla Fashion & Retail Limited (Demerged Company) (Refer Note:48). Management will initiate the process to transfer these assets in the name of the Holding Company or its Subsidiary.

**Net carrying value**

	₹ in Crore
As at	
March 31, 2025	
Right-of-use assets	1,524.37
<b>Total</b>	<b>1,524.37</b>

(b) Lease liabilities

	₹ in Crore
As at	
March 31, 2025	
Transferred pursuant to Composite Scheme (Refer Note: 48)	1,904.30
Additions	675.94
Retirements	(88.21)
Interest expense on lease liabilities	187.74
Payments	(699.51)
<b>Closing balance</b>	<b>1,980.26</b>

**Note:** Lease liabilities includes liabilities for net investment in sub-lease amounting to ₹ 263.41 crore.

<b>Current</b>	<b>463.38</b>
<b>Non-current</b>	<b>1,516.88</b>

For maturity analysis of lease liabilities, Refer Note - 43.



Aditya Birla Lifestyle Brands Limited  
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

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

**Accounting Policy**

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

**Amortisation methods and periods**

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

Intangible assets	Useful life	Amortisation method used
Computer software	3 - 4 years	Amortised on straight-line basis
Brands/ trademarks	10 years	Amortised on straight-line basis
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement

Intangible Assets taken over pursuant to the Scheme of Arrangement from Aditya Birla Fashion and Retail Limited have been amortised over their remaining estimated useful lives.

Refer note 51 for other accounting policies relevant to Intangible Assets

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer software	Technical know - how	Franchisee/L icense rights	Total
<b>Cost</b>						
<b>As at April 1, 2024</b>	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	692.05	8.46	106.81	0.43	562.37	1,370.12
Additions	-	5.29	1.44	5.93	-	12.66
Disposals	-	-	0.01	-	33.81	33.82
<b>As at March 31, 2025</b>	<b>692.05</b>	<b>13.75</b>	<b>108.24</b>	<b>6.36</b>	<b>528.56</b>	<b>1,348.96</b>
<b>Amortisation</b>						
<b>As at April 1, 2024</b>	-	-	-	-	-	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	-	6.50	59.51	0.27	59.39	125.67
Amortisation for the year (Refer Note:36)	-	1.33	21.36	1.96	32.34	56.99
Impairment	64.38	-	-	-	18.44	82.82
Disposals	-	-	0.01	-	33.78	33.79
<b>As at March 31, 2025</b>	<b>64.38</b>	<b>7.83</b>	<b>80.86</b>	<b>2.23</b>	<b>76.39</b>	<b>231.69</b>
<b>Net carrying value as at:</b>						
<b>March 31, 2025</b>	<b>627.67</b>	<b>5.92</b>	<b>27.38</b>	<b>4.13</b>	<b>452.17</b>	<b>1,117.27</b>

**Note:** The company has received Intangible assets relating to Madura Fashion & Lifestyle business pursuant to Composite Scheme. (Refer Note:48)

**Net carrying value**

	₹ in Crore
<b>As at</b>	
<b>March 31,</b>	
Goodwill	627.67
Other intangible assets	489.60
<b>Total</b>	<b>1,117.27</b>



**NOTE: 5a**  
**IMPAIRMENT TESTING OF GOODWILL**

Goodwill acquired through various business combinations have been allocated to the two Cash-Generating Units (CGUs) as below:

1. Madura Fashion & Lifestyle CGU
2. Forever 21 CGU

Goodwill relating to Madura Fashion & Lifestyle and Forever 21 undertakings were taken over pursuant to approval of the scheme of arrangement between the Company and Aditya Birla Fashion and Retail Limited (Demerged Company) by the NCLT on March 27, 2025 (Refer Note:48).

**Madura Fashion & Lifestyle CGU**

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England and having licences to retail various international brands like Reebok, American Eagle and Simon Carter. The Madura Garments division is involved in manufacturing of garments.

**Forever 21 CGU**

Forever 21 business comprising of operating retail stores in India for the sale of clothing, artificial jewellery, accessories and related merchandise under the brand name "Forever 21" ("F21"), and is considered as a separate CGU. At September 30, 2024, management has restructured the operations of Forever 21 CGU and re-estimated the recoverable amount of the Forever 21 CGU, using the value-in-use (VIU) method. On the basis of evaluation, management has recognised an impairment provision of ₹ 64.38 crores during the period ended September 30, 2024.

Carrying amounts of Goodwill allocated to each of the CGUs are as below:

	₹ In Crore
	As at
	March 31, 2025
Madura Fashion & Lifestyle CGU	627.67
Forever 21 CGU	-
<b>Total</b>	<b>627.67</b>

**Disclosures with respect to Goodwill allocated to the CGUs**

**Value in use calculation of Madura Fashion and Lifestyle CGUs:**

The recoverable amount of the CGUs as at March 31, 2025, have been determined based on value in use method using cash flow projections from financial budgets approved by senior management covering a three - year period ending March 31, 2028 and cash flow projections for financial years 2029 and 2030 have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. The Holding Company has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2030. The post-tax discount rate is applied to discounted future cash flow projections. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.

**Key assumptions used for value in use calculations**

**Discount rates:**

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both cost of debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings of the Company. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

	Discount Rate
	As at March 31, 2025
Madura Fashion & Lifestyle CGU	12.50%
Forever 21 CGU	NA
Pre-tax discount rate (as derived) is 15.30%.	

**Growth rate estimates:**

Rates are based on published industry research. Growth rate is based on the Company's projection of business and growth of the industry in which the CGU is operating. The growth rate is in line with the long-term growth rate of the industry. The growth rate of the CGU considers the Company's plan to launch new stores, expected same store growth and change in merchandise.

No reasonable possible change in key assumptions are likely to result in the recoverable amount of the CGU being less than their carrying amount.



Aditya Birla Lifestyle Brands Limited  
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 6

Current Investments

	₹ in Crore
As at	
March 31, 2025	
<b>Current Investments (Carried at fair value through profit and loss (FVTPL))</b>	
Quoted investments	
Investment in Mutual Fund Schemes	117.18
<b>Total</b>	<b>117.18</b>
Aggregate book value of quoted investments	117.18
Aggregate market value of quoted investments	117.18
Aggregate amount of impairment in value of investments	-

Note:

- (i) The Group has received Mutual Funds relating to Madura Fashion & Lifestyle business pursuant to Composite Scheme.  
(ii) Folio of Mutual Funds are held in the name of Aditya Birla Fashion & Retail Limited (Demerged Group) (Refer Note:48). Management will initiate the process to the transfer these Mutual Funds in the name of the Group.

NOTE: 7

NON-CURRENT FINANCIAL ASSETS - LOANS

	₹ in Crore
As at	
March 31, 2025	
Loans and advances to employees	
Unsecured, considered good	0.48
<b>Total</b>	<b>0.48</b>

NOTE: 8

NON-CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

	₹ in Crore
As at	
March 31, 2025	
Security deposits	
Unsecured, considered good	176.73
Unsecured, considered doubtful	0.83
Expected credit loss	(0.83)
<b>Total</b>	<b>176.73</b>

NOTE: 9

NON-CURRENT FINANCIAL ASSETS - OTHERS

	₹ in Crore
As at	
March 31, 2025	
Lease receivables (from sub-lease arrangements)	203.25
<b>Other bank balance</b>	
Bank deposits with more than 12 months maturity from the Balance Sheet date	1.42
<b>Total</b>	<b>204.67</b>





Aditya Birla Lifestyle Brands Limited  
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 10  
DEFERRED TAX ASSETS (NET)

Reflected in the Consolidated Balance Sheet as follows:

	₹ in Crore
	As at March 31, 2025
Deferred tax assets	129.91
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>129.91</b>

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

	Consolidated Balance Sheet		₹ in Crore Consolidated Statement of Profit and Loss
	As at March 31, 2025	As at April 01, 2024 transferred pursuant to Composite Scheme (Refer Note: 48)	Period ended March 31, 2025
Difference between carrying amount of property, plant and equipment and intangible assets and their tax base	(61.91)	(94.35)	(32.44)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	37.73	34.16	(3.57)
Share-based payment	9.22	9.88	0.66
Business and depreciation loss as per income tax computations available for off-set against future taxable income	55.95	126.70	70.75
<u>Impact of Ind AS</u>			
a) ROU assets - Ind AS 116	(383.47)	(407.79)	(24.32)
b) lease liabilities - Ind AS 116	498.43	512.74	14.31
c) Others	(33.84)	(36.64)	(2.80)
Others	7.80	7.94	0.14
<b>Net deferred tax assets/ (liabilities)</b>	<b>129.91</b>	<b>152.64</b>	<b>22.73</b>

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

	₹ in Crore
	As at March 31, 2025
Transferred pursuant to Composite Scheme (Refer Note: 48)	152.64
Deferred tax (credit) / charge recognised in profit and loss during the year (Refer Note: 38)	(23.81)
Deferred tax (credit) / charge recognised in OCI during the year (Refer Note: 38)	1.08
<b>As at the end of the year</b>	<b>129.91</b>

Note:-

(i) Deferred tax assets, being the differences between carrying amount and tax bases of assets and liabilities, have been determined and taken over on April 01, 2024. Business and depreciation losses have been apportioned to the Company in accordance with the requirements of Section 72A(4) of the Income Tax Act, 1961.

(ii) Unabsorbed depreciation does not have any expiry period.

(iii) Corporate tax rate considered for arriving at the above amounts is 25.17%

NOTE: 11

OTHER NON-CURRENT ASSETS

	₹ in Crore
	As at March 31, 2025
Capital advances	2.88
Prepayments	5.58
Balances with government authorities (other than income tax)	33.75
Other receivables	11.84
<b>Total</b>	<b>54.05</b>



**NOTE: 12**  
**INVENTORIES**

Accounting Policy

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

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average cost basis.  
Refer note 51 for other accounting policies relevant to inventories

	₹ in Crore
	As at
	March 31, 2025
<u>At lower of cost and net realisable value</u>	
Raw materials	234.24
Includes Goods-in-transit ₹ 27.57 Crore	
Work-in-progress	20.22
Finished goods	467.92
Stock-in-trade	1,379.15
Includes Goods-in-transit ₹ 63.19 Crore	
Stores and spares	2.22
Packing materials	5.07
<b>Total</b>	<b>2,108.82</b>

During the year ended March 31, 2025 ₹ 0 is recognised as reversal of provision for obsolescence of inventories carried at net realisable value.

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

	₹ in Crore
	As at
	March 31, 2025
Loans and advances to employees	
Unsecured, considered good	5.74
<b>Total</b>	<b>5.74</b>

**NOTE: 14**  
**CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS**

	₹ in Crore
	As at
	March 31, 2025
Security deposits	
Unsecured, considered good	100.15
Unsecured, considered doubtful	7.58
Provision for doubtful deposits	(7.58)
<b>Total</b>	<b>100.15</b>



NOTE: 15  
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.

	₹ in Crore
	As at
	March 31, 2025
Trade receivables from others	1,204.42
Trade receivables from related parties (Refer Note:45)	147.70
	1,352.12
Less: Loss Allowances	(30.07)
<b>Total</b>	<b>1,322.05</b>

**Break-up for security details:**

	₹ in Crore
	As at
	March 31, 2025
<b>Trade receivables</b>	
Secured, considered good	90.47
Unsecured, considered good	1,261.66
	<b>1,352.13</b>

**Ageing of Trade Receivables:**

	Outstanding as on March 31, 2025 (for following periods from due date of payment)						₹ in Crore
Particulars	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	1,103.67	110.30	84.18	28.52	-	-	1,326.67
(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	-	-	-	0.43	0.59	7.50	8.52
Undisputed	-	-	1.50	3.47	3.46	8.50	16.93
(ix) Provision on Trade Receivables assessed on individual basis	-	-	-	-	-	-	(26.75)
(x) Expected credit loss	-	-	-	-	-	-	(3.32)
<b>Total</b>	<b>1,103.67</b>	<b>110.30</b>	<b>85.68</b>	<b>32.42</b>	<b>4.05</b>	<b>16.00</b>	<b>1,322.05</b>

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

For terms and conditions relating to related party receivables, refer Note - 45.

Trade receivables are generally non-interest bearing and the credit period generally ranges between 30 to 180 days.

Based on the risk profiling for each category of customer, the Company has not evaluated credit risk where the risk is mitigated by collateral. The Company has therefore evaluated credit risk for departmental, depletion, e-commerce b2b, e-commerce b2c, export and trade customers. The Company follows the simplified approach method for computing the expected credit loss. Additionally, specific provisions are considered taking into account customer related specific information over and above probability of default (PD). Provision matrix takes into account historical credit loss experience adjusted for forward-looking estimates and macro-economic factors. The expected credit loss allowance is based on the ageing of the receivables and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

	₹ in Crore		
	Expected credit loss (%)		
	As at March 31, 2025		
	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	0.00%	0.00%	0.52%
0-90 days	0.00%	0.00%	0.60%
91-180 days	0.00%	0.00%	0.74%
181-365 days	0.00%	0.00%	0.80%
1-2 years	0.00%	0.00%	0.93%
2-3 years	0.00%	0.00%	1.03%

**Ageing of receivables on which impairment allowance of doubtful debts is applied**

	₹ in Crore		
	As at March 31, 2025		
	Departmental stores #	Depletion key accounts #	Trade Channel
Not due	-	-	521.34
0-90 days	-	-	30.93
91-180 days	-	-	12.77
181-365 days	-	-	6.43
1-2 years	-	-	7.54
2-3 years	-	-	2.54
<b>Total</b>	-	-	<b>581.55</b>

# Impact is considered to be immaterial.



Movement in the expected credit loss allowance

	₹ in Crore
As at	
March 31, 2025	
Transferred pursuant to Composite Scheme (Refer Note: 48)	30.19
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	-
Specific provision made/ (reversed)	(0.12)
As at the end of the year	30.07

NOTE: 16

CASH AND CASH EQUIVALENTS

	₹ in Crore
As at	
March 31, 2025	
Balances with banks	
Current accounts	19.66
Balances with credit card companies	29.87
Cash on hand	0.42
Cheques/ drafts on hand	3.11
Total	53.06

Net debt reconciliation:

As at March 31, 2025

	₹ in Crore				
	Transferred pursuant to Composite Scheme (Refer Note: 48)	Cash flows (net)	Fair value adjustments	Others	As at March 31, 2025
Investing activities					
Cash and cash equivalents	132.35	(79.30)	-	-	53.06
Current investments	361.75	(244.64)	-	0.07	117.18
Total (a)	494.10	(323.94)	-	0.07	170.24
Financing activities					
Non-current borrowings	60.03	25.38	-	(7.97)	77.44
Current borrowings (including current maturities of non-current borrowings)	1,345.50	(478.71)	-	7.96	874.75
Lease liabilities	1,904.30	(640.96)	-	716.92	1,980.26
Total (b)	3,309.83	(1,094.29)	-	716.91	2,932.45
Net debt (b-a)	2,815.73	(770.35)	-	716.84	2,762.21

NOTE: 17

BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	₹ in Crore
As at	
March 31, 2025	
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)	0.59
Total	0.59

NOTE: 18

CURRENT FINANCIAL ASSETS - OTHERS

	₹ in Crore
As at	
March 31, 2025	
Other receivables	16.00
Lease receivables (from sub-lease arrangements)	60.16
Total	76.16

NOTE: 19

OTHER CURRENT ASSETS

	₹ in Crore
As at	
March 31, 2025	
Prepayments	23.27
Advance to suppliers	107.97
Export incentives	3.59
Balances with government authorities (other than income tax)	173.07
Government grant receivables	1.24
Right to return assets	296.72
Other receivables	15.64
Total	621.50





NOTE: 20  
EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2025	
	No. of shares	₹ in Crore
Equity share capital		
As at the beginning of the year	-	-
Increase during the year	50,000	0.05
As at the end of the year	50,000	0.05

Issued equity share capital

	As at March 31, 2025	
	No. of shares	₹ in Crore
As at the beginning of the year	-	-
Equity shares issued on incorporation of Company	50,000	0.05
As at the end of the year	50,000	0.05

Subscribed and paid-up equity share capital

	As at March 31, 2025	
	No. of shares	₹ in Crore
As at the beginning of the year	-	-
Equity shares issued on incorporation of Company	50,000	0.05
As at the end of the year	50,000	0.05

(i) Shares held by Promoters :

Shares held by Promoters as at March 31, 2025		
Promoter name	No. of Shares	% of total shares
Aditya Birla Fashion and Retail Limited	50,000	100.00
Total	50,000	100.00

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

The Company has only one class of equity shares having face value of 10/- per share. Each holder of an equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution to all preference shareholders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

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

Name of the shareholder	As at March 31, 2025	
	No. of shares held	% of paid-up share capital
Aditya Birla Fashion and Retail Limited	50,000	100.00

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

No shares have been reserved for issue under the Employee Stock Option Plan (ESOP) of the Group.

NOTE: 21  
OTHER EQUITY

	₹ in Crore
	As at March 31, 2025
Share suspense account	
As at the beginning of the year	-
Pursuant to Composite Scheme	1,220.26
As at the end of the year	1,220.26
Retained earnings	
As at the beginning of the year	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	-
Profit/(Loss) for the period	59.60
As at the end of the year	59.60



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

**Group share based payment reserve**

	₹ In Crore
	As at
	March 31, 2025
As at the beginning of the year	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	40.00
Share based payment expense	1.49
As at the end of the year	<u>41.49</u>

	₹ In Crore
	As at
	March 31, 2025

**Capital reserve**

As at the beginning of the year	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	(41.58)
As at the end of the year	<u>(41.58)</u>

**Other comprehensive Income**

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

As at the beginning of the year	-
Transferred pursuant to Composite Scheme (Refer Note: 48)	-
Gains/ (losses) during the year	(3.29)
As at the end of the year	<u>(3.29)</u>

<b>Total</b>	<b><u>1,276.48</u></b>
--------------	------------------------

**Other equity**

	₹ In Crore
	As at
	March 31, 2025
Share suspense account	1,220.26
Reserves and surplus	
Retained earnings	59.60
Group share based payment reserve	41.49
Capital reserve	(41.58)
Other comprehensive income	
Remeasurement gains/ (losses) on defined benefit plans	(3.29)
<b>Total</b>	<b><u>1,276.48</u></b>

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

**1. Share suspense account**

Share suspense is created for the net assets transferred pursuant to the Composite scheme against which equity shares will be issued and the balance has been transferred to Capital reserve.

**2. Retained earnings**

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

**3. Group share based payment reserve**

The fair value of the equity-settled share based payment transactions with employees is recognised in Consolidated 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. Capital reserve**

Capital reserve represents difference between the carrying amount of net assets transferred to the Company and face value of shares issued, pursuant to a Scheme of arrangement between the Company and Aditya Birla Fashion & Retail Limited, approved by NCLT on March 27, 2025.

**5. 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 Consolidated Statement of Profit and Loss.



**NOTE: 22**  
**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

	Effective interest rate	Maturity	As at March 31, 2025
	% p.a.		₹ in Crore
<b>Term loans from banks</b>			
Term Loan from Axis Bank (Secured) <sup>2</sup>	8.44%	September 30, 2028	76.40
<b>Term loan from others</b>			
Other borrowings (Unsecured) <sup>1</sup>	8.00% - 14.37%	June 30, 2026	0.49
<b>Preference shares</b>			
Cumulative redeemable preference shares	8.00%	March 26, 2029	0.55
<b>Total</b>			<b>77.44</b>

**Current maturities of long-term borrowings**

	Effective interest rate	Maturity	As at March 31, 2025
	% p.a.		₹ in Crore
<b>Current maturities of long-term borrowings (included in current borrowings)</b>			
Redeemable non-convertible debentures - Series 9 (Unsecured)*	7.97%	January 29, 2026	499.28
Term Loan from Axis Bank (Secured) <sup>2</sup>	8.44%	September 30, 2028	24.57
Other borrowings (Unsecured) <sup>1</sup>	8.00% - 14.37%	June 30, 2026	1.43
<b>Total (included in Current Borrowings)</b>			<b>525.28</b>

\*Net off unamortised charges

Aggregate secured borrowings	100.97
Aggregate unsecured borrowings	501.75

**Note:**

- (i) The borrowings above have been transferred to the Group pursuant to Scheme of Arrangement approved between the Company and Aditya Birla Fashion and Retail Limited which has been approved by NCLT on March 27, 2025. The management will initiate the process to assign these borrowings from Aditya Birla Fashion and Retail Limited to the Holding Company or its Subsidiary.
- (ii) The Company has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings.

**Details of security and terms of repayment**

- Loans amounting to ₹ 1.92 Crore is repayable in monthly instalments till June 30, 2026.
- An amount of ₹ 145 Crore was sanctioned by Axis Bank. The loan is repayable in 15 structured quarterly instalments beginning after 15 months from the date of first disbursement of the loan. The final instalment is due for repayment in September 2028. The borrowing is secured by way of a charge on the movable assets (including book debts) of Aditya Birla Garments Limited (a Subsidiary of the Holding Company).



Aditya Birla Lifestyle Brands Limited  
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 23

NON-CURRENT FINANCIAL LIABILITIES- OTHERS

	₹ in Crore
As at	
March 31, 2025	
Liability towards license rights	518.08
<b>Total</b>	<b>518.08</b>

NOTE: 24

NON-CURRENT PROVISIONS

	₹ in Crore
As at	
March 31, 2025	
Employee benefit obligation	
Provision for gratuity (Refer Note:41)	10.38
Stock Appreciation Rights (SAR)	12.33
<b>Total</b>	<b>22.71</b>

NOTE: 25

OTHER NON-CURRENT LIABILITIES

	₹ in Crore
As at	
March 31, 2025	
Deferred income	26.02
<b>Total</b>	<b>26.02</b>

NOTE: 26

CURRENT - BORROWINGS

	₹ in Crore
As at	
March 31, 2025	
Loans repayable on demand from banks	
Cash credit/ Working capital demand loan (Unsecured)	349.47
Current maturities of long term borrowings (Refer Note: 22)	525.28
<b>Total current borrowings</b>	<b>874.75</b>
Aggregate secured borrowings	24.57
Aggregate unsecured borrowings	850.18

**Note:** The borrowings above have been transferred to the Company pursuant to Scheme of Arrangement agreed by NCLT between the Company and Aditya Birla Fashion and Retail Limited ('ABFRL') on March 27, 2025. These borrowings were entered into between the Lenders and ABFRL. The Management will initiate process to assign these borrowings from ABFRL to the Holding Company or its Subsidiary.





**NOTE: 27**  
**TRADE PAYABLES**

	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	89.11
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,032.21
<b>Total</b>	<b>2,121.32</b>

\*Includes payables to related parties (Refer Note:45).

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

	₹ in Crore
	As at March 31, 2025
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	
Principal amount due to Micro and Small Enterprises*	102.03
Interest due on the above	0.24
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 year	55.12
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 year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	1.64
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	1.87
e. The amount of further interest remaining due and payable even in the succeeding years, 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.	0.01

\* Includes amount due to creditors for capital supplies/ services amounting to ₹ 13.16 Crore as at March 31, 2025 .

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.

**Ageing of Trade Payables:**

Particulars	Outstanding as on March 31, 2025 (for following periods from due date of payment)					₹ in Crore
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	86.28	2.35	-	0.00	0.03	88.66
(ii) Others	972.77	974.61	65.80	4.97	12.52	2,030.67
(iii) Disputed dues – MSME	-	-	0.42	-	0.03	0.45
(iv) Disputed dues – Others	0.00	0.01	0.45	0.00	1.08	1.54

**NOTE: 28**  
**CURRENT FINANCIAL LIABILITIES - OTHERS**

	₹ in Crore
	As at March 31, 2025
Interest accrued but not due on borrowings	6.41
Creditors for capital supplies/ services (including dues to micro and small enterprises)	30.26
Derivative contracts	4.96
Employee Payable	104.32
Liability towards license rights	1.41
<b>Total</b>	<b>147.36</b>



Aditya Birla Lifestyle Brands Limited  
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 29  
CURRENT PROVISIONS

	₹ in Crore
	As at
	March 31, 2025
Employee benefit obligation	
Provision for compensated absences	58.05
Provision for gratuity (Refer Note:41)	0.03
Stock Appreciation Rights (SAR)	33.54
Provision for pending litigations (Refer Note:44)	50.02
<b>Total</b>	<b>141.64</b>

Movement of provision for pending litigations during the year:

	₹ in Crore
	As at
	March 31, 2025
Transfer pursuant to Composite Scheme	53.09
Add: provision made during the year	0.78
Less: provision utilised during the year	(3.03)
Less: provision reversed during the year	(0.82)
<b>Closing balance</b>	<b>50.02</b>

NOTE: 30  
OTHER CURRENT LIABILITIES

	₹ in Crore
	As at
	March 31, 2025
Advances received from customers	25.36
Deferred revenue*	6.37
Other advances received	0.44
Statutory dues (other than income tax)	36.79
Refund liabilities	499.11
<b>Total</b>	<b>568.07</b>

\* Deferred revenue:

	₹ in Crore
	As at
	March 31, 2025
Transfer pursuant to Composite Scheme (Refer note:48)	5.55
Deferred during the year	46.29
Released to the Consolidated Statement of Profit and Loss	(45.47)
<b>As at the end of the year</b>	<b>6.37</b>

The deferred revenue relates to the accrual and release of customer loyalty points according to the loyalty programme announced by the respective businesses. As at March 31, 2025, the estimated liability towards unredeemed points amounts to ₹ 6.37 Crore.



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

**NOTE: 31**

**REVENUE FROM OPERATIONS**

Accounting Policy

**(I) Revenue from contracts with customers**

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

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

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

Revenue from sale of products

Revenue from sales of products is measured at the amount of transaction price (net of returns, customer incentives, discounts, variable consideration and other similar charges offered by the Company) allocated to that performance obligation.

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

Assets and liabilities arising from right to return

The Company has contracts with customers which entitles them an unconditional right to return.

Right to return assets

A right of return gives an entity a contractual right to recover the goods from a customer (right to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Company has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Income from gift voucher

Gift voucher sales are recognised when the vouchers are redeemed, and the goods are sold to the customer.

Loyalty points programme

The Company operates a loyalty programme which allows customers to accumulate points on purchases made in retail stores. The points give rise to a separate performance obligation as it entitles them for redemption as settlement of future purchase transaction price. Consideration received is allocated between the sale of products and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of points is determined by applying statistical techniques based on the historical trends.

Transaction price allocated to reward points is deferred and recognised when points are redeemed or when the points expire. The amount of revenue is based on the value of points redeemed/ expired.

Income from services

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

Export incentives income

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Licence fees and royalties

Royalty and licensing revenue is received from customers for usage of the Group's brand name. Revenue is recognised over time based on the terms of contracts with the customer.

Commission income

In case of sales of goods, where the Company is an agent in the transaction, the difference between the revenue and the cost of the goods sold is disclosed as commission income in other operating income.



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

**NOTE: 31**

**REVENUE FROM OPERATIONS**

	₹ in Crore
	Period ended March 31, 2025
Revenue from sale of products	
Sale of products	7,747.66
Revenue from redemption of loyalty points (Refer Note:30)	45.47
<b>Total revenue from sale of products</b>	<b>7,793.13</b>
Revenue from rendering of services	15.47
Other operating income	
Scrap sales	2.16
Export incentives	8.60
Licence fees and royalties	10.56
Commission income	0.04
<b>Total</b>	<b>7,829.96</b>

**(a) Right to return assets and refund liabilities:**

	₹ in Crore
	As at March 31, 2025
Right to return assets	296.72
Refund liabilities	499.11

**(b) Contract balances:**

	₹ in Crore
	As at March 31, 2025
<b>Contract assets</b>	
Trade receivables	1,322.05
<b>Contract Liabilities</b>	
Advances received from customers	25.36
Deferred revenue	6.37

**(c) Reconciliation of revenue as recognised in the Consolidated Statement of Profit and Loss with the contracted price:**

	₹ in Crore
	Period ended March 31, 2025
Revenue as per contracted price	9,762.93
Less:	
Sales return	1,267.02
Discounts	659.58
Loyalty points	6.37
<b>Revenue as per the Consolidated Statement of Profit and Loss</b>	<b>7,829.96</b>





**Aditya Birla Lifestyle Brands Limited**

**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

**(d) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss:**

	₹ in Crore
	Period ended
	March 31, 2025
Revenue from retail operations	4,499.03
Revenue from non-retail operations	3,330.93
	<b>7,829.96</b>
<b>Revenue as per the Consolidated Statement of Profit and Loss</b>	<b>7,829.96</b>

**(e) Disclosure of disaggregated revenue recognised in the Consolidated Statement of Profit and Loss based on geographical location of customers:**

	₹ in Crore
	Period ended
	March 31, 2025
Revenue from customers outside India	180.06
Revenue from customers within India	7,649.90
<b>Revenue as per the Consolidated Statement of Profit and Loss</b>	<b>7,829.96</b>

**NOTE: 32**

**OTHER INCOME**

	₹ in Crore
	Period ended
	March 31, 2025
Profit on sale of property, plant and equipment	0.01
Interest income	6.08
Net gain on investment in mutual funds (including on redemption)	0.07
Interest income from financial assets at amortised cost	44.68
Gain on retirement of right-of-use assets (Refer Note:43a)	6.99
Miscellaneous income	19.88
<b>Total</b>	<b>77.71</b>



Aditya Birla Lifestyle Brands Limited  
Notes to the Consolidated Financial Statements for the period ended March 31, 2025

NOTE: 33  
COST OF MATERIALS CONSUMED

	₹ in Crore
Period ended March 31, 2025	
<b>(a) Materials consumed</b>	
Inventories at the beginning of the year	186.09
Add: Purchases	1,058.48
	<b>1,244.57</b>
Less: Inventories at the end of the year	234.24
<b>Total</b>	<b>1,010.33</b>
<b>(b) Purchase of stock-in-trade</b>	
Purchase of stock-in-trade	2,121.28
<b>Total</b>	<b>2,121.28</b>
<b>(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	
Opening inventories	
Finished goods	419.01
Stock-in-trade	1,568.20
Work-in-progress	20.49
Less:	
Closing inventories	
Finished goods	467.92
Stock-in-trade	1,379.15
Work-in-progress	20.22
	<b>1,867.29</b>
<b>(Increase)/Decrease in inventories</b>	<b>140.41</b>



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

**NOTE: 34**  
**EMPLOYEE BENEFITS EXPENSE**

	₹ in Crore
	Period ended March 31, 2025
Salaries, wages and bonus	787.50
Contribution to provident and other funds (Refer Note: 41)	55.22
Share-based payment to employees (Refer Note: 42)	19.76
Gratuity expense (Refer Note: 41)	12.43
Staff welfare expenses	43.51
<b>Total</b>	<b>918.42</b>

**NOTE: 35**  
**FINANCE COSTS**

	₹ in Crore
	Period ended March 31, 2025
Interest expense on borrowings	99.24
Interest on deposits	42.05
Interest expense on lease liabilities (Refer Note: 4b & 43a)	187.74
Fair value impact on financial instruments at FVTPL	52.97
<b>Total</b>	<b>382.00</b>

**NOTE: 36**  
**DEPRECIATION AND AMORTISATION EXPENSE**

	₹ in Crore
	Period ended March 31, 2025
Depreciation on property, plant and equipment (Refer Note: 3a)	149.68
Depreciation on right-of-use assets (Refer Note: 4a & 43a)	499.06
Amortisation on intangible assets (Refer Note: 5)	56.99
<b>Total</b>	<b>705.73</b>



**Aditya Birla Lifestyle Brands Limited****Notes to the Consolidated Financial Statements for the period ended March 31, 2025****NOTE: 37****OTHER EXPENSES**

	Period ended March 31, 2025
Consumption of stores and spares	6.43
Power and fuel	16.54
Electricity charges	72.09
Repairs and maintenance	
Buildings	0.02
Plant and machinery	0.76
Others	165.33
Insurance	6.73
Rates and taxes	15.12
Processing charges	78.45
Commission to selling agents	92.86
Advertisement and sales promotion	258.40
Transportation and handling charges	121.31
Royalty expenses	14.10
Legal and professional	98.16
Bad debts written off	0.86
Provision for bad and doubtful deposits and advances	1.68
Printing and stationery	9.38
Travelling and conveyance	86.42
Bank and credit card charges	31.47
Payment to auditors (Refer details below)	1.64
Postage expenses	6.67
Foreign exchange loss (net)	15.96
Information technology	109.34
Outsourcing, housekeeping and security	430.23
Miscellaneous	43.11
<b>Total</b>	<b>1,683.06</b>

**Payment to auditors:**

	Period ended March 31, 2025
For audit fees (including Limited Review fees)	1.31
For tax audit fees	0.16
For other services	0.05
For reimbursement of expenses	0.12
<b>Total</b>	<b>1.64</b>

**NOTE: 37a****EXCEPTIONAL ITEMS**

Exceptional items for the period ended March 31, 2025 includes provision for impairment of goodwill, right-of-use assets, franchisee rights and Inventory Obsolescence amounting to ₹ 98.33 Crore pursuant to restructuring of operations of a business unit.



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

**NOTE: 38**

**INCOME TAX EXPENSE**

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

**In Consolidated Statement of Profit and Loss:**

**Profit or loss section**

		₹ in Crore
		Period ended March 31, 2025
<b>Current income tax</b>		
Current income tax charge		-
Current tax relating to earlier years		-
	(A)	-
<b>Deferred tax charge / (credit)</b>		
Relating to origination and reversal of temporary differences		23.81
	(B)	23.81
<b>Total</b>	<b>(A+B)</b>	<b>23.81</b>

**In Other Comprehensive Income (OCI)**

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

	₹ in Crore
	Period ended March 31, 2025
<b>Deferred tax charge/ (credit) on:</b>	
Net (gains)/ losses on re-measurement of defined benefit plans	(1.08)
Net (gains)/ losses on fair value of equity instruments	-
<b>Total</b>	<b>(1.08)</b>

**Reconciliation of tax (income)/ expense and the accounting profit/ (loss) multiplied by India's domestic tax rate**

	₹ in Crore
	Period ended March 31, 2025
<b>Accounting Profit/(Loss) before income tax</b>	<b>83.41</b>
<b>Tax expense/ (income) at statutory income tax rate of 25.17%</b>	<b>20.99</b>
<b>Reconciling items:</b>	
Expenses disallowed for tax purposes	0.48
Others	2.34
<b>Income tax expenses/ (income) as per Statement of Profit and Loss Account</b>	<b>23.81</b>





**Aditya Birla Lifestyle Brands Limited**

**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

**NOTE: 39**

**EARNINGS PER SHARE (EPS)**

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the 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 year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

		<b>₹ in Crore</b>
		<b>Period ended</b>
		<b>March 31, 2025</b>
Earnings Per Share (EPS) is calculated as under:		
Profit / (Loss) as per the Statement of Profit and Loss	(A)	59.60
<b>Profit/(Loss) for calculation of EPS</b>	<b>(A)</b>	<b>59.60</b>
Weighted average number of equity shares for calculation of Basic EPS*	<b>(B)</b>	1,22,02,60,946
<b>Profit / (Loss) per share - basic (₹)</b>	<b>(A/B)</b>	<b>0.49</b>
Weighted average number of equity shares outstanding		1,22,02,60,946
Weighted average number of potential equity shares		-
Weighted average number of equity shares for calculation of Diluted EPS		1,22,02,60,946
<b>Diluted EPS (₹)</b>	<b>(C)</b>	<b>0.49</b>
Nominal value of shares (₹)		10.00

\* Includes equity shares under Share suspense which will be issued pursuant to Composite scheme and excludes shares (50,000) which is currently issued to Aditya Birla Fashion and Retail Limited.



**Aditya Birla Lifestyle Brands Limited****Notes to the consolidated financial statements for the period ended March 31, 2025****NOTE - 40****SEGMENT INFORMATION**

Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The Group's business activity falls within a single operating business segment of Branded Apparels (Garments and Accessories).

The additional information required by Ind AS 108 is as below :-

	₹ in Crore
<b>(a) Revenue from customer (based on geographical location of customers):</b>	<b>Period ended March 31, 2025</b>
India	180.06
Outside India	7,649.90
<b>Total</b>	<b>7,829.96</b>

	₹ in Crore
<b>(b) Location of non - current assets (excluding deferred tax assets):</b>	<b>Year ended March 31, 2025</b>
India	3,743.88
Outside India	-
<b>Total</b>	<b>3,743.88</b>



**Aditya Birla Lifestyle Brands Limited**

Notes to the consolidated financial statements for the period ended March 31, 2025

**NOTE - 41****GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

The Group operates a gratuity plan through a Trust wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service as per the Payment of Gratuity Act, 1972. In case of some employees, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The benefits are payable on termination of service or retirement, whichever is earlier. The benefits vests after five years of continuous service. A part of the gratuity plan is funded and another part is unfunded, hence the liability has been bifurcated into funded and unfunded. The gratuity plan in the Group funded through annual contribution to Insurer Managed Fund (managed by Life Insurance Corporation of India) under its Gratuity Scheme. Post demerger Management will initiate appropriate steps towards transferring of the said fund maintained with LIC in the name of Holding Company.

The Group has contributed to the Insurer Managed Fund (managed by Life Insurance Corporation of India), details of which is available in the table of Investment pattern of plan assets.

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

**Unfunded defined benefit plan****Net benefit expense recognised through the Consolidated Statement of Profit and Loss**

	Period ended March 31, 2025
Current service cost	0.19
Interest cost on defined benefit obligation	0.02
<b>Total</b>	<b>0.21</b>

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

	As at March 31, 2025
<b>Opening defined benefit obligation</b>	-
Transfer pursuant to Composite Scheme (Refer note: 48)	0.24
Current service cost	0.19
Interest cost on defined benefit obligation	0.02
Actuarial (gain)/ loss on account of:	
Changes in financial assumptions	0.03
Experience adjustments	0.04
Actuarial (gain)/ loss recognised in OCI	0.07
Benefits paid	(0.01)
<b>Closing defined benefit obligation</b>	<b>0.51</b>

**Funded defined benefit plan****Net benefit expense recognised through the Consolidated Statement of Profit and Loss**

	₹ in Crore Period ended March 31, 2025
Current service cost	11.86
Interest cost on defined benefit obligation	5.57
Interest income on plan assets	(5.21)
	<b>12.22</b>



Aditya Birla Lifestyle Brands Limited  
Notes to the consolidated financial statements for the period ended March 31, 2025

Changes in the defined benefit obligation and fair value of plan assets are as follows:

(i) Changes in the present value of the Defined Benefit Obligations (DBO)

	₹ in Crore
	As at
	March 31, 2025
<b>Opening defined benefit obligation</b>	-
Transfer pursuant to Composite Scheme (Refer note: 48)	77.51
Current service cost	11.86
Interest cost on defined benefit obligation	5.57
<b>Actuarial (gain)/ loss on account of:</b>	
Changes in financial assumptions	3.58
Experience adjustments	0.93
Actuarial (gain)/ loss recognised in OCI	4.51
Benefits paid	(6.36)
Addition/(Deletion) due to transfer of employees	(0.26)
<b>Closing defined benefit obligation</b>	<b>92.83</b>

(ii) Change in fair value of plan assets

	₹ in Crore
	As at
	March 31, 2025
<b>Opening fair value of the plan assets</b>	-
Transfer pursuant to Composite Scheme (Refer note: 48)	72.27
Contributions by the employer	5.27
Interest income on plan assets	5.21
<b>Actuarial gain/ (loss) recognised in OCI</b>	
Actual returns on plan assets excluding amounts included in net interest	0.21
<b>Closing fair value of the plan assets</b>	<b>82.96</b>

Amounts recognised in the Consolidated Balance Sheet

	₹ in Crore
	As at
	March 31, 2025
Present value of the defined benefit obligation at the end of the year:	
Funded	92.83
Fair value of plan assets	82.96
<b>Net liability/ (asset)</b>	<b>9.87</b>
Net liability is classified as follows:	
Current	-
Non-current	9.87
<b>Net liability - Funded</b>	<b>9.87</b>
	As at
	March 31, 2025
Present value of the defined benefit obligation at the end of the year:	
Unfunded	0.51
<b>Liability</b>	<b>0.51</b>
Net liability is classified as follows:	
Current	-
Non-current	0.51
<b>Liability - Unfunded</b>	<b>0.51</b>



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the consolidated financial statements for the period ended March 31, 2025**

The principal assumptions used in determining gratuity (funded and unfunded) defined benefit obligations for the Group are shown below:

	As at March 31, 2025
<b>Discount rate</b>	
Funded plan & Unfunded plan	6.70%
<b>Salary escalation rate</b>	
Funded plan & Unfunded plan	
Management	8.00%
Staff	7.00%
Workers	5.00%

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

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

A quantitative sensitivity analysis for significant assumptions is as follows:

	As at March 31, 2025	
<b>Sensitivity level</b>		
<b>Discount rate</b>	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)		
Funded plan	(3.66)	3.93
Unfunded plan	(0.03)	0.03
<b>Salary escalation rate</b>	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)		
Funded plan	3.91	(3.68)
Unfunded plan	0.03	(0.03)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated using the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

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

	₹ in Crore March 31, 2025
Within the next 12 months (next annual reporting period)	11.08
Between 2 and 5 years	35.91
Between 6 and 10 years	38.54
Beyond 10 years	98.46
<b>Total</b>	<b>183.99</b>

The Group is expected to contribute ₹ 24.03 Crore to the gratuity fund during the year ended March 31, 2026.

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years.

**Risk exposure**

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

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans. These are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimise risk to an acceptable level.
Inflation Risk	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life Expectancy	The pension plan provides benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy





**Aditya Birla Lifestyle Brands Limited****Notes to the consolidated financial statements for the period ended March 31, 2025****Defined contribution plans**

**Provident Fund:** Contributions are made mainly to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

**Employees' State Insurance:** Employees' State Insurance is a state plan applicable to employees of the Company whose salaries do not exceed a specified amount. The contributions are made on the basis of a percentage of salary to a fund administered by government authority. The obligation of the Company is limited to the extent of contributions made on a monthly basis.

**Superannuation Fund:** Certain executive staff of the Company participate in Superannuation Fund, which is a voluntary contribution plan. The Company has no further obligations to the plan beyond its monthly contributions to the Superannuation Fund, the corpus of which is administered by a Trust belonging to demerged company and is invested in insurance products.

**National Pension Scheme:** Certain executive staff of the Company participate in National Pension Scheme, which is a voluntary contribution plan. The Company has no further obligations to the plan beyond its monthly contributions to a fund administered by a pension fund manager appointed by Pension Fund Regulatory and Development Authority.

Amount recognised as an expense and included in Note - 34 as "Contribution to provident and other funds"

	₹ in Crore
	Period ended March 31, 2025
Contribution to Government Provident Fund	39.55
Contribution to Superannuation Fund	0.60
Contribution to Employee Pension Scheme (EPS)	5.97
Contribution to Employee State Insurance (ESI)	7.02
Contribution to Employee Deposit Linked Insurance	0.12
Contribution to Labour Welfare Fund (LWF)	0.09
Contribution to National Pension Scheme (NPS)	1.86
<b>Total</b>	<b>55.22</b>

**Note:**

1. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact after the Code becomes effective.



## NOTE- 42

## SHARE-BASED PAYMENT

The expense recognised for employee services received during the year is shown in the following table:

	₹ in Crore
	Period ended
	March 31, 2025
Expense arising from equity-settled share-based payment arrangements	1.49
Expense arising from cash-settled share-based payment arrangements	18.27
<b>Total</b>	<b>19.76</b>

## I. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017

On July 25, 2017, the Nomination and Remuneration Committee ("NRC") and the Board of Directors ("Board") of Aditya Birla Fashion and Retail Limited ('ABFRL') approved the introduction of a Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees, subject to the approval of the Shareholders. Shareholders of ABFRL, vide a resolution passed at the Tenth Annual General Meeting of the Company, held on August 23, 2017, approved the introduction of the Scheme 2017 and authorised the Board/ NRC to finalise and implement the Scheme 2017.

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to ESOPs issued by ABFRL.

## i) Details of the grants under Scheme 2017 are below:

	Options	RSUs
No. of Options/ RSUs	13,71,591	5,19,574
Method of accounting	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Bullet vesting at the end of 3 <sup>rd</sup> year
Exercise period	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 08, 2017 onwards	September 08, 2017 Onwards
Grant/ exercise price (₹ per share)	150.80 to 178.30	10.00
Market price on the date of granting of Options/	BSE - 147.70 to 176.40	BSE - 147.70 to 176.40
	NSE - 147.10 to 176.50	NSE - 147.10 to 176.50
RSUs (₹ per share)	176.50	176.50
Method of settlement	Equity	Equity

## ii) Movement of Options and RSUs granted are below:

The following table illustrates the number and weighted average exercise prices of, and movements in, Options and RSUs during the current year:

	As at March 31, 2025			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	-	-	-	-
Transfer pursuant to Composite Scheme	3,88,363	164.23	84,976	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year <sup>^</sup>	(1,79,903)	177.56	(6,070)	10.00
Lapsed during the financial year	(22,509)	178.30	-	-
Outstanding at the end of the financial year	1,85,951	178.30	78,906	10.00
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	1,85,951	177.98	78,906	10.00

<sup>^</sup>The weighted average share price at the date of exercise of these Options and RSUs was ₹310.04 per share and ₹240.75 per share respectively.



**II. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019**

On July 26, 2019, the Nomination and Remuneration Committee and the Board of Directors ("Board") of ABFRL, approved Introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019"), for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees.

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to ESOPs issued by ABFRL.

**i) Details of the grants under Scheme 2019 are as below:**

	Options	RSUs
No. of Options/ RSUs	2,174,990	565,591
Method of accounting	Fair value	Fair value
Vesting plan	Graded and Bullet vesting over/at the end of 2 to 3 years	Bullet vesting at the end of 3 <sup>rd</sup> year
Exercise period	5 years from the date of vesting	5 years from the date of vesting
Grant date	December 02, 2019 Onwards	December 02, 2019 Onwards
Exercise price (₹ per share)	164.10 to 330.75	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 163.85 to 338.00 NSE - 163.80 to 337.55	BSE - 163.85 to 338.00 NSE - 163.80 to 337.55
Method of settlement	Equity	Equity

**ii) Movement of Options and RSUs granted are below:**

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

	As at March 31, 2025			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	-	-	-	-
Transfer pursuant to Composite Scheme	1,478,113	209.50	247,625	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year <sup>a</sup>	(147,897)	188.40	(64,821)	10.00
Lapsed during the financial year	(117,893)	229.28	-	-
Outstanding at the end of the financial year	1,212,323	217.76	182,804	10.00
Unvested at the end of the financial year	130,324	-	77,779	-
Exercisable at the end of the financial year	1,081,999	211.98	105,025	10.00

<sup>a</sup>The weighted average share price at the date of exercise of these Options was ₹294.22 per share and RSU was ₹311.06 per share.

The weighted average remaining contractual life for the share Options and RSUs outstanding as at March 31, 2025 is 3 years.

**I. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019**

On February 04, 2019, the NRC and the Board of ABFRL, at their respective meetings had approved the "Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019" ("SARs Scheme 2019"), to grant Stock Appreciation Rights (SAR) in the form of "Option SARs" and "RSU SARs", from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to SARs issued by ABFRL.

**i) The details of the Plan are as below:**

**Details of SARs are below:**

	Option SARs	RSU SARs
No. of SARs	1,326,879	619,164
Method of accounting	Fair value	Fair value
Vesting plan	May 16, 2019 onwards and graded vesting over 2 to 3 years	Bullet vesting at the end of 3 years
Exercise period	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019 Onwards	May 15, 2019 Onwards
Grant price (₹ per share)	178.30 to 330.75	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 to 338.00 NSE - 192.80 to 337.55	BSE - 192.45 to 338.00 NSE - 192.80 to 337.55
Method of settlement	Cash	Cash

**ii) Movement of SARs granted are below:**

The following table illustrates the number and weighted average exercise prices of, and movements in, Option SARs during the year:

	As at March 31, 2025			
	No. of Option SARs	Weighted average exercise price (₹ per share)	No. of RSU SARs	Weighted average exercise price (₹ per share)
Outstanding at the beginning of the financial year	-	-	-	-
Transfer pursuant to Composite Scheme	1,101,332	281.70	540,391	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year <sup>a</sup>	(161,531)	216.09	(50,579)	10.00
Lapsed during the financial year	(219,222)	234.80	(20,633)	-
Outstanding at the end of the financial year	720,579	238.26	469,179	10.00
Unvested at the end of the financial year	316,305	-	248,206	-
Exercisable at the end of the financial year	404,274	228.06	220,973	10.00

<sup>a</sup>The settlement happens net of exercise price and the weighted average share price at the date of exercise of these Option SAR and RSUs was ₹318.58 per share and ₹318.04 per share respectively.

The weighted average remaining contractual life for SAR options outstanding as at March 31, 2025 is 2 years and for SAR RSUs outstanding as at March 31, 2025, is 3 years.

The expected life of the Share Options, RSUs and SARs is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Share Options, RSUs and SARs is indicative of future trends, which may not necessarily be the actual outcome.



**Aditya Birla Lifestyle Brands Limited**
**Notes to the consolidated financial statements for the period ended March 31, 2025**
**II. Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2024**

On August 04, 2024, the NRC and the Board of ABFRL, at their respective meetings had approved the "Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2024" ("SARs Scheme 2024"), to grant Stock Appreciation Rights (SARs) in the form of "Option SARs" and "RSU SARs", from time to time, to the eligible employees (as defined in the SARs Scheme 2024).

Pursuant to the approved Scheme of arrangement between Company and ABFRL, the employees of the Madura undertaking continue to be entitled to SARs issued by ABFRL.

**i) The details of the Plan are as below:**

	Option SARs	RSU SARs
No. of SARs	18,13,089	5,78,610
Method of accounting	Fair value	Fair value
Vesting plan	Graded vesting over 2 to 3 years	Bullet Vesting at the end of 2 to 3 years
Exercise period	3 years from the date of vesting	3 years from the date of vesting
Grant date	August 07, 2024 onwards	August 07, 2024 Onwards
Grant price (₹ per share)	248.55 to 318.90	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 242.15 to 323.90 NSE - 242.30 to 323.05	BSE - 242.15 to 323.90 NSE - 242.30 to 323.05
Method of settlement	Cash	Cash

**ii) Movement of SARs granted**

The following table illustrates the number and weighted average exercise prices of, and movements in, SARs during the year:

	As at March 31, 2025			
	No. of Option SARs	Weighted average exercise price (₹ per share)	No. of RSU SARs	Weighted average exercise price (₹ per share)
<b>Option SARs</b>				
Outstanding at the beginning of the financial year	-		-	
Granted during the financial year	18,13,089	317.93	5,78,610	10.00
Exercised during the financial year <sup>^</sup>	-		-	-
Lapsed during the financial year	(64,534)	318.90	(16,720)	10.00
<b>Outstanding at the end of the financial year</b>	<b>17,48,555</b>	<b>318.90</b>	<b>5,61,890</b>	<b>10.00</b>
<b>Unvested at the end of the financial year</b>	<b>17,48,555</b>	<b>318.90</b>	<b>5,61,890</b>	<b>10.00</b>
<b>Exercisable at the end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>^</sup>The settlement happens net of exercise price.

**iii) The following table lists the inputs to the model used for SARs issued during the year:**

	Options	RSUs
Expected dividend yield (%)	Nil	Nil
Expected volatility (%)	36.62 to 40.35	36.67 to 43.92
Risk-free interest rate (%)	6.77 to 6.94	6.82 to 6.97
Weighted average fair value per SAR (₹)	71.73 to 120.71	211.55 to 271.34
Model used	Binomial model	Binomial model

The weighted average remaining contractual life for the SAR Options and SAR RSUs outstanding as at March 31, 2025, is 3 years.



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the consolidated financial statements for the period ended March 31, 2025**

**NOTE - 43**

**COMMITMENTS AND CONTINGENCIES**

**a) Leases**

**Lease commitments as lessee**

The Group has entered into agreements for taking on lease certain land/residential/ office/ store premises, warehouses, factories, property, plant and equipment on lease and licence basis. The lease term is for periods ranging from 3 to 21 years, with escalation clauses in the lease agreements. Consistent with Industry practice, the Group has contracts which have fixed rentals or variable rentals based on a percentage of sales in the stores, or a combination of both.

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

	₹ in Crore
	Period ended March 31, 2025
<b>Other income</b>	
Gain on termination of right-of-use assets (Including exceptional item)	8.93
<b>Rent</b>	
Expense relating to short-term leases	18.06
Expense relating to leases of low value assets	-
Variable rent*	746.64
Rent concession	-
<b>Finance cost</b>	
Interest expense on lease liabilities	187.74
<b>Depreciation and amortisation expenses</b>	
Depreciation on right-of-use assets	499.06
<b>Other expenses</b>	
Processing charges	32.65
Sublease payments received (not shown separately in the Consolidated Statement of Profit and Loss)	88.57

\* The variable rent varies basis percentage of Net Sales Value (NSV) at the lease premises.

**Contractual maturities of lease liabilities**

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

	₹ in Crore
	As at March 31, 2025
Within one year	566.20
After one year but not more than five years	1,188.20
More than five years	367.22
<b>Total</b>	<b>2,121.62</b>

The initial non-cancellable period of the lease agreement pertaining to stores are up to 3 years, beyond which there is an option for the Group to continue the lease, which the Group expects to continue for a period of 2 years after the initial non-cancellable period, accordingly 5 years has been considered as the lease term. Post such period, the Group has the option to exit the lease by giving a notice period and the Group assesses its intention to continue considering location and other economic factors associated with the lease arrangement.

Total cash outflow for leases for the year ended March 31, 2025 is ₹ 1,494.23 Crore.

In accordance with its capital expenditure strategy, the Demerged Company engaged in a sale and leaseback transaction involving certain assets, including furniture and fixtures, and office equipment, pertaining to the Demerged undertaking. These assets and liabilities were assumed as part of the Business Combination (Refer Note: 48). The lease agreement spans a duration of 4-5 years, and the transaction has been recorded as right-of-use assets with corresponding lease liabilities.

**Lease commitments for leases not considered in measurement of lease liabilities**

	₹ in Crore
	As at March 31, 2025
<b>Particulars</b>	
Lease commitment for short-term leases	0.95
Lease commitment for leases of low value assets	-
<b>Total</b>	<b>0.95</b>

**Variable lease payments**

Some property leases contain variable payment terms that are linked to sales generated from a store. For certain individual store, up to 100% of lease payment are on the basis of variable payment terms. Variable payment terms are used for a variety of reasons, including minimising the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occur.

	₹ in Crore	
	March 31, 2025	
<b>Particulars</b>		
<b>Increase/ (Decrease) in sales</b>	<b>Increase by 5%</b>	<b>Decrease by 5%</b>
Rent	37.33	(37.33)





**Aditya Birla Lifestyle Brands Limited****Notes to the consolidated financial statements for the period ended March 31, 2025****b) Capital commitments**

	₹ in Crore
	As at
	March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	42.37
<b>Total</b>	<b>42.37</b>

**Note:** The Group has obtained licenses from the Office of the Joint Director General of Foreign Trade, Vishakapatnam under the Export Promotion of Capital Goods (EPCG) scheme which allows the Company to import capital goods free of customs duty. The scheme requires the Company to achieve an export obligation equal to 6 times the amount of customs duty saved within a period of next 6 years. The Company has imported equipment during the current year under the Scheme and has availed a cumulative customs duty benefit of ₹ 7.12 Cr. Company has determined that it would meet the export obligation commitment within the period specified.

**c) Other commitments**

As at March 31, 2025, the Group has committed to provide financial support to Aditya Birla Garments Limited to enable them to meet their commitments within a period of next 12 months.



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the consolidated financial statements for the period ended March 31, 2025**

**NOTE - 44**  
**CONTINGENT LIABILITIES NOT PROVIDED FOR**

	₹ in Crore
	As at
	March 31, 2025
<b>Claims against the Group not acknowledged as debts</b>	
Commercial taxes	0.10
Excise duty	0.50
Customs duty	10.67
Textile committee cess	0.75
Others*	2.71
<b>Total</b>	<b>14.73</b>

\* Pertains to claims made by third parties, pending settlement which are considered not tenable.

The Group's pending litigations comprise of claims against the Group primarily for excise duty, comprising various cases demanding duty on reversal of CENVAT credit on sale of capital goods and for commercial taxes, comprising various cases in respect of short fall in submission of Forms F, H, I and C, disallowance of input credit, etc.

The Group has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its standalone financial statements where financial outflow is not probable. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Group has a provision of ₹ 50.02 Crore as at March 31, 2025 (Refer Note: 29).

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. The Company has made provision as required under the accounting standards for material foreseeable losses on derivative contracts as at March 31, 2025.

Note :- As per the approved Composite Scheme of Arrangement, the Group has assumed contingent liabilities specifically related to the Madura division of the Demerged Company.



Aditya Birla Lifestyle Brands Limited

Notes to the consolidated financial statements for the period ended March 31, 2025

**NOTE - 45**

**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 (till March 26, 2025)\*

**Parties under common control**

Aditya Birla Fashion and Retail Limited (with effect from March 27, 2025)

**Fellow Subsidiaries (till March 26, 2025) and subsidiaries of parties under common control (with effect from March 27, 2025)**

Finesse International Design Private Limited

Indivinity Clothing Retail Private Limited

Sabyasachi Calcutta LLP

Jaypore E-Commerce Private Limited

House of Masaba Lifestyle Private Limited

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

Mr. Ashish Dikshit- Non-Executive Director with effect from April 09, 2024

Mr. Jagdish Bajaj- Non-Executive Director with effect from April 09, 2024

Mr. Anil Malik- Non-Executive Director with effect from April 09, 2024



**Aditya Birla Lifestyle Brands Limited**
**Notes to the consolidated financial statements for the period ended March 31, 2025**

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

	₹ in Crore		
	Period ended March 31, 2025		
	Holding and Fellow Subsidiaries	KMP and Relative of KMP	Other related parties
Sale of goods	200.12	-	-
Reimbursement of expenses recovered from	0.29	-	-
Purchase of goods	2.65	-	-
Reimbursement of expenses paid to	121.43	-	-
Production services given	11.21	-	-
Transfer of Post-employment liabilities	0.86	-	-

**Balances outstanding**

	₹ in Crore		
	As at March 31, 2025		
	Holding and Fellow Subsidiaries	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	7.12	-	-
Amounts owed by related parties	147.70	-	-

**Note:**

(a) The above amounts are classified as trade receivables and trade payables (Refer Notes: 15 and 27 respectively).

(b) No amounts in respect of the related parties have been written off/ back during the year.

**(c) Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the year ended March 31, 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(d) Also refer note 48 for disclosure ordering to transfer Madura undertaking from Aditya Birla Fashion and Retail Limited pursuant to a scheme of arrangement.

(e) For the year ended March 31, 2025, the remuneration for Key Managerial Personnel (KMP) has been paid by Aditya Birla Fashion and Retail Limited ('ABFRL') and allocated to the Madura division on an overall basis. Additionally, KMP are entitled to Employee Stock Options (ESOPs), Stock Appreciation Rights (SARs), and Restricted Stock Units (RSUs) issued by ABFRL.

\* Pursuant to approval of Scheme by NCLT, shares held by Aditya Birla Fashion and Retail Limited in the Company are deemed to be cancelled.



**Aditya Birla Lifestyle Brands Limited**

Notes to the consolidated financial statements for the period ended March 31, 2025

**KMPs interests in the Employee Stock Options, RSUs and SARs**

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2025 Number outstanding
<b>Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017</b>				
Options - Tranche 1	September 08, 2017	September 07, 2026	178.30	112,548
<b>Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019</b>				
Options - Tranche 1	December 02, 2019	December 01, 2028	225.25	375,000
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	260,059
Options - Tranche 4	August 05, 2022	August 03, 2030	275.10	31,096
Options - Tranche 5	September 20, 2022	September 18, 2030	330.75	171,023
<b>Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019</b>				
Options - Tranche 2	August 18, 2021	August 17, 2027	206.35	37,878
Options - Tranche 4	November 03, 2021	November 03, 2027	288.10	170,448
<b>Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2024</b>				
Options - Tranche 1	August 7, 2024	August 7, 2029	318.9	406,036
Options - Tranche 2	February 27, 2025	February 27, 2031	248.55	246,340
<b>Total</b>				<b>1,810,428</b>
<b>Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017</b>				
RSUs - Tranche 1	September 08, 2017	September 07, 2025	10.00	91,048
<b>Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019</b>				
RSUs - Tranche 1	December 02, 2019	December 01, 2027	10.00	113,065
RSUs - Tranche 4	August 05, 2022	August 03, 2030	10.00	9,921
RSUs - Tranche 5	September 20, 2022	September 18, 2030	10.00	54,563
<b>Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019</b>				
RSUs - Tranche 2	August 18, 2021	August 17, 2027	10.00	12,563
RSUs - Tranche 4	November 03, 2021	November 03, 2027	10.00	56,533
<b>Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2024</b>				
RSUs - Tranche 1	August 7, 2024	August 7, 2029	10.00	61,329
RSUs - Tranche 2	February 27, 2025	February 27, 2031	10.00	61,329
<b>Total</b>				<b>460,351</b>





NOTE - 46

FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2025 are as follows:

As at March 31, 2025

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Level 1	Fair value Level 2	Level 3
₹ in Crore							
<b>Financial assets</b>							
Investments (Refer Notes - 6b)	117.18	-	-	117.18	117.18	-	-
Loans (Refer Notes - 7 and 13)	-	-	6.22	6.22	-	-	-
Security deposits (Refer Notes - 8 and 14)	-	-	276.88	276.88	-	-	-
Trade receivables (Refer Note - 15)	-	-	1,322.05	1,322.05	-	-	-
Cash and cash equivalents (Refer Note - 16)	-	-	53.06	53.06	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	0.59	0.59	-	-	-
Other financial assets (Refer Notes - 9 and 18)	-	-	280.83	280.83	-	-	-
<b>Total</b>	<b>117.18</b>	<b>-</b>	<b>1,939.63</b>	<b>2,056.81</b>	<b>117.18</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>							
Non-current borrowings (Refer Note - 22)	-	-	77.44	77.44	-	-	-
Current borrowings (Refer Note - 26)	-	-	874.75	874.75	-	-	-
Deposits	-	-	524.85	524.85	-	-	-
Trade payables (Refer Note - 27)	-	-	2,121.32	2,121.32	-	-	-
Other financial liabilities (Refer Notes - 23 and 28)	-	-	660.48	660.48	-	-	-
Derivative contracts (Refer Note - 28)	4.96	-	-	4.96	-	4.96	-
<b>Total</b>	<b>4.96</b>	<b>-</b>	<b>4,258.84</b>	<b>4,263.80</b>	<b>-</b>	<b>4.96</b>	<b>-</b>

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

Key Inputs for level 1 and 3 fair valuation techniques

a) Derivative contracts:

i) Forward contracts: Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Group (level 2). Forward contracts were entered into by ABFRL, prior to demerger, to hedge against risk of fluctuations in foreign exchange rates on financial assets and liabilities relating to Madura division. Accordingly the forward contracts have been transferred to the Group, pursuant to the demerger.

b) Investment:

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



**B. Risk management objectives and policies**

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree 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 three types of risk: interest rate risk, currency risk and price risk.

**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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2025, approximately 58% of the Group's borrowings are at a fixed rate of interest.

**Interest rate sensitivity**

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

Percentage change (%)	₹ In Crore	
	As at March 31, 2025	
	0.50% increase	0.50% decrease
Increase/ (decrease) In Profit/ loss before tax	(2.08)	2.08
Increase/ (decrease) in Profit/ loss after tax	(1.56)	1.56

The assumed movement in interest rates for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in the prior years.

**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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities denominated in foreign currency.

The Group manages foreign currency risk by hedging its transactions using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months. As at March 31, 2025, the Group has not hedged its receivables in foreign currency and has hedged 98% of its payables in foreign currency.

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

As at March 31, 2025			
	Currency	Foreign currency in Crore	₹ In Crore
Forward contracts to buy	USD	4.97	433.08
(Hedge of payables)	EURO	0.01	0.63



The details of unhedged foreign currency exposure as at the Consolidated Balance Sheet date are as follows:

As at March 31, 2025

	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	EURO	0.05	4.68
	GBP	0.01	0.55
	AUD	0.00	0.02
Trade receivables	USD	0.10	9.64
	EURO	0.06	5.96
	GBP	0.09	8.12
	HKD	0.03	2.32
Bank balances	CNY	0.03	0.33
	BDT	0.18	0.12

#### Foreign currency sensitivity

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

	As at March 31, 2025	
	0.50% increase	0.50% decrease
Percentage change (%)		
Increase/ (decrease) in Profit/ loss before tax	0.11	(0.11)
Increase/ (decrease) in Profit/ loss after tax	0.08	(0.08)

#### 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 Group 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 Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

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

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Consolidated Statement of Profit and Loss.

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

#### Trade receivables

Customer credit risk is managed by each business unit, subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2025, the Group has 24 customers that owed the Group more than ₹ 5.00 Crore each and account for approximately 75% of all the receivables outstanding. There are 158 customers with balances greater than ₹ 0.50 Crore each and account for approximately 12% of the total amounts receivable.

An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on losses from historical data.

The Group's maximum exposure to credit risk for the components of the Consolidated Balance Sheet as at March 31, 2025, is the carrying amount as provided in Note - 15.

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



c) Liquidity risk

The Group monitors its risk of shortage of funds. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. Approximately, 92% of the Group's debt will mature in less than one year based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to various sources of funding.

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

As at March 31, 2025

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings*	920.80	84.59	-	1,005.39
Lease liabilities	566.20	1,188.20	367.22	2,121.62
Other financial liabilities	197.93	236.76	911.76	1,346.45
Deposits	250.55	274.30	-	524.85
Trade payables	2,121.32	-	-	2,121.32
<b>Total</b>	<b>4,056.80</b>	<b>1,783.85</b>	<b>1,278.98</b>	<b>7,119.63</b>

\*Includes interest

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations, to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group is leader in apparels in the country and has a diversified portfolio of brands.

d) Price risk

The Company invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

The sensitivity analysis has prepared by the Management is based on the financial assets and financial liabilities held at March 31, 2025.



NOTE - 47  
CAPITAL MANAGEMENT

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

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

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

	₹ in Crore As at March 31, 2025
Short-term debts (including current maturities of long-term borrowings)	874.75
Long-term debts	77.44
<b>Total borrowings</b>	<b>952.19</b>
<b>Equity (Including Share Suspense)</b>	<b>1,276.53</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings.

During the year, the Company has not defaulted on any loans payable, and there have been no breach of any financial covenants attached to the borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025.

**Note 48: Business Combination**

**DEMERGER OF MADURA FASHION & LIFESTYLE BUSINESS ("MFL BUSINESS")**

The Board at its meeting held on April 19, 2024, subject to necessary approvals, considered and approved the demerger of the Madura Fashion and Lifestyle ('MFL') Business under a Scheme of Arrangement between Aditya Birla Fashion and Retail ('Demerged Company') and Aditya Birla Lifestyle Brands Limited ('Resulting Company'). The Scheme provided for demerger, transfer, and vesting of the MFL Business from the Demerged Company to the Resulting Company on a going concern basis, with the Resulting Company issuing equity shares to the equity shareholders of the Demerged Company as a consideration. The demerger was executed through an NCLT scheme of arrangement. The Scheme provided that all shareholders of the demerged company will hold identical shareholdings in both the companies, post the demerger.

Pursuant to the NCLT's directions, a meeting of the equity shareholders of the Demerged Company was conducted on January 21, 2025, and the Scheme was approved by the requisite majority of equity shareholders. The Demerged Company and the Resulting Company filed a joint petition with the Hon'ble NCLT on January 25, 2025. The Scheme received sanction from the Hon'ble NCLT on March 27, 2025, and a certified copy of the order was received on April 22, 2025 ("Order"). Subsequently, the Demerged and Resulting Company filed the certified copy of the Order and the Scheme with the Registrar of Companies, Mumbai, making the Scheme effective from May 1, 2025. The Record Date was set for May 22, 2025.

Management has evaluated that Promoter along with other promoter group companies (together referred to as 'Promoters') of the demerged company have de-facto control over the MFL division, both before and after the demerger, on account of the factors described below:

1. The Company is a wholly owned subsidiary of Aditya Birla Fashion and Retail Limited ('ABFRL') on the date of transfer;
2. Total cumulative shareholding of the Promoters relative to the size and dispersion of holding of other shareholders;
3. Post issue of shares by the Company to the existing shareholders of the Demerged Company, there would be no potential voting rights other than the equity shares. Further, none of the other shareholders would have any contractual or legal veto rights.

Basis above, the Management has determined that acquisition of MFL division shall be accounted in the books of the Company as a common control capital reorganisation by applying the principles prescribed in Appendix C of Ind AS 103, Business combinations of entities under common control, at the respective book values of assets and liabilities as recorded in the books of ABFRL.

The Company was incorporated on April 9, 2024. However, the approved Scheme provides for an appointed date of April 1, 2024. Accordingly, the Management has given effect to the acquisition of MFL business with effect from the appointed date of April 1, 2024.





**Aditya Birla Lifestyle Brands Limited**
**Notes to the consolidated financial statements for the period ended March 31, 2025**

Details of assets and liabilities taken over are as follows:

Acquired pursuant to Composite Scheme	₹ In Crore
<b>Assets</b>	
<b>Non-Current Assets</b>	
Property, plant and equipment	504.09
Capital work-in-progress	56.75
Goodwill	692.05
Other intangible assets	552.40
Right to use	1,496.18
<b>Financial assets</b>	
(i) Loans	0.41
(ii) Security deposits	180.43
(iii) Other financial assets	198.48
Deferred tax assets (net)	152.64
Non-current tax assets (net)	11.21
Other non-current assets	42.72
<b>Total - Non-current assets</b>	<b>3,887.36</b>
<b>Current assets</b>	
Inventories	2,201.37
<b>Financial assets</b>	
(i) Current Investments	361.75
(ii) Loans	7.50
(iii) Security deposits	70.66
(iv) Trade receivables	947.94
(v) Cash and cash equivalent	132.35
(vi) Bank balance other than above	0.16
(vii) Other financial assets	79.17
Other current assets	665.60
<b>Total - Current assets</b>	<b>4,466.50</b>
<b>TOTAL - ASSETS - A</b>	<b>8,353.86</b>
<b>Non-current liabilities</b>	
<b>Financial liabilities</b>	
(i) Borrowings	60.03
(ii) Deposits	261.02
(iii) Lease liability	1,408.17
(iv) Other financial liabilities	508.37
Provisions	7.66
Other non-current liabilities	23.27
<b>Total - Non-current liabilities</b>	<b>2,268.52</b>
<b>Current liabilities</b>	
<b>Financial liabilities</b>	
(i) Borrowings	1,345.50
(ii) Trade payables	
Total outstanding dues of micro enterprises and small enterprises	65.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,891.31
(iii) Deposits	261.02
(iv) Lease liability	496.13
Other financial liabilities	119.72
Provisions	129.04
Other current liabilities	558.89
<b>Total - Current liabilities</b>	<b>4,866.66</b>
<b>Total - Liabilities - B</b>	<b>7,135.18</b>
<b>Net Assets - C (A - B)</b>	<b>1,218.68</b>

Against the net assets of ₹ 1,218.68 Crore, the Company has created share suspense and share based payment reserve of ₹1,220.26 crore and ₹40.00 Crore respectively and the balance of ₹(41.58) Crore has been recognised as Capital reserve.



**NOTE - 49**  
**GROUP INFORMATION**

The consolidated financial statements of the Group include subsidiary listed in the table below:

Name of the entity	Relationship with Company	Country of Incorporation	Principal Activities	Proportion of ownership interest and voting power held by Parent
				As at March 31, 2025
Aditya Birla Garments Limited	Subsidiary	India	Manufacturing and distribution	100.00%

**NOTE - 50**  
**ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013**  
**Year ended March 31, 2025**

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
<b>Parent</b>								
Aditya Birla Lifestyle Brands Limited	101.36%	1,293.90	115.78%	69.00	97.74%	(3.22)	116.82%	65.78
<b>Subsidiaries</b>								
Aditya Birla Garments Limited	1.38%	17.56	-15.89%	(9.47)	2.26%	(0.07)	-16.94%	(9.54)
Adjustments arising out of consolidation	-2.74%	(34.95)	0.12%	0.07	0.00%	-	0.12%	0.07
<b>Total</b>	<b>100.00%</b>	<b>1,276.53</b>	<b>100.00%</b>	<b>59.60</b>	<b>100.00%</b>	<b>(3.29)</b>	<b>100.00%</b>	<b>56.31</b>



**Note 51: Summary of other accounting policies**

**(a) Fair value measurements and hierarchy**

The Group measures financial instruments, such as investments (other than equity investments in subsidiaries) and derivatives at fair value at each Consolidated 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 Group.

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 Group 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

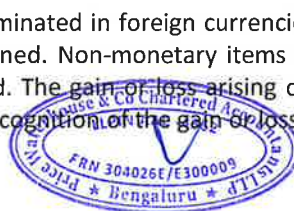
**(b) Foreign currencies**

Transactions and balances:

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

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

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of



the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Consolidated Statement of Profit and Loss are also reclassified in OCI or the Consolidated Statement of Profit and Loss, respectively).

**(c) Government grants**

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

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

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

**(d) 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 Consolidated Statement of Profit and Loss.

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

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

**(e) Taxes**

Current tax

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

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

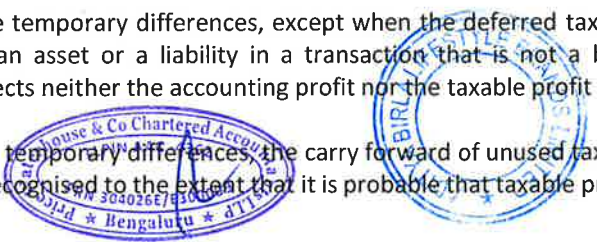
The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will



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

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

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

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

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

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

**(f) Property, plant and equipment**

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes borrowing costs for long-term construction projects, if the recognition criteria is met.

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

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

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

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

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





**(g) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Consolidated Statement of Profit and Loss, in the period in which the expenditure is incurred.

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

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

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

**(h) 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 Consolidated Statement of Profit and Loss as incurred.

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

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group'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.



**(i) Impairment of non-financial assets**

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

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

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

**(j) 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 Group becomes a party to the contractual provisions of the instruments.

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

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

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



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

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

(a) Non-derivative financial assets

(i) Financial assets at amortised cost

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

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

Effective Interest Rate (EIR) method:

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

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 Consolidated 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:

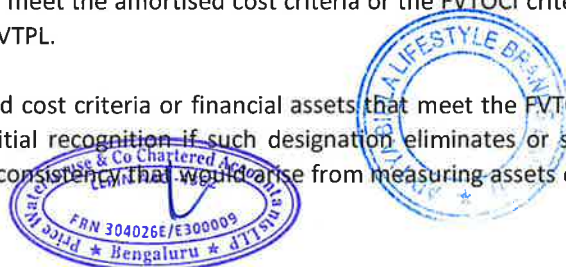
- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

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 Group recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the Consolidated 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 Consolidated Statement of Profit and Loss.

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

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

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities



or recognising the gains and losses on them on different bases. The Group 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 Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated 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 Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**(iv) Equity investments**

Equity investments are measured at fair value as per Ind AS 109. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group has an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

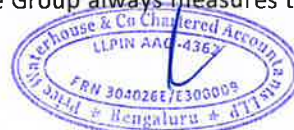
**Impairment of financial assets:**

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

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

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses. When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.





**Aditya Birla Lifestyle Brands Limited**  
**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the Consolidated Balance Sheet.

**(b) Non-derivative financial liabilities**

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

Debt and equity instruments issued by the Group 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 Group are recognised at the proceeds received, net of direct issue costs.

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

**(2) Compound financial instruments:**

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

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

**(3) Financial liabilities:**

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group 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 Group 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 Group's documented risk management or investment strategy, and information about the Group 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 Consolidated 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 Consolidated Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in the Consolidated Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in the Consolidated 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 Consolidated Statement of Profit and Loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in the Consolidated 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.



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the Consolidated Financial Statements for the period ended March 31, 2025**

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 Consolidated 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.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Consolidated Statement of Profit and Loss as 'Finance costs'.

(iii) Foreign exchange gains and losses

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

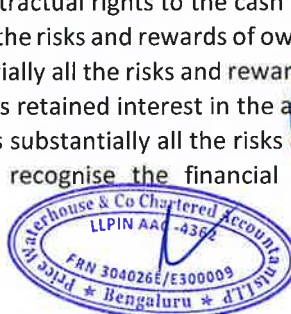
- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Consolidated Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising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

De-recognition of financial assets and financial liabilities

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 Consolidated Statement of Profit and Loss.

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

The Group de-recognises financial liabilities only when the Group'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 Consolidated Statement of Profit and Loss.

#### Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Consolidated 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.

#### **(k) Derivative financial instruments**

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss.

#### **(l) Inventories**

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.



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

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates.

**(m) 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 Group 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 Consolidated 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 Group (Refer Note – 44).

Claims against the Group, 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.

**(n) Employee benefits**

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

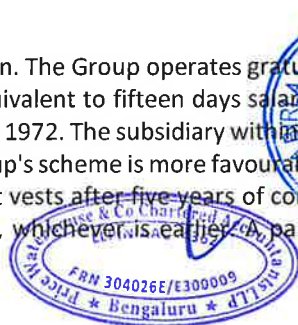
Short-term employee benefits are recognised as an expense on accrual basis.

**(b) Defined contribution plan**

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

**(c) Defined benefit plan**

The Group operates a defined benefit gratuity plan. The Group operates gratuity plan through a Trust wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service as per the Payment of Gratuity Act, 1972. The subsidiary within the group operates an unfunded gratuity plan. In case of some employees, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The benefit vests after five years of continuous service and the same is payable on termination of service or retirement, whichever is earlier. A part of the gratuity plan is funded





(maintained by an independent insurance Group) and another part is unfunded and managed within the Group, hence the liability has been bifurcated into funded and unfunded. The Group'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 Consolidated 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 Consolidated Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (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 Consolidated Statement of Profit and Loss.

**(d) Compensated absences**

The employees of the Group 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 Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation in the Consolidated Statement of Profit and Loss.

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

**(o) Share-based payment**

Certain employees of the Company have been granted stock-based awards, including stock options, stock appreciation rights (SARs), and restricted stock units (RSUs) of Aditya Birla Fashion and Retail Limited (Demerged Company), in accordance with the ESOP Policy of ABFRL. In compliance with Ind AS 102 – Share-based Payments, the Company has accounted for these awards using the graded vesting method. The Grant date fair value of equity-settled awards has been used for the purpose of accounting the related expenses. SARs are remeasured at fair value at each balance sheet date, with changes recognized in the Statement of Profit and Loss.

**(p) Earnings per share**

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

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

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





**q) Cash and cash equivalents**

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

**r) Common control business acquisition**

Acquisition of business under common control has been accounted in accordance with "Pooling of interest method", as specified below:

(a) All assets and liabilities acquired are stated at their carrying values as appearing in the financial statements of de-merged company

(b) Shares held by the de-merged company in the Company shall be cancelled

(c) Difference between the carrying amounts of assets and liabilities acquired, face value of the shares cancelled as referred to in (b) above and the amount recorded as share-capital issued to the shareholders of the de-merged company shall be transferred to capital reserve; and

(d) Financial information relating to the acquired business has been accounted from the beginning of the financial year, as if the acquisition had occurred from that date.



**NOTE - 52**  
**ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III**

**(i) DETAILS OF BENAMI PROPERTY HELD**

No proceedings have been initiated on or are pending against the Group 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 Group 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.

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

The Company has no transactions with or balances due to or from companies struck off under Companies Act, 2013 or Companies Act, 1956.

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

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

**(v) WILFUL DEFAULTER**

The Group 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 Group has accounted for the Scheme of arrangement with Aditya Birla Fashion and Retail Limited in accordance with the accounting treatment as specified in the Scheme. (Refer Note 48)

**(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 or previous year 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 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 year. The Company did not have any Investment Property during the current or previous 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 period.



**Aditya Birla Lifestyle Brands Limited**  
**Notes to the consolidated financial statements for the period ended March 31, 2025**

**NOTE - 53**

**Comparative Financial Information**

The Company was incorporated on April 9, 2024 and accordingly comparative numbers have not been presented in these financial statements.

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 304026E/E-300009

**A.J. SHAIKH**

Partner

Membership No. : 203637

Place: Mumbai

Date : May 23, 2025

**For and on behalf of the Board of Directors of  
Aditya Birla Lifestyle Brands Limited**

**ASHISH DIKSHIT**  
(Managing Director)

(DIN: 01842066)

Place: Mumbai

Date : May 23, 2025

**VISHAK KUMAR**  
(Deputy Managing Director and CEO)

(DIN: 09078653)

Place: Mumbai

Date : May 23, 2025

**DHARMENDRA LODHA**  
(Chief Financial Officer)

Place: Mumbai

Date : May 23, 2025

**RAJEEV AGRAWAL**  
(Company Secretary)

(M.No: A18877)

Place: Mumbai

Date : May 23, 2025

