August 19, 2023

To,
BSE Limited
Listing Dept. / Dept. of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Security Code: 542484 / 890153
Security ID: ARVINDFASN /AFLPP

To,
National Stock Exchange of India Limited
Listing Dept., Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051

Symbol: ARVINDFASN / AFLPP

Dear Sir/Madam,

Subject: Submission of Annual Report for the financial year 2022-23.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the financial year 2022-23 along with the Notice convening the Annual General Meeting scheduled to be held on Tuesday, September 12, 2023 at 11:00 a.m. through Video Conference ("VC")/ Other Audio Visual Means ("OAVM").

The above is also available on the website of the Company at www.arvindfashions.com.

Thanking you,

Yours faithfully,

For Arvind Fashions Limited

LIPI JHA Digitally signed by LIPI JHA Date: 2023.08.19 19:15:06 +05'30'

Lipi Jha
Company Secretary

Encl.: As above

ARVIND FASHIONS

REDEFINING FASHION WITH STRONGER BRANDS

ANNUAL REPORT 2023

Board of Directors

Mr. Sanjaybhai Lalbhai	-	Chairman & Non-Executive Director
Mr. Shailesh Chaturvedi	-	Managing Director & CEO
Mr. Kulin Lalbhai	-	Vice Chairman & Non-Executive Director
Mr. Punit Lalbhai	-	Non-Executive Director
Mr. Suresh Jayaraman	-	Non Executive Director
Ms. Nithya Easwaran	-	Non-Executive Director
Mr. Nilesh Dhirajlal Shah	-	Non-Executive Independent Director
Mr. Nagesh Dinkar Pinge	-	Non-Executive Independent Director
Mr. Achal Anil Bakeri	-	Non-Executive Independent Director
Mr. Vallabh Roopchand Bhanshali	-	Non-Executive Independent Director
Mr. Manoj Nakra	-	Non-Executive Independent Director
Ms. Ananya Tripathi	-	Non-Executive Independent Director

CONTENTS

Audit Committee

Mr. Nagesh Dinkar Pinge - Chairman
Mr. Nilesh Dhirajlal Shah - Member
Ms. Ananya Tripathi - Member
Ms. Nithya Easwaran - Member

Nomination and Remuneration Committee

Mr. Nilesh Dhirajlal Shah - Chairman
Mr. Achal Anil Bakeri - Member
Ms. Nithya Easwaran - Member

Corporate Social Responsibility Committee

Mr. Kulin Lalbhai - Chairman
Mr. Punit Sanjay Lalbhai - Member
Mr. Nilesh Dhirajlal Shah - Member

Stakeholders Relationship Committee

Mr. Kulin Sanjay Lalbhai - Chairman
Ms. Nithya Easwaran - Member
Mr. Nilesh Dhirajlal Shah - Member

Risk Management Committee

Mr. Suresh Jayaraman - Chairman
Mr. Shailesh Shyam Chaturvedi - Member
Mr. Nagesh Dinkar Pinge - Member
Mr. Nilesh Dhirajlal Shah - Member
Ms. Ananya Tripathi - Member
Ms. Nithya Easwaran - Member

Committee of Directors

Mr. Sanjaybhai Lalbhai - Chairman
Mr. Kulin Lalbhai - Member
Mr. Punit Sanjay Lalbhai - Member
Mr. Suresh Jayaraman - Member
Mr. Shailesh Shyam Chaturvedi - Member

Chief Financial Officer

Mr. Girdhar Kumar Chitlangia

Company Secretary & Compliance Officer

Ms. Lipi Jha

Statutory Auditors

M/s. Deloitte Haskins & Sells
19th Floor, Shapath- V, S.G. Highway, Ahmedabad
Gujarat – 380015 • E-mail: kraval@deloitte.com

Bankers to our Company

Bank of Baroda	Kotak Mahindra Bank Limited
HDFC Bank Limited	RBL Bank Limited
ICICI Bank Limited	State Bank of India
IDFC First Bank Limited	Yes Bank Limited
IndusInd Bank	

Registered Office

Main Building, Arvind Limited Premises,
Naroda Road, Ahmedabad – 380025 Gujarat, India.
Website: www.arvindfashions.com

Registrar And Transfer Agent

Link Intime India Private Limited
506 – 508, Fifth Floor, Opp. Municipal Market
Amarnath Business Centre – 1 (ABC-1),
Beside Gala Business Centre, Near St. Xaviers College Corner,
Off. C. G. Road, Navrangpura,
Ahmedabad -380009.
Phone & Fax No: 079-26465179
Email: ahmedabad@linkintime.co.in
Website: www.linkintime.co.in

Dear Shareholders,

After a gap of two long years, FY23 was a stable year without any external environment led disruptions and as a result, your Company further strengthened its position as a leading casual and denim player in the industry. The Company has chosen to focus on prestigious & strong brands such as U.S. Polo Assn., Arrow, Flying Machine, Tommy Hilfiger, Calvin Klein and Sephora, which have significant growth potential and have a large addressable market through their presence in multiple categories.

Over the past two years, the Company has focused extensively on re-energizing the brand franchises and those efforts have delivered superior results.

Over the past two years, the Company has focused extensively on re-energizing the brand franchises and those efforts have delivered superior results. Your Company further built on its strength of having multi-channel mix including exclusive brand outlets (EBOs), department stores, multi-brand outlets (MBOs), online and others. The Company continued its investments in the omni-channel business model and in increasing the share of direct-to-consumer business. Our rigor on retail execution coupled with a buoyant demand environment throughout the year helped the Company deliver industry leading sales growth of 45% year-on-year (Y-o-Y), thereby aiding strong performance across all financial parameters. The Company continues to make investments in multiple adjacent categories i.e. footwear, kids wear, innerwear, accessories etc., as potential growth levers for the future. The Company also delivered a strong improvement in operational profitability.

Company's brand portfolio includes U.S. Polo Assn. – the market leader amongst casual brands, Arrow – leading formal wear brand in the country, Tommy Hilfiger – the leading super premium casual wear brand, Flying Machine – amongst the top three denim brands in the country, Calvin Klein – the leading super premium denim brand and Sephora – leading prestige beauty retail concept. During the year, U.S. Polo Assn. became one of India's largest casual lifestyle brands (in revenue terms) in the country.

The Company continued to expand its retail footprint and accelerated its store expansion strategy by opening ~180 stores during the year.

The Company continued to expand its retail footprint and accelerated its store expansion strategy by opening ~180 stores during the year. Most of the newly opened stores are omni-connected, thereby helping in controlling the end-customer experience along with optimizing discounts and gaining insights into consumer choices. Your Company will continue to increase momentum in expanding the reach of its brands to various Tier-2 and Tier-3 cities to cater to the demand in those markets and intends to strongly focus on direct to consumer business model, both in the offline and online channels.

Your Company has significantly invested in ensuring strong controls over inventory and debtors which has resulted in the Company continuing to maintain a healthy balance sheet despite strong revenue growth. The inventory turns have improved to more than 4x. Optimization of working capital has been a key focus area for the Company and has resulted in reduction of 10 days in inventory and 12 days in debtors, thereby having similar Net Working Capital (NWC) days compared to the last year. Debtor days was at the lowest in the Company's history aided by focused approach on collections from the customers and continued focus on increasing our retail channel mix. Net debt for the Company remained at the similar levels as last year. Continued sharp focus on working capital will help the Company generate higher free cash flows as it continues to focus on profitable growth.

For the financial year ended March 2023, the Company posted revenues of Rs. 4,421 Crores, registering 45% growth on a Y-o-Y basis.

EBITDA more than doubled for the year to Rs. 505 Crores compared to Rs. 247 Crores in FY22 and margins expanded by 330 basis points (bps) compared to last year to 11.4%.

Another focus area for the Company has been to deliver higher Return on Capital Employed (ROCE) and all the decisions taken by the organization in the past many years have been for the achievement of that objective. In FY23, the Company achieved a significant milestone of having ROCE of ~14% which was the highest in its history and will continue to improve on this metric going forward as well.

For the financial year ended March 2023, the Company posted revenues of Rs. 4,421 Crores, registering 45% growth on a Y-o-Y basis. EBITDA more than doubled for the year to Rs. 505 Crores compared to Rs. 247 Crores in FY22 and margins expanded by 330 basis points (bps) compared to last year to 11.4%. The Company posted multi-fold increase in Profit after tax (PAT) to Rs. 37 Crores (vs. loss of Rs. 267 Crores in FY22). With such strong financial performance, your Company would continue to grow profitably in the ensuing years.

In summary, a strong affinity amongst the consumers towards your Company's portfolio of powerful brands provides an exciting opportunity to continue gaining market share in the industry. Key focus areas would include expanding the retail network of the brands, efficient cost management, focus on direct-to-consumer business including launch of brand dotcoms and continued efforts towards driving aspirational quotient for our customers. We continue to stay committed towards significant value creation for all our shareholders through profitable growth and prudent capital allocation.

Lastly, I would like to express my sincere gratitude to all the stakeholders including employees, customers, suppliers, investors, lenders, regulatory and statutory authorities, stock exchanges, depositories and our shareholders for their continued support to the Company during the year.

Sanjay Lalbhai

Arvind Fashions at a glance

Arvind Fashions Ltd. is one of India's top casual and denim player, a lifestyle powerhouse with a strong portfolio of fashion brands catering to consumers across the sub-categories and price points. We are engaged in the business of designing, sourcing, marketing and selling a wide portfolio of men, women and kids branded readymade apparel, footwear, innerwear and other accessories across multiple owned and licensed brands. We distribute and sell our products across the country through multiple distribution channels such as Exclusive Brand Outlets ("EBOs"), Multi-Brand Outlets ("MBOs"), Large Format Stores ("LFSs"), as well as e-commerce platforms, operated by us and operated by other e-commerce players. We are also engaged in the business of distributing and selling a select range of premium branded beauty products.

Arvind Fashions has a strong portfolio of renowned brands, both international and indigenous, like U.S. Polo Assn., Arrow, Tommy Hilfiger, Calvin Klein, Flying Machine and Sephora. With a diversified portfolio of brands and a variety of distribution channels, we are able to maintain a balanced approach in which our operating results are not solely dependent on a single brand, category, or distribution channel.

With its distinctive casual dressing strategy, 'U.S. Polo Assn.' has defined casual dressing in India. It is now one of the India's largest casualwear brand in its price segment offering a range of product categories. Furthermore, we have two of the most successful brands in the premium casual wear category – 'Tommy Hilfiger' & 'Calvin Klein'. These brands capture dominant market share in their segment. We have set the bar of excellence in the men's wear category with 'Arrow', the first premium international brand in India. To meet India's growing fashion aspirations, we launched India's first denim brand in 1980 – 'Flying Machine'. As of today, Flying Machine is the top digital-first youth brand in India. With 'Sephora', AFL is the leading player in the India in prestige beauty category.

People are at the centre of everything we do at Arvind Fashions. As a result of our 'One AFL' culture and our humane approach to people, we are able to attract and retain talented individuals from across the country. We place a great deal of emphasis on our employees' health and holistic development as a part of our HR practices. Since our inception, we have always put customers & consumers first, which is why we have become India's first choice in fashion and retail.


FLYING MACHINE
FLYING MACHINE
FLYING MACHINE
FLYING MACHINE
FLYING MACHINE
FLYING MACHINE
FLYING MACHINE
FLYING MACHINE

U.S. POLO ASSN.
SINCE 1890

Cities - 173 | **Stores - 405**

U.S. Polo Assn. is the official brand of the United States Polo Association (USPA), the non-profit governing body for the sport of polo in the United States and one of the oldest sports governing bodies, having been founded in 1890. With a multi-billion-dollar global footprint and worldwide distribution through some 1,100 U.S. Polo Assn. retail stores and thousands of department stores as well as sporting goods channels, independent retailers and e-commerce, U.S. Polo Assn. offers apparel for men, women, and children, as well as accessories and footwear in more than 190 countries worldwide.. The brand captures the authenticity of the sport while reflecting its rich history and staying true to its roots in Classic American Style, updated to complement today's on-the-go lifestyle.

U.S. Polo Assn. was ranked as the 2nd largest sports brand, alongside the NFL and PGA Tour and amongst Top 25 Global Licensors, in License Global magazine's 2023 List of Top 150 Global Licensors. U.S. Polo Assn. isn't just a brand – it's an experience. When you purchase U.S. Polo Assn. products, you own a piece of the sport of polo.

TOMMY HILFIGER

Cities - **41**

Stores - **98**

Tommy Hilfiger is one of the world's most recognized premium lifestyle brands, uplifting and inspiring consumers since 1985. The brand creates iconic style, which comes alive at the intersection of the classic and the new, co-created with people who are shaping culture around the world. Tommy Hilfiger celebrates the essence of classic American style with a modern twist. Tommy Hilfiger offers premium, quality and value to consumers worldwide under the Tommy Hilfiger and Tommy Jeans lifestyles, with a breadth of collections including men's, women's and kids' sportswear, denim, accessories, and footwear. Since 2004, the brand has been present in India and is the country's No. 1 international premium casual wear brand.

CALVIN KLEIN

Cities - **34**

Stores - **72**

Calvin Klein is one of the world's leading global fashion lifestyle brands with a history of bold, non-conformist ideals. Founded in 1968, the brand's minimalist and sensual aesthetic drives its approach to product design and communication, creating a canvas that offers the possibility of limitless self-expression. It has a market leadership in the premium denimwear, innerwear, tees, and fragrance categories. The Calvin Klein brands – CK Calvin Klein, Calvin Klein, Calvin Klein Jeans, Calvin Klein Underwear, and Calvin Klein Performance – are connected by the intention and purpose of elevating everyday essentials to globally iconic status. Each of the brands has a distinct identity and position in the retail landscape, providing the opportunity to market a range of universally appealing products to domestic consumers with a variety of needs. The brand has had its presence in India since 2007 and is the #2 international premium casual wear brand in the country.

Cities - **110** | Stores - **226**

Arrow is a well-established menswear brand with a rich heritage since its inception in 1851. It was launched in India in 1993, as a first of its kind-premium international brand. Arrow takes pride in its innovative product offerings, which include detachable collars, AutoPress shirts, anti-UV shirts, trousers with adjustable waistbands, perfect polos, stain-resistant and lightweight clothing. By continuously introducing innovative features like these, Arrow demonstrates its commitment to meeting the evolving needs and preferences of its customers.

The brand offers various product lines including elegant formal wear, casual wear as Arrow Sports, a New York-inspired workwear collection as Arrow NewYork, premium line as '1851' and, a Ceremonial collection catering for occasions such as weddings etc.

FLYING MACHINE

Cities - **150** | Stores - **250**

Flying Machine is India's original Jeans brand with over 40 years old legacy and continues to be one of most loved brand across generations. With its unique positioning and strong brand pull, Flying Machine is popular in Metros as well as small town India, paving way for fast paced growth. With its digital first youth-oriented spirit, Flying Machine has created an enviable online presence. Flying Machine is set to have explosive growth with a well-rounded strategy. Aggressive retail expansion in small and large towns both will help develop a national footprint. Various collaborations with best in the world experts on product development will upgrade the aesthetics, relevance and quality of our offerings. We are making choices in marketing that are relevant and closer to the target core consumer that is Gen Z. Further, category expansions into adjacencies such as kids wear, innerwear, footwear and accessories, are emerging as large incremental opportunities.

SEPHORA

WHERE your beauty BEATS

Cities - **13**

Stores - **26**

A leader in prestige omnichannel retail and one of the world's most loved beauty communities, Sephora offers customers a unique retail experience, inspiring creativity and self-expression with innovative beauty brands and products. Sephora has been leading the industry in championing inclusivity, diversity and empowerment. In India the brand is associated with a curated and authentic selection of beauty brands and educational & engaging store experience and is identified by consumers as the destination to discover all things new in premium beauty. Sephora's footprint has rapidly expanded to 26 stores across 13 cities in India. Every store showcases an impressive array of over 90 renowned global brands in categories across makeup, skincare, haircare and fragrance.

Notice

NOTICE is hereby given that the Eighth (8th) Annual General Meeting of the Members of Arvind Fashions Limited will be held on Tuesday, 12th day of September, 2023 at 11.00 A.M (IST) through Video Conference ("VC")/ Other Audio-Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following Business:

ORDINARY BUSINESS:

1. Adoption of Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon.

2. Adoption of Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Auditors thereon.

3. To declare a Dividend on Equity Shares for the financial year ended March 31, 2023. The Board of Directors have recommended a Dividend of ₹ 1/- (Indian Rupee One only) per fully paid-up equity shares of ₹ 4 each.

4. To appoint a Director in place of Mr. Sanjaybhai Shrenikbhai Lalbhai (DIN: 00008329), who retires by rotation and being eligible, offers himself for reappointment.

5. To appoint a Director in place of Mr. Suresh Jayaraman (DIN: 03033110), who retires by rotation and being eligible, offers himself for reappointment

SPECIAL BUSINESS

6. To approve payment of Commission to the Non- Executive Directors of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"**RESOLVED THAT** in supersession of the Special Resolution No. 8 passed in the Annual General Meeting held on 23rd August 2021 and pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V thereto and the Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, consent of members of the Company be and is hereby accorded for the payment of commission to the Non-Executive Directors(s) of the Company who is/are neither in the whole time employment nor a managing director(s), in accordance with and up to the limits not exceeding 1% as laid down under the provisions of Section 197 of the Act, for a period of 3 years from 1st April 2023 till 31st March 2026 and the said remuneration is additional to the sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof.

"**RESOLVED FURTHER THAT** in the event of the Company having no profits or inadequate profits in any financial year, during the above-mentioned period, the consent of the members of the Company be and is hereby accorded for the payment of Remuneration/Commission to the Director(s) of the Company who is/are neither whole time employment nor a managing director(s) in accordance with the limits specified in Part II of Section II (A) of Schedule V of the Act as applicable but not exceeding ₹ 1,25,00,000/- (Rupees One Crore and Twenty Five Lakhs Only) in such manner and up to such amount as the Board and/or Committee of the Board may, from time to time, determine."

"**RESOLVED FURTHER THAT** Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To revise the overall remuneration payable to Mr. Shailesh Chaturvedi (DIN: 03023079), Managing Director & CEO of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"**RESOLVED THAT** further to the resolution passed at the 6th Annual General Meeting of the Company held on 23rd August 2021 for remuneration payable to Mr. Shailesh Chaturvedi, the Managing Director & CEO of the Company (DIN:03023079), and pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V of the Companies Act and any other circulars, orders and notification in this regard issued by Ministry of Corporate Affairs, including any statutory modification(s) or re-enactment thereof for the time being in force and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, the consent of the members of the Company, be and is hereby accorded for revision in the overall remuneration payable to Mr. Shailesh Chaturvedi, the Managing Director and CEO of the Company with effect from 1st April 2023 for the remaining period of his present term of appointment i.e. till 31st January 2026 which shall be such amount as may be fixed by the Board of Directors from time to time on recommendation of the Nomination and Remuneration Committee ("NRC") but not exceeding the Maximum Remuneration as detailed in the Explanatory Statement at any point of time, which may or may not exceed 11 (Eleven) % of net profits of the Company and that the Board and the NRC be and are hereby severally authorized to alter, vary or increase the remuneration of Mr. Shailesh Chaturvedi, within the Maximum Remuneration in such manner as may be required during the aforesaid period i.e. from April 1, 2023 till January 31, 2026.

"**RESOLVED FURTHER THAT** in the event, if the Company has no profits or its profits are inadequate in any financial rear, during the balance period of the term of Mr. Shailesh Chaturvedi, consent of the members of the Company be and is hereby accorded for payment of managerial remuneration as detailed under Minimum

Remuneration in the Explanatory Statement annexed hereto and as laid down in Part II of Section II (A) of Schedule V to the Companies Act as applicable to the Company, in compliance with the provisions stipulated herein and that the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of the Minimum Remuneration payable from time to time based on the recommendation of the NRC.

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions."

8. To Re-appointment Mr. Nagesh Dinkar Pinge (DIN: 00062900) as an Independent Director of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV of the Companies Act, 2013 ("Act") including the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Nagesh Dinkar Pinge (DIN: 00062900), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations being eligible for re-appointment under the provisions of the Companies Act, 2013 & rules made thereunder and Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (five) consecutive years commencing from October 10, 2023.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalize and issue the letter of re-appointment to the concerned director and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution"

9. To Re-appointment Mr. Achal Anil Bakeri (DIN: 00397573) as an Independent Director of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV of the Companies Act, 2013 ("Act") including the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Achal Anil Bakeri (DIN: 00397573), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations being eligible for re-appointment under the provisions of the Companies Act, 2013 & rules made thereunder and Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (five) consecutive years commencing from October 10, 2023.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalize and issue the letter of re-appointment to the concerned director and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution"

By Order of the Board

Registered Office:
Main Building,
Arvind Limited Premises,
Naroda Road,
Ahmedabad-380025.

Lipi Jha
Company Secretary
Membership No. A28147

Date: August 10, 2023
Place: Bangalore

NOTES:

1. Pursuant to General Circulars No.14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 8th Annual General Meeting (AGM) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue.

   Further, Securities and Exchange Board of India (SEBI), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 (SEBI Circulars) and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

   In compliance with the applicable provisions of the Companies Act, 2013 (the Act), the Listing Regulations and MCA Circulars, the 8th AGM of the Company is being held through VC/OAVM on Tuesday, the 12th day of September 2023, 11.00 A.M (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad-380025, which shall be the deemed venue of the AGM.

2. As per the provisions of Clause 3.A.II of the General Circular No. 20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 6, 7, 8 & 9 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

3. The relative Explanatory Statement pursuant to Section 102 of the Act, in regard to the business as set out in Item Nos. 6, 7, 8 & 9 above and the relevant details of the Directors seeking re-appointment under Item No. 4, 5 & 8,9 above, as required by Regulation 36 (3) of the Listing Regulations and as required under Secretarial Standard - 2 on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, are annexed hereto.

4. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

5. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of their respective Board or governing body Resolution, Authorization, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail to pcs.buchassociates@gmail.com with a copy marked to evoting@nsdl.co.in and investor.relations@arvindbrands.co.in. Institutional shareholders (i.e. other than individuals, HUFs, NRIs, etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc. by clicking on "Upload Board Resolution/Authority Letter", etc. displayed under "e-Voting" tab in their login.

6. In case of joint holders attending the AGM, only such joint holder, who is higher in the order of names, will be entitled to vote.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. The Members can join the AGM through VC/OAVM 30 minutes before and within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited's (NSDL) e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.

9. In terms of the MCA Circulars and the relevant SEBI Circulars, the Company is sending this AGM Notice for FY23 in electronic form only to those Members whose email IDs are registered with the Company/Depositories. The Company shall send the physical copy of the Annual Report for FY23 only to those Members who specifically request for the same at investor.relations@arvindbrands.co.in mentioning their Folio No/DP ID and Client ID. The Notice convening the AGM and the Annual Report for FY23 have been uploaded on the website of the Company at https://www.arvindfashions.com/ and may also be accessed from the relevant section on the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

10. **Book Closure and Dividend:** The Register of Members and Share Transfer Books of the Company will remain closed from 2nd September 2023 to 12th September 2023 (both days inclusive) for the purpose of payment of dividend and AGM for FY23.

11. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at rates prescribed in the Income-tax Act, 1961 (the IT Act). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number (PAN), Category as per the IT Act with their Depository Participants (DPs) or in case shares are held in physical form with the Company, by sending documents through e-mail by September 1, 2023.

12. **Updation of mandate for receiving dividend directly in bank account through Electronic Mode or any other means in a timely manner:** Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nomination, power of attorney, bank details, bank account number, MICR code, IFSC, etc.:

    Shares held in physical form: Members holding shares in physical form are requested to send the following details/ documents to the Company's Registrars and Transfer Agent (RTA) viz. Link

Intime India Pvt. Ltd at 506 – 508, Fifth Floor, Opp. Municipal Market, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off. C. G. Road, Navrangpura, Ahmedabad -380009. latest by August 31, 2023;

a) Form ISR-1 along with supporting documents. The said form is available on the website of the Company at https://www.arvindfashions.com/wp-content/uploads/2022/01/Form-ISR-1-Request-for-registering-PAN-KYC-details-or-updation-thereof.pdf and on the website of the RTA at https://web.linkintime.co.in/KYC-downloads.html

b) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents

    i. Cancelled cheque in original;

    ii. Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch.

c) Self-attested copy of the PAN Card of all the holders; and

d) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company

Further, Members are requested to refer to process detailed on https://web.linkintime.co.in/faq.html and proceed accordingly.

Shares held in electronic form: Members holding shares in electronic form may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not be able to accede to any direct request from such Members for change/addition/deletion in such bank details. Accordingly, Members holding shares in electronic form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs by September 1, 2023.

13. In terms of Regulation 40 (1) of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR–4, the format of which is available on the Company's RTA website under the weblink at https://web.linkintime.co.in/admin/DownloadFiles/Form_ISR-4.pdf. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transmission and transposition shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

15. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in form ISR-3 or form SH-14, as the case may be. The said forms can be downloaded from the Company's website https://www.arvindfashions.com/ (under 'Investor' section). Members are requested to submit the said form to their respective DPs in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.

16. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company within the stipulated timeline. The Members whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in e-Form/web form No. IEPF-5 available on www.iepf.gov.in.

17. Members desiring inspection of statutory registers during the AGM or who wish to inspect the relevant documents referred to in the Notice, can send their request on email to investor.relations@arvindbrands.co.in

18. **Norms for furnishing of PAN, KYC, Bank details and Nomination:**

Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/MIRSD/MIRSD RTAMB /P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD RTAMB/ P/CIR/2021/687 dated November 3, 2021 and December 14, 2021, respectively, SEBI has mandated all listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities. The folios wherein any one of the cited documents/details is not available on or after October 1, 2023, shall be frozen by the RTA.

The securities in the frozen folios shall be eligible:

- To lodge any grievance or avail of any service, only after furnishing the complete documents / details as mentioned above;

- To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above stated requirements.

The forms for updation of PAN, KYC, bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website https://www.arvindfashions.com/overview/. In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest. Members who hold shares in dematerialised form and wish to update their PAN, KYC Bank details and Nomination, are requested to contact their respective DPs.

Further, Shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, after December 31, 2025.

19. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

1. **INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS (E-VOTING) AND OTHER INSTRUCTIONS RELATING THERETO ARE AS UNDER:**

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.

II. The Company has engaged the services of NSDL as the Agency to provide remote e-Voting facility and e-Voting during the AGM.

III. Mr. Hitesh Buch, Practicing Company Secretary (Membership No. FCS 3145, COP: 8195) has been appointed as the Scrutinizer to scrutinize the e-Voting during the AGM and remote e-Voting in a fair and transparent manner.

IV. The Results of voting will be declared within two working days from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report will be submitted with the Stock Exchanges where the Company's equity shares are listed (BSE Limited & National Stock Exchange of India Limited) and shall also be displayed on the Company's website https://www.arvindfashions.com and NSDL's website https://www.evoting.nsdl.com.

V. Voting rights of the Members for voting through remote e-Voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, September 5, 2023. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e -Voting and voting during the AGM.

VI. The remote e-Voting facility will be available during the following period:

a. Commencement of remote e-Voting: 9.00 A.M. (IST) on Saturday, September 9, 2023.

b. End of remote e-Voting: 5.00 P.M. (IST) on Monday, September 11, 2023.

c. The remote e-Voting will not be allowed beyond the aforesaid date and time and the remote e-Voting module shall be disabled by NSDL upon expiry of aforesaid period.

VII. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.

VIII. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

IX. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in mentioning their demat account number/folio number, PAN, name and registered address. However, if he/she is already registered with NSDL for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.

X. **Process and manner for Remote e-Voting:**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically on NSDL e-Voting system.

Step 1: Access to NSDL e-Voting system

(A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which

Type of shareholders	Login Method
	is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to

Type of shareholders	Login Method
	see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

(B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e - services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e - services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or

folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

    a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

    b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company which is Arvind Fashions Limited for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pcs.buchassociates@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor.relations@arvindbrands.co.in

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor.relations@arvindbrands.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for members for e-Voting on the day of the AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

In case you have not registered your e-mail address with the Company/Depository, please follow below instructions for registration of e-mail address for obtaining Annual Report and / or login details for e-Voting

Physical Holding (For temporary update their e mail address)	**Visit the link:** https://web.linkintime.co.in/EmailReg/Email_Register.html and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail address.
Demat Holding	Please contact your Depository Participant (DP) and register your e-mail address in your demat account as per the process advised by your DP.

2. Instructions for Members for attending the AGM through VC / OAVM:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders/Members, who need assistance before or during the AGM, can contact NSDL official Ms. Sarita Mote on Toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in.
6. Members seeking any information with regard to the annual accounts for 2022-23 or any business to be dealt at the AGM, are requested to send e-mail on investor.relations@arvindbrands.co.in on or before September 5, 2023 along with their name, DP ID and Client ID/folio number, PAN and mobile number. The same will be replied by the Company suitably.
7. Further, members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio Number, PAN and mobile number at investor.relations@arvindbrands.co.in on or before Monday, the September 5, 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By Order of the Board
For Arvind Fashions Limited

Registered Office:
Main Building,
Arvind Limited Premises,
Naroda Road,
Ahmedabad-380025.

Lipi Jha
Company Secretary
Membership No. A28147

Date: August 10, 2023

Place: Bangalore

Annexure to Notice

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 6 - To approve payment of Commission to the Non-Executive Directors of the Company:

Currently, the Non-Executive Directors (other than the Managing Director, Whole time Directors) are paid commission not exceeding 1% of the net profits of the Company per annum, computed in accordance with Section 198 of the Companies Act, 2013 and in the event, if the Company has no profits or its profits are inadequate in any financial year, not exceeding ₹ 75,00,000/- (Rupees Seventy-Five Lakhs only), in terms of the special resolution passed by the members at 6th Annual General Meeting held on 23rd August 2021.

In view of the efforts, expertise and the responsibility shouldered by the Non-Executive Directors including the contributions being made by them, the Board recognizes the need to suitably remunerate them, irrespective of the profits of the Company.

Accordingly, it is proposed to pay commission to the Non-Executive Directors (other than Managing Directors, Whole time Directors), not exceeding 1% of the net profits of the Company as laid down under the provisions of Section 197 and Section 198 of the Act and in the event of the Company having no profits or inadequate profits in any financial year, in accordance with the limits specified in Part II of Section II (A) of Schedule V of the Act as applicable to the Company but not exceeding ₹ 1, 25,00,000/- (Rupees Once Crore and Twenty-Five Lacs Only) for a period of 3 (Three) years effective from April 1, 2023 till March 31, 2026 and the same be apportioned amongst them in such manner and up to such amount as the Board and/or the Committee of the Board may, from time to time, determine. The Payment of remuneration by way of commission to Non-Executive Directors (other than Managing Director, Whole Time Director) will be in addition to the sitting fees payable to them for attending each meeting of the Board/Committee.

Statement of Information for the members pursuant to Section II of Part II of Schedule V to the Companies Act:

I. GENERAL INFORMATION:

S. No.	Information		Description
1	Nature of industry	:	Apparel Industry
2	Date or expected date of commencement of commercial production		Business commenced in 2016, since the Company is into Apparel Industry, hence there is no date of commercial production.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Not Applicable.
4	Financial performance based on given indicators (As per audited financial statements for the year ended 31.03.2023)	:	see table below
5	Foreign investments or collaborations, if any	:	The Company has not made any foreign investments and neither entered into any foreign collaborations.

Particulars	₹ in Crores	
	Standalone	Consolidated
Sales & Other Income	758.59	4,473
EBIDTA	40.18	505.15
Net Profit	9.42	86.20

II. INFORMATION ABOUT THE APPOINTEE:

1. **Past remuneration:** The remuneration paid to Non-Executive Directors of the Company for the last two (2) financial years during the currency of the resolution approved by the members of the Company at its 6th Annual General Meeting held on 23rd August 2021 are:

Period	Commission	Sitting Fee	Total
FY 21-22	INR 34,50,000	INR 8,60,000	INR 43,10,000
FY 22-23	INR 38,99,486	INR 9,60,000	INR 48,59,486

2. **Recognition or awards:** Not Applicable
3. **Job profile and his suitability:** Not Applicable
4. **Remuneration proposed:** The details of the proposed remuneration have already been explained herein above.
5. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Not Applicable
6. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** The non-executive directors do not have any pecuniary relationship with the Company except the remuneration and the sitting fees being paid to them. They do not have any pecuniary relationship with managerial personnel of the company.

III. OTHER INFORMATION:

S. No.	Information	Description
1	Reasons of loss or inadequate profits	Not Applicable
2	Steps taken or proposed to be taken for improvement	Not Applicable
3	Expected increase in productivity and profits in measurable terms	Not Applicable

Non-Executive Directors and their relatives may be deemed to be concerned or interested in this resolution to the extent of the remuneration/commission that may be received by them. Save and except the above, none of the other directors, key managerial personnel or their respective relatives, are in any way, concerned or interested (financially or otherwise), in the resolution set out at item No. 6 of the Notice.

The Board recommends the Resolution set out at Item No. 6 of the accompanying Notice as Special Resolution for the approval of the Members.

Item No. 7 - To revise the overall remuneration payable to Mr. Shailesh Chaturvedi (DIN: 03023079), Managing Director & CEO of the Company:

Mr. Shailesh Chaturvedi was appointed as Managing Director & the CEO of the Company by way of a special resolution passed by the member at the 6th Annual General Meeting of the Company held on 23rd August 2021 with effect from 1st February 2021 for a period of five years up till 31st January 2026. Further the Members at the 6th Annual General Meeting of the Company held on 23rd August 2021, by way of special resolution approved the remuneration payable to Mr. Shailesh Chaturvedi, the Managing Director & CEO up to the limit as approved by the Members at the said Annual General Meeting as maximum remuneration including the minimum remuneration to be paid in case the Company has no profits or the profits of the Company are inadequate for a period of three (3) years as approved and recommended by the Nomination and Remuneration Committee and the Board.

Mr. Shailesh Chaturvedi has provided dedicated, meritorious services and significant contribution to the overall growth of the Company. In order to keep up with the growing demand for skilled leaders in the industry and to ensure retention of Mr. Shailesh Chaturvedi in the Company, the Board is of the view that the existing upper limit of the remuneration as approved by the members of the Company at its 6th Annual General Meeting held on 23rd August 2021 of Mr. Shailesh Chaturvedi, the Managing Director & CEO of the Company may not be sufficient depending on the future expectation and therefore the approval of the members of the Company is sought for revision in the maximum limit as detailed below with effect from 1st April 2023 for the remaining period of his appointment. The Board and the Nomination & Remuneration Committee found the current remuneration to be commensurate with the size, turnover and profitability of the Company and comparable to peers of the Company, hence, it recommends with the existing remuneration and pay structure shall remain the same as existing.

Under the leadership of Mr. Shailesh Chaturvedi as Managing Director & CEO of the Company, the Company has achieved a significant milestone of having ROCE (Return of Capital Employed) of ~ 14% which has been the highest in the history of the Company.

Further in the financial year ended 31st March 2023, the Company achieved an annual growth rate of 45% in revenue. EBITDA of the Company doubled for the FY 22-23 and the margin expanded by 3.3% as compared to the EBITDA % for the FY 21-22. The Company posted multi-fold increase in profit after tax (PAT) to ₹ 37 Crores (Vs. loss of ₹ 267 Cores in FY 22).

The Company is also declaring a dividend of ₹ 1/share, i.e., 25% dividend rate, for FY 2022-23. This goes on to showcase the robust improvement in performance under his mentorship.

The Company has performed exceptionally well after Covid-19 under his leadership.

Mr. Shailesh Chaturvedi is not receiving any remuneration from any group company.

The Board of Directors of the Company, at their meeting held on 10th August 2023 has approved the revision in the remuneration with effect from 1st April 2023, subject to the approval of the Members.

There is no material change in the remuneration structure of Mr. Shailesh Chaturvedi except for increase in the overall limit of the managerial remuneration payable to Mr. Shailesh Chaturvedi as detailed below and as approved by the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 10th August 2023. The same has now been put before the shareholders for approval.

	Remuneration
1. Basic Salary per month (forms part of fixed remuneration)	₹ 11,98,500/- (Rupees Eleven Lakh Ninety-Eight Thousand Five Hundred only) per month with such increase as may be decided by Board of Directors (which includes any Committee thereof) from time to time .
2. Perquisites & Allowances (forms part of fixed remuneration)	In addition to salary, the following perquisites / allowances shall be allowed to the Managing Director & CEO **CATEGORY – A** (i) HRA, medical & Other Allowances, meal coupons etc. as per the company policy (ii) Personal Accident insurance as per the company policy The aggregate value of perquisites for (i) to (ii) above for each year shall be computed as per the provisions of Income-tax Act, 1961. In case of benefits for which no specific rule of valuation is provided under the Income-tax Act, the perquisites value of such benefit shall be taken at actual cost. **CATEGORY – B** (i) The Company shall contribute towards Provident Fund/ Superannuation Fund/ Annuity Fund/ National Pension Fund provided that such contributions either singly or put together shall not exceed the tax-free limit prescribed under the Income-tax Act. (ii) The Company shall pay Gratuity as per rules of the Company.

	Remuneration
	(iii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be en-cashed at the end of the term as per rules of the Company. Category B shall not be included in the computation of ceiling on remuneration or perquisites aforesaid. **CATEGORY – C** (i) The Company shall provide car(s) & driver(s) at the cost of the Company for use on Company's business and the same will not be considered as perquisites. (ii) The Company shall provide telephone and other communication facilities to the MD & CEO at the cost of the Company.
3. Variable Remuneration (up to 40% of the Total Remuneration shall be variable)	The Managing Director & CEO shall be entitled to Performance Linked Variable Pay/Special Award/Bonus/Commission on profits/Long term Incentive etc. or in any other form as the Nomination and Remuneration Committee and the Board of Directors may determine from time to time. Variable Pay shall be based on performance of the Company and certain performance criteria and such other parameters as may be mutually agreed with the Board/the Committee thereof. The said Variable Pay shall be in addition to the Fixed remuneration payable to him subject to maximum remuneration as detailed below in this Explanatory statement. An indicative list of factors along with their weightage that may be considered for determination of remuneration by way of Variable Pay by the Board/Committee are: A. Quantitative Parameters – This will include the financial parameters like Revenue growth of the Company, its Profitability, Return on Capital Employed (ROCE), Profit after Tac (PAT) etc. (Weightage – 60%) B. Qualitative Parameters – This will include succession planning, quality and safety, Company's progress towards achieving its Sustainability goals – Weightage - 20%

	Remuneration
	C. Individual performance with weightage of 20% D. Industry Benchmark of remuneration Weightage given to each parameter as detailed above shall vary depending on prevailing market condition existing at the time of pay out. Variable Pay shall be approved by the Nomination and Remuneration Committee based on actual achievement of these parameters on a quarterly/annual basis as may be decided by the Board/committee.

Maximum Remuneration: Notwithstanding anything to the contrary herein contained, for any financial year during the currency of the tenure of office of the MD & CEO the overall managerial remuneration payable to Mr. Shailesh Chaturvedi shall be such amount as may be fixed by the Board of Directors from time to time on recommendation of the NRC, but not exceeding ₹ 10,00,00,000/- (Rupees Ten Crores only) per annum at any point of time, , which may or may not exceed 11% (eleven per cent) of net profits of the Company as laid down in Section 197 read with Part II of Section I of Schedule V to the Companies Act, 2013.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, in the event if the Company has no profits or its profits are inadequate in any financial year, the Company will pay a minimum remuneration by way of salary, perquisites, benefits and allowances, performance incentive, entitlement to shares, etc. for a period not exceeding 3 (Three) years as per Part II of Section II (A) of Schedule V to the Companies Act, 2013 and rules made thereunder or any statutory modifications and / or re-enactment thereof as may be decided by the Board from time to time on recommendation of NRC.

The above-mentioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company on recommendation of Nomination and Remuneration Committee as it may, in its discretion, deem fit, within the minimum and maximum amount as mentioned above as Managerial Remuneration in accordance with the provisions of the Companies Act, 2013 including those of Schedule V or any amendments thereto made hereafter in this regard.

The Companies (Amendment) Act, 2017 brought changes in the provisions of Section 197 and Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by removing the requirement of Central Government approval for payment of remuneration in excess of limits set out in Section 197 and Schedule V of the Companies Act, 2013. The Companies Amendment Act, 2017 replaces the requirement of Central Government approval with the requirement of obtaining shareholders' approval through a special resolution and accordingly, the approval of the shareholders is being sought by way of a special resolution.

Statement of Information for the members pursuant to Section II of Part II of Schedule V to the Companies Act:

I. GENERAL INFORMATION:

S. No.	Information		Description
1	Nature of industry	:	Apparel Industry
2	Date or expected date of commencement of commercial production		Business commenced in 2016, since the Company is into Apparel Industry, hence there is no date of commercial production.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Not Applicable.
4	Financial performance based on given indicators (As per audited financial statements for the year ended 31.03.2023)	:	(see table below)
5	Foreign investments or collaborations, if any	:	The Company has not made any foreign investments and neither entered into any foreign collaborations.

Particulars	₹ in Crores	
	Standalone	Consolidated
Sales & Other Income	758.59	4,473
EBIDTA	40.18	505.15
Net Profit	9.42	86.20

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details:

Mr. Shailesh Chaturvedi is one of Arvind's strongest leaders who has successfully led several of our brands over the last 17 years. Mr. Shailesh Chaturvedi joined Arvind in 2006 to lead our Tommy Hilfiger JV. Over the past 17 years he has made Tommy one of the most admired and aspirational brands in the country. He also took over the Calvin Klein brand in FY18 and has scripted a strong turnaround of the business. He took over the Arrow business in FY19 and is currently working on a plan to energies and reinvigorate the franchise. Shailesh is a proven leader in the apparel space with a total career that spans 30 years in leadership roles in Madura coats, UCB and then Arvind. His deep expertise in working with international brands gives him a unique insight into global best practices and trends. Before his long stint in building the bridge to luxury brand portfolio for Arvind he has worked extensively in the mass premium men's wear segment as well.

2. Past remuneration:

The remuneration paid to Mr. Shailesh Chaturvedi for the last 2 financial years during the currency of the resolution approved by the members of the Company at its 6th Annual General Meeting held on 23rd August 2021 were:

Period	Amount
FY 21-22	INR 3.15 Crore (excluding the value of perquisite arising due to exercise of vested stock options)
FY 22-23	INR 6.35 Crore (excluding the value of perquisite arising due to exercise of vested stock options

There has been no increase in his fixed remuneration. In the FY 22-23, apart from fixed remuneration, he also received (i) Retention Bonus (ii) Performance Bonus for the FY 21-22.

5,51,250 (Five Lakh Fifty-One Thousand Two Hundred Fifty) stock options are pending to be exercised by him. Their average exercise price is ₹ 572.58/- per option and their average fair value used for the purposes of accounting is ₹ 127.93/- per option."

The employee cost increased to ₹ 268.16 Crores (as compared to ₹ 236.76 Crores for FY 21-22)

Median increase in the remuneration of other employees is 11.97% as compared to no increase in the fixed remuneration of Mr. Shailesh Chaturvedi.

3. Recognition or awards:

No awards in his individual capacity however, the Group Companies have received many awards in the Branded Apparel Industry including in categories of Sourcing, Supply Chain, Retail and Best Employer under his leadership.

4. Job profile and his suitability:

He has been appointed as the Managing Director & CEO of the Company and devotes whole time attention to the management of the affairs of the Company and exercises powers under the supervision and superintendence of the Board of the Company.

5. Remuneration proposed:

The details of the proposed remuneration have already been explained hereinabove.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Mr. Shailesh Chaturvedi is working as an independent professional and in an executive capacity, not related to Promoters/directors of the Company and also that the Company is at a growing stage where it needs to retain/reward the professionals with a remuneration in accordance with prevailing market conditions and benchmark. Considering the size of the Company, the profile of Mr. Shailesh Chaturvedi, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages being paid to similar appointees in other companies.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed and to the extent of ESOPs granted to him, Mr. Shailesh Chaturvedi, does not have any pecuniary relationship with the Company and its managerial personnel.

III. OTHER INFORMATION:

S. No.	Information	Description
1	Reasons of loss or inadequate profits	Not Applicable
2	Steps taken or proposed to be taken for improvement	Not Applicable
3	Expected increase in productivity and profits in measurable terms	Not Applicable

In view of the provisions of Sections 152, 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at Item No.7 of the accompanying Notice for the approval of the Members.

The Agreement to be entered into between the Company and Mr. Shailesh Chaturvedi for remuneration is available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day.

Since the resolution at Item No. 7 relates to payment of remuneration to Mr. Shailesh Chaturvedi, he is deemed to be concerned or interested in the said resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Item No. 8 - To Re-appointment Mr. Nagesh Dinkar Pinge (DIN: 00062900) as an Independent Director of the Company:

The Board of Directors ('Board'), have appointed Mr. Nagesh Dinkar Pinge (DIN: 00062900), as a Non-Executive Independent Director of the Company with effect from October 10, 2018 for a term of 5 consecutive years upto October 09, 2023 subject to approval of members and his appointment has been approved by the members of the company in the Annual General meeting held on August 9, 2019. The present term of Mr. Nagesh Dinkar Pinge, will expire on October 9, 2023. Pursuant to Section 149, 178 read with Schedule IV of the Companies Act, 2013 ("Act") and Listing Regulations, an Independent Director is eligible for re-appointment subject to (i) Recommendation by the Nomination and Remuneration Committee and the Board of Directors (ii) basis of performance evaluation and (iii) Approval of shareholders by way of a special resolution for a term of upto five consecutive years.

Considering Mr. Nagesh Dinkar Pinge's background, experience & the recommendation made by Nomination & Remuneration Committee and the Board of Directors, basis the performance evaluation exercise, his re-appointment as an Independent Director for another term of 5 consecutive years is proposed for approval of the shareholders.

In the opinion of the Board, Mr. Nagesh Dinkar Pinge, is independent from the management and fulfils the conditions specified in the Act and the rules made thereunder for re-appointment as an Independent Director of the Company.

In terms of Section 160 of the Act, the Company has received a notice in writing from a member of the Company proposing the candidature of Mr. Nagesh Dinkar Pinge, for his re-appointment to the office of Independent Director. A copy of the letter of re-appointment of Mr. Nagesh Dinkar Pinge, setting out the terms and conditions of his appointment shall be available for inspection at the website of the Company and can be accessed via. www.arvindfashions.com.

Mr. Nagesh Dinkar Pinge, is not debarred from appointment/re-appointment pursuant to any order of SEBI or any other authority.

Except Mr. Nagesh Dinkar Pinge, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 of this Notice.

Brief profile of Mr. Nagesh Dinkar Pinge, as provided in Annexure to this Notice may also be regarded as an appropriate disclosure under the Listing Regulations as amended from time to time and Secretarial Standard – 2 for General Meetings issued by Institute of Company Secretaries of India.

The Board recommends the resolution set out under Item No. 8 of this Notice, for approval of the Members by way of a Special Resolution.

Item No. 9 - To Re-appointment Mr. Achal Anil Bakeri (DIN: 00397573) as an Independent Director of the Company:

The Board of Directors ('Board'), have appointed Mr. Achal Anil Bakeri (DIN: 00397573), as a Non-Executive Independent Director of the Company with effect from October 10, 2018 for a term of 5 consecutive years upto October 09, 2023 subject to approval of members and his appointment has been approved by the members of the company in the Annual General meeting held on August 9, 2019. The present term of Mr. Achal Anil Bakeri, will expire on October 9, 2023. Pursuant to Section 149, 178 read with Schedule IV of the Companies Act, 2013 ("Act") and Listing Regulations, an Independent Director is eligible for re-appointment subject to (i) Recommendation by the Nomination and Remuneration Committee and the Board of Directors (ii) basis of performance evaluation and (iii) Approval of shareholders by way of a special resolution for a term of upto five consecutive years.

Considering Mr. Achal Anil Bakeri's background, experience & the recommendation made by Nomination & Remuneration Committee and the Board of Directors, basis the performance evaluation exercise, his re-appointment as an Independent Director for another term of 5 consecutive years is proposed for approval of the shareholders.

In the opinion of the Board, Mr. Achal Anil Bakeri, is independent from the management and fulfils the conditions specified in the Act and the rules made thereunder for re-appointment as an Independent Director of the Company.

In terms of Section 160 of the Act, the Company has received a notice in writing from a member of the Company proposing the candidature of Mr. Achal Anil Bakeri, for his re-appointment to the office of Independent Director. A copy of the letter of re-appointment of Mr. Achal Anil Bakeri, setting out the terms and conditions of his appointment shall be available for inspection at the website of the Company and can be accessed via. www.arvindfashions.com.

Mr. Achal Anil Bakeri, is not debarred from appointment/re-appointment pursuant to any order of SEBI or any other authority.

Except Mr. Achal Anil Bakeri, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 of this Notice.

Brief profile of Mr. Achal Anil Bakeri, as provided in Annexure to this Notice may also be regarded as an appropriate disclosure under the Listing Regulations as amended from time to time and Secretarial Standard – 2 for General Meetings issued by Institute of Company Secretaries of India.

The Board recommends the resolution set out under Item No. 9 of this Notice, for approval of the Members by way of a Special Resolution.

Details of Directors seeking Appointment / Re-appointment at the Eight Annual General Meeting
[Pursuant to Regulations 26 and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] and SS-2 – Secretarial Standards on General Meetings

Name of the Director	Mr. Sanjaybhai Shrenikbhai Lalbhai	Mr. Suresh Jayaraman	Mr. Nagesh Dinkar Pinge	Mr. Achal Anil Bakeri
DIN	00008329	03033110	00062900	00397573
Date of Birth	October 04, 1954	January 06, 1957	October 01, 1958	January 09, 1960
Age	68 Years	65 Years	65 Years	63 Years
Qualifications	B.Sc., MMS	BE, PGDM	Chartered Accountant and Law Graduate	MBA from University of Southern California
Expertise in specific functional areas	Industrialist, Apparel & Textile Industry domain, Entrepreneur, Technology Expert	Apparel & Textile Industry domain, FMCG Industry domain, Marketing, Business Strategy & Corporate Planning.	Ethics, Corporate Governance, Risk Management, Internal Audit, Finance, Accounts and corporate laws.	Industrialist, Entrepreneur, corporate strategy, and people development
Brief Profile	Mr. Sanjay Lalbhai is the Chairman and Managing Director of Arvind Ltd., a 1.3 Billion Dollar Indian conglomerate. Over last four decades he has led the transformation of Arvind from a traditional textile mill into one of the world's leading manufacturers of denims, fine woven fabrics, and apparel solutions. He laid the foundations for the branded apparel business by bringing India's initial brands – Flying Machine and Arrow, and opening Exclusive Brand Outlets. Sanjay Lalbhai serves on the Board of Adani Ports & Special Economic Zone Ltd. He is the president of Ahmedabad Education Society, Ahmedabad University and CEPT University, and the Chairman of Council of Administration of Ahmedabad Textile Industry Research Association (ATIRA). Mr. Lalbhai believes that addressing societal concerns and creating long lasting benefit to society is integral to the business strategy and a duty of every business leader. He provides strategic leadership SHARDA Trust, the CSR arm of Arvind. Mr. Lalbhai is an MBA from Jamnalal Bajaj Institute.	Mr. Suresh has over 30 years of experience in the FMCG, Lifestyle Brands & Retail industries. This included an 18-year stint at Hindustan Unilever Limited, where he headed the Sales Operations of the beverages business and was a management committee member of the Foods & Beverages business between 1999 and 2002. After HUL, he joined MTR Foods Ltd as its Chief Executive Officer and turned a regional brand into a national and global brand. He is an engineering graduate and has a Master's degree in Business Administration from Indian Institute of Management, Bangalore.	Mr. Nagesh Pinge is an Expert in Ethics, Corporate Governance, Risk Management and Internal Audit. He is a Chartered Accountant and Law Graduate from India. He has also completed Executive Education Program from The Stephen M Ross School of Business of the University of Michigan, USA. In a career spanning 35 year, he has worked with many organizations of repute like Tata Motors as "Chief-Internal Audit, Risk Management and Ethics". Prior to that he has also served Reliance Retail Ltd, JSW Steel Ltd. and ICICI Bank and its Group Companies. He is an Independent Director in many reputed Companies. He is a past President of the Institute of Internal Auditors, India	Mr. Achal Bakeri is the Chairman and Managing Director of Symphony Limited. He leads the management of critical organizational functions such as corporate strategy, international growth opportunities and people development. He is an Architect and has studied Master of Business Administration from University of Southern California. Mr. Bakeri has 32 years of experience in varied fields, including construction, exports, manufacturing and design development. Under his guidance and leadership, Symphony has established its position as the largest manufacturer of air coolers in the world.

Name of the Director	Mr. Sanjaybhai Shrenikbhai Lalbhai	Mr. Suresh Jayaraman	Mr. Nagesh Dinkar Pinge	Mr. Achal Anil Bakeri
Date of first appointment	February 02, 2017	August 01, 2018	October 10, 2018	October 10, 2018
Directorships held in other public companies (excluding, private, foreign and Section 8 companies)	1. Arvind Limited 2. Arvind SmartSpaces Limited 3. The Anup Engineering Limited	1. Arvind Lifestyle Brands Limited 2. TCNS Clothing Co. Limited 3. VLCC Health Care Limited 4. Value Fashion Retail Limited	1. Goa Carbon Limited 2. Inventia Healthcare limited 3. Aditya Birla Sun life Insurance Company limited 4. Multi Commodity Exchange Clearing Corporation Limited 5. Utkarsh Small Finance Bank Limited 6. Hero Housing Finance Limited 7. Automobile Corporation of Goa Limited 8. Whiteoak capital trustee limited 9. Aditya Birla Finance Limited	1. Nuvoco Vistas Corporation Limited 2. Symphony Limited
Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Stakeholder Relationship Committee)	Member of Stakeholders' Relationship Committee of Arvind Limited and Chairman & Member of Stakeholders' Relationship Committee of Arvind SmartSpaces Limited.	Member of Audit committee in VLCC Health Care Limited.	• **Member of audit committee of:** a) Goa Carbon Limited b) Inventia Healthcare limited c) Aditya Birla Sun life Insurance Company limited d) Multi Commodity Exchange Clearing Corporation Limited e) Utkarsh Small Finance Bank Limited f) Hero Housing Finance Limited g) Automobile Corporation of Goa Limited h) Aditya Birla Finance Limited • **Chairman of audit committee of:** a) Goa Carbon Limited b) Automobile Corporation of Goa Limited	Member of stakeholder's relationship committee of Nuvoco Vistas Corporation Limited.
Inter-se relationship with other Directors and Key Managerial Personnel	Mr. Sanjay Lalbhai is father of Mr. Kulin Lalbhai and Mr. Punit Lalbhai, Non-Executive Directors of the Company.	Nil	Nil	Nil
Number of shares held in the Company	647	7,39,220	0	0
The number of Meetings of the Board attended during the year	7	4	7	5
Details of remuneration sought to be paid	Refer report on Corporate Governance	Nil	Refer report on Corporate Governance	Refer report on Corporate Governance
Remuneration last drawn	Refer Annexure - D to the Directors' Report	Nil	Refer Annexure - D to the Directors' Report	Refer Annexure - D to the Directors' Report

DIRECTORS' REPORT

To

The Members,

Arvind Fashions Limited.

Your Directors are pleased to present the Directors' Report of the Company together with the audited financial statements of the Company for the financial year ended March 31, 2023.

1. Financial Highlights

The Company's financial performances for the year under review along with previous year's figures are given hereunder:

[₹in Crores]

Particulars	Standalone		Consolidated	
	2022-23	2021-22	**2022-23**	2021-22
Revenue from operations (Net)	**740.57**	514.01	**4,421.08**	3056.04
Profit/(Loss) Before Interest, Depreciation, Tax & Exceptional Items	**40.18**	39.31	**505.14**	247.04
Less: Finance Cost	**15.52**	12.36	**138.38**	123.92
Profit/(Loss) Before Depreciation, Tax & Exceptional Items	**24.66**	26.95	**366.76**	123.12
Less: Depreciation/Amortization	**14.56**	18.07	**238.73**	233.00
Profit/(Loss) before exceptional items & tax	**10.10**	8.88	**128.03**	(109.88)
Less: Exceptional items	**-**	-		-
Profit/(Loss) before tax	**10.10**	8.88	**128.03**	(109.88)
Less: Current tax/Deferred tax	**0.24**	1.44	**40.11**	(5.80)
Profit/(Loss) after Tax from Continuing Operations	**9.86**	7.44	**87.92**	(104.08)
Profit/(Loss) Before Tax for the period from Discontinuing Operations	-	-	(0.96)	(132.62)
Tax Expense/(Credit) on Discontinuing Operations	**-**	-	**-**	-
Profit/(Loss) after Tax from Discontinuing Operations	**-**	-	**(0.96)**	(236.70)
Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations	**9.86**	7.44	**86.96**	(236.70)
Add: Other Comprehensive Income	**(0.44)**	(0.43)	**(0.76)**	(0.43)
Profit/(Loss) after Tax and OCI	**9.42**	7.01	**86.2**	(237.13)
Profit /(Loss) after tax carried over to Balance Sheet	**9.42**	7.01	**86.2**	(237.13)

2. Performance Review:

During the period under review, the Company's financial performance improved significantly from Financial Year 21-22 to Financial Year 22-23, with a notable growth in revenue, profit after tax and total comprehensive income. After a gap of two long years, Financial Year 22-23 was a stable year without any external environment led disruptions and as a result, the Company further strengthened its position as a leading casual and denim player in the industry.

The Company further built on its strength of having multi-channel mix including exclusive brand outlets (EBOs), department stores, multi-brand outlets (MBOs), online and others. Most of the newly opened stores are omni-connected, thereby helping in controlling the end-customer experience along with optimizing discounts and gaining insights into consumer choices

On Standalone basis

Revenue Growth – The Company achieved strong revenue growth, with revenue from operations increasing by 44% from ₹ 514.01 Crores in FY 22 to ₹ 740.57 Crores in FY 23.

Profit After Tax (PAT) - The Profit after tax experienced a significant increase of 32.5 % growing from ₹ 7.44 Crores in FY 22 to ₹ 9.86 Crores in FY 23.

On Consolidated basis

Consolidated Performance – The Company's consolidated financial performance across its operations also improved substantially. Consolidated revenue from operations (Net) grew by 44.6% rising from ₹ 3,056.04 Crores in FY 22 to ₹ 4,421.08 Crores in FY 23.

Consolidated PAT – The consolidated profit after tax demonstrated remarkable growth of 136% increasing from loss of ₹236.70 crores in FY 22 to profit of ₹ 86.96 crores in FY 23.

The Company continued to expand its retail footprint and accelerated its store expansion strategy by opening ~180 stores during the year

3. **Material Events during the year under review**

- **Update on receipt of call money in the first and final call made during the financial year 2022-23:**

  The Company had issued 1,48,02,856 Equity Shares and allotted 14,801,776 Equity Shares of ₹ 4 each of the Company on rights basis in the ratio of 3 equity share for every 20 equity shares held, to eligible equity shareholders of the Company at an issue price of ₹ 135/- per Equity Share (including premium of ₹ 131 per Rights Equity Share) for an aggregate amount up to ₹ 199.84 crores. An amount equivalent to 51.85% of the issue price viz. ₹ 70 per equity share was received on application i.e. ₹ 103.61 Crores.

  During the year under review the company has sent Reminder 3 to pay First & Final call money of ₹ 65 to the partly paid up shares held by the members. The company has received ₹ 65 against 26,176 partly paid up shares. Total fund raised by the Company as on date from this right issue is ₹ 199.66 crores.

  The funds raised by the Company through aforesaid Rights Issue, have been utilised for the objects stated in the Letter of Offer, dated February 19, 2021, towards repayment of certain borrowings of the Company and its wholly owned subsidiary and for General Corporate purpose.

4. **Dividend**

Based on the Company's performance, the Board of Directors of your Company has recommended a dividend at the rate of 25% on equity shares for the financial year ended March 31, 2023. This translates to ₹ 1 per equity share of ₹ 4 each. The dividend shall be subject to approval of the Members.

The dividend will be applicable to a total of 13,28,00,971 equity shares, each having a face value of ₹ 4 each.

Due to changes in the Income-tax Act, 1961, introduced by Finance Act, 2020, dividend distributed by the Company are now taxable in the hands on the shareholders. The Company will deduct applicable tax at source before paying out the dividend.

The Register of Members and Share Transfer Books of the Company will remain closed from 2nd September 2023 to 12th September 2023 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2023.

If approved by the shareholders, the total dividend pay-out for the financial year 2022-23 would amount to ₹ 13.28 crores.

5. **Dividend Distribution Policy**

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Dividend Distribution Policy and the same is available on the Company's Website at

https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Dividend-Distribution-Policy.pdf. Based on the Company's performance, the Directors of your Company recommend a dividend of ₹ 1 per share of ₹ 4 each, subject to the approval of the Members.

6. **Board Meetings held during the year**

During the year under review, forty-two Board/Committee meetings were held including seven Board meetings, six Audit Committee meetings, four Nomination and Remuneration Committee meetings, one Stakeholders Relationship Committee meeting, three Risk Management Committee Meetings, one Corporate Social Responsibility Committee meeting, one Independent Director meeting and nineteen Committee of Directors meetings.

7. **Directors' Responsibility Statement**

The Directors hereby make the following Responsibility Statement as required by Section 134(3)(c) of the Companies Act, 2013:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the company for that period.

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) The Directors have prepared the annual accounts on a going concern basis.

e) They have laid down internal financial controls, which are adequate and are operating effectively.

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. **Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors and the Practicing Company Secretary in their Reports**

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors or the Secretarial Auditor of the Company.

9. **Particulars of Loans, guarantees or investments under Section 186 of the Companies Act, 2013**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

10. **Related Party Transactions under Section 188 of the Companies Act, 2013**

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Policy on Related Party Transactions as approved by the Board is available on Company's website at

https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-RPT-Policy.pdf

11. Extract of Annual Return

The details forming part of the extract of the Annual Return is available on Company's website at:

https://www.arvindfashions.com/corporate-governance/

12. Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2023 and May 30, 2023 (date of the report).

During March 31, 2023 and May 30, 2023 there is no material change and commitments affecting the financial position occurred in the company.

13. Information on Conservation of Energy, Absorption of technology and Foreign Exchange Earnings and Outgo.

i) Conservation of Energy

The Company is making efforts to achieve energy efficiency and increase the mix of renewable energy within the operations.

a) Energy Efficiency

The company has shifted from conventional lights to LED lights in the stores and in the warehouses, listed below are the impacts and benefits of installing the LED lights.

- Energy Efficiency: LED lights are proven to consume significantly 50% less energy than traditional tube lights, leading to immediate reductions in electricity bills.
- Cost Savings: The longer lifespan and lower maintenance requirements of LED lights result in reduced maintenance and replacement costs over time.
- Enhanced Lighting Quality: The switch to LED lighting has led to improved lighting quality, offering better visibility and creating a more comfortable environment for employees and visitors.
- Environmental Contribution: By reducing energy consumption and minimizing the need for replacements, this project contributes to our sustainability goals and reduces our carbon footprint.

The company has installed motion sensor LED lights for energy management within its warehouse operations in FY 23 that indicated a reduction potential of 5%-8% in the energy demand. The same is being evaluated for new warehouses also.

The company is also working on SOPs to achieve behavioural based energy efficiency within the operations.

b) Renewable energy

We signed an agreement to wheel solar power from an independent power producer in FY 19 an agreement for 9 years expected to cover 80-95% of the energy demand at AFL's corporate office. We have a potential of mitigating ~1,030 tons of carbon dioxide on an annual basis.

Company is exploring the potential of shifting its warehouses to renewable energy in the near future. The preliminary survey for the installation of rooftop solar panels is conducted by the external agencies.

Company is also engaging with its vendor partners to enable their transition to renewable energy thereby reducing the overall carbon footprint of its products

ii) Absorption of technology

The Company has not absorbed any technology.

iii) Foreign Exchange Earnings and Outgo

₹in Crores

Particulars	2022-2023	2021-2022
Earning in Foreign Currency	**13.55**	11.42
Expenditure in Foreign Currency	**415.68**	38.12

14. Nomination & Remuneration Policy of the Company

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is available on the Company's website at

https://www.arvindfashions.com/wp-content/uploads/2019/05/Nomination-and-Remuneration-Policy.pdf

15. Statement concerning development and implementation of Risk Management policy of the company

The Board has, framed a policy to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management Policy is available on the Company's website at

https://www.arvindfashions.com/wp-content/uploads/2019/03/Risk-Management-Policy.pdf

16. Corporate Social Responsibility (CSR)

The Company's initiatives for social advancement has be undertaken through Strategic Help Alliance to Relief to Distressed Areas (SHARDA) Trust. In addition, the skills of vast majority of Employee Talents that the company has will be utilized in accomplishment of its CSR vision.

We have supported and will continue to fund the ongoing projects mentioned below:

1. Supporting Government School Children
2. Providing Scholarships for higher education
3. Projects around Company's Area of Operations

During the year the company has spent ₹16.31 Lakhs through Strategic Help Alliance to Relief to Distressed Areas (SHARDA) Trust as the CSR expenditure.

The Annual Report on CSR Activities in prescribed format including details of Corporate Social Responsibility Initiatives is enclosed as an **Annexure-A.**

17. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors ("Board") has carried out an annual evaluation of its own performance and that of its Committees and individual Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

18. Change In the nature of the Business

There was no change in the nature of the business during the year under review.

19. Directors & Key Managerial Personnel

The Board of Directors consists of 12 (Twelve) members, comprising of 1 Managing Director, 5 Non-Executive Directors and 6 Non-Executive Independent Directors.

As per the provisions of Section 152 (6) of the Companies Act, 2013, Mr. Sanjay Lalbhai (DIN:00008329) and Mr. Suresh Jayaraman (DIN: 03033110), will retire by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment as the Directors of the Company.

The Independent Directors have submitted a declaration that each of them meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as an Independent Director during the year.

As per the provisions of Section 203 of the Companies Act, 2013, Mr. Shailesh Shyam Chaturvedi Managing Director & CEO, Mr. Girdhar Kumar Chitlangia Chief Financial Officer, Ms. Lipi Jha company secretary are the Key Managerial Personnel of the Company.

Mr. Piyush Gupta, Chief Financial Officer has resigned from his office w.e.f January 5, 2023 and Mr. Girdhar Kumar Chitlangia has been appointed as Chief Financial Officer w.e.f January 6, 2023.

Ms. Vani kola and Ms. Abanti Sankaranarayanan Independent Directors of the company have resigned from their office w.e.f July 1, 2022 & March 10, 2023, respectively.

Mr. Manoj Nakra and Ms. Ananya Tripathi have been appointed as Independent director's w.e.f July 1, 2022 & March 14, 2023, respectively.

20. Disclosure under Section 67(3)(c) of the Companies Act, 2013

No disclosure is required under section 67(3)(c) of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

21. Auditors

Statutory Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No. 117365W) were appointed as the Statutory Auditors of your Company for a period of five consecutive years at the Annual General Meeting ("AGM") held on August 23, 2021. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of M/s. N. V. Kathiria & Associates, Company Secretary in Practice, Ahmedabad to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2023. The Secretarial Audit Report (in Form MR-3) of the Company and its material Subsidiary Company is enclosed as an **Annexure-B** to this Report.

22. Subsidiaries / Controlled Entities / Associates

As on March 31, 2023, the Company has 4 subsidiary companies and 1 controlled entity jointly owned with PVH BV.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiaries and Controlled Entities in Form AOC-1 is attached to the Financial Statements. The separate audited financial statements in respect of each of the subsidiary shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of each of the subsidiary are also available on the website of the Company at www.arvindfashions.com

The Company has framed a policy for determining material subsidiaries, which has been uploaded on company's website at

https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Policy-on-Material-Subsidiaries.pdf

23. Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and form part of this Annual Report.

24. Deposits

During the year under review, your Company has neither accepted nor renewed any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of

Deposits) Rules, 2014.

25. Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

26. Internal financial Controls

The Company has in place adequate internal financial controls with reference to financial statements and dedicated Internal Auditor to ensure its adequacy. The scope and authority of the Internal Auditor is well defined in the organisation. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

The Statutory Auditor of the Company has also given an opinion that the Internal Financial Controls over Financial Reporting are adequate and are operating effectively at the end of the financial year.

27. Disclosure of composition of Audit Committee

The Audit Committee consists of the following Members;

i) Mr. Nagesh Pinge – Independent Director
ii) Mr. Nilesh Shah – Independent Director
iii) Ms. Ananya Tripathi – Independent Director
iv) Ms. Nithya Easwaran – Non-Executive Director

28. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The Provisions of Section 125(2) of the Companies Act, 2013, do not apply as there was no dividend declared and paid since incorporation of the Company.

29. Share Capital

During the year under review, the Company has increased its paid-up capital from Rs. 52,97,45,522/- to Rs. 53,12,53,262/- by allotting 3,63,847 equity shares under ESOP scheme of the company.

A. Issue of Equity Shares with differential rights – No such issue and accordingly no compliance

B. Issue of Sweat Equity Shares - No such issue and accordingly no compliance

30. Employee Stock Option Schemes (ESOS)

The Company has instituted the Employees Stock Option Scheme (ESOS) 2016, 2018 and 2022 to grant equity-based incentives to certain eligible employees and directors of the Company and its subsidiary and holding companies. During the year under review, the Company has granted stock options to eligible employees. Disclosures in compliance with Section 62 of the Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 are set out in **Annexure - C** to this report.

31. Vigil Mechanism

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at

https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf

32. Familiarization programme for the independent directors

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report are also available on the Company's website at

https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Familiarisation-Programs-of-Independent-Directors.pdf

33. Corporate Governance Report and Management Discussion & Analysis Report

The Corporate Governance Report, together with the Certificate from the secretarial auditor of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Annual Report.

A separate section on Management Discussion and Analysis Report (MDA) is included in the Annual Report as required under Regulation 34(2)(e) of the SEBI Listing Regulations

34. Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report for the year ended March 31, 2023 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed which forms part of this Annual Report.

35. Particulars of Employees

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the Annual Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure - D** to this report.

36. Disclosure as per sexual harassment of women at Workplace (prevention, prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has also formed Internal Complaint Committee and the Committee members are experts on handling the investigations and proceedings as defined in the policy.

During the financial year 2022-23 3 (Three) cases of sexual harassment were received by the Company, its subsidiaries and the same had been satisfactorily addressed before 31st March 2023 except one case which is pending for disposal.

37. Human Resources

At Arvind Fashions, we believe that our people are our most important asset. We are guided by the CCPP formula: Care for our employees which leads to Confidence in our employees and teams that deliver highest standards of Performance resulting in their development and Promotion. Our strong 'Collaborative' culture inspires passion, commitment and spirit of contribution in our employees.

We have a vibrant workforce of over 5800 employees with an average age of 29 years and a gender diversity of 16%. We are an employer of choice for some of the most talented individuals across the country due to the quality of work, autonomy, growth and supportive environment provided to our employees.

At Arvind Fashions, our Employee Engagement framework keeps the holistic growth and wellness of our people at its centre. "Arvind Voice" is a program designed to give employees a platform to express their opinions, concerns and suggestions openly. This initiative aims to foster a culture of transparency, open communication and empowerment. Leaders connect with employees through townhalls and employee connect programs and share key achievements, challenges and the way forward. We provide rewards and recognition to our employees in the form of Retail, Value and Spotlight awards to reinforce the behaviours and values that are essential for our growth.

Arvind University – our learning and development centre of excellence – plays a pivotal role in cultivating a skilled, adaptable and motivated workforce. At Arvind Fashions, we are committed to their continuous learning and professional growth which sets us apart as an employer of choice. Our programs are strategically aligned with our business objectives and are designed to address current and future skill gaps thereby ensuring our workforce remains agile and ready to embrace the changing retail landscape. Arvind Express – our career progression initiative – provides employees a transparent and structured process to help take on larger roles within the company. As part of our organizational assessment process, we utilize a holistic approach that blends both Machine Learning and Human Intervention for strategic evaluation of employee performance and potential to provide critical feedback for employee development.

Our progressive policies and practices such as Flexi-time policy, Equal Employment Opportunity policy, Paternity & Adoption policy, Crèche Services along with our Professional Development initiatives and internal career mobility ensures that an environment of empowerment, growth and engagement is created for all employees.

Arvind Care – our safety and wellness initiative – goes beyond traditional benefits. It reflects our deep concern for health, happiness and wellness of each of our employees. The key initiatives include free health check-ups, Doctor-on-Call, Weekly doctor visit, Medical room with nursing facility and Gym for employees. Apna Arvind is a comprehensive employee self-service platform which provides employees instant support on policies, payroll related services, learning and development, career progression and performance and wellness with the click of button.

Arvind Fashions remains committed to nurturing a workforce that can thrive personally and professionally and contribute to the sustained success and growth of our organisation.

38. Acknowledgement

The Directors wish to express their appreciation for the continued support of bankers, financial institutions, customers, and various Government agencies. The Directors also wish to thank all the employees for their contribution, support and continued co-operation throughout the year.

For and on behalf of the Board of
Arvind Fashions Limited

sd/_	sd/_
Sanjay S. Lalbhai	**Shailesh Shyam Chaturvedi**
Chairman & Director	Managing Director & CEO
DIN :00008329	DIN :03023079
Place: Ahmedabad	**Place:** Bangalore
Date: 30/05/2023	**Date:** 30/05/2023

Annexure – A to the Director's Report

Annual Report on CSR Activities For Financial Year 2022-23

1. **Brief Outline on CSR Policy of the Company**

The Arvind Fashions Limited Policy on Corporate Social Responsibility (AFLPCSR) provides a structured guideline for the Company and all its Subsidiaries and Joint Ventures to undertake CSR initiatives. This policy helps them maintain a common CSR thought thread. For doing so, the top Management of the Arvind Fashions Limited and its Subsidiaries and Joint Ventures define an annual budget, select CSR focus areas, select geography, work with either the Arvind Fashions CSR team to undertake CSR initiatives or partner with like-minded individuals and organisations and last but not the least, utilise the skills of vast majority of Employee Talents that the company has in accomplishment of its CSR vision.

Our CSR Policy is in sync with the broader areas of Schedule VII of the New Companies Act and will always be aligned to the changes that gets incorporate in the schedule.

The key points of the policy are presented below and the policy can be reached at our website through the given link: https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-CSR-Policy.pdf

2. **Composition of the CSR Committee**

The Arvind Fashions Limited has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act. The members of the CSR Committee are:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kulin Lalbhai	Vice Chairman & Non Executive Director, Chairman	1	1
2	Mr. Punit Lalbhai	Non-Executive Director	1	1
3	Mr. Nilesh Shah	Independent Director	1	1

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-CSR-Policy.pdf

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**

Not Applicable

5. a) **Average net profit of the Company as per sub-section (5) of section 135:**

   The average net profit of the Company is (Rs. 19.14 crore) (Loss)

   b) **Two percent of average net profit of the company as per sub-section (5) of section 135:** (Rs. 38.29 Lakhs) (Loss)

   c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   d) **Amount required to be set off for the financial year, if any:** Nil

   e) **Total CSR obligation for the financial year [(b)+(c)+(d)]:** Nil

6. a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing project):** Rs.16,31,000/-

   b) **Amount spent in Administrative Overheads:** Nil

   c) **Amount spent on Impact Assessment, if applicable:** Nil

   d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** Rs.16,31,000/-

   e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
*Rs.16,31,000/-	NIL	-	NA	NIL	-

*The company has incurred average loss during the immediately three proceeding financial year as mentioned above under point 5 (a) and 5 (b). However the company has voluntarily spent above amount as CSR contribution for the financial year 2022-23. The company has donated the amount to Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust which was spent by the trust for Scholarship Assistance to Higher Education.

f) Excess Amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
1	FY-1							
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or as set(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ bene ficiary of the registered owner	
					CSR Registration Number, if applicable	Name
(1)	(2)	(3)	(4)	(5)	(6)	Name

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not applicable. The Company has voluntarily spent the amount irrespective of average loss during proceeding three financial years.

Sd/-
Mr. Kulin Lalbhai
Vice Chairman & Non Executive Director

Sd/-
Mr. Nilesh Shah
Independent Director

Sd/-
Mr. Punit Lalbhai
Non-Executive Director

Date: May 30, 2023

Annexure – B

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arvind Fashions Limited
Main Building, Arvind Limited Premises,
Naroda Road, Ahmedabad – 380025.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARVIND FASHIONS LIMITED** (hereinafter "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 (Audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:
   (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
   (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;
   (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issue any such securities during the financial year)**
   (vii) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar and Transfer Agents with SEBI)**
   (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable as the Company has not delisted any of its equity shares during the financial year);**
   (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable as the Company has not bought back any of the securities during the financial year).**
3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.
4. The Company has complied with following specific laws to the extent applicable to the Company:
   a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
   b) The Employees' State Insurance Act, 1948.
   c) The Contract Labour (Regulation & Abolition) Act, 1970.
   d) The Maternity Benefit Act, 1961.
   e) The Minimum Wages Act, 1948.

f) The Payment of Bonus Act, 1965.
g) The Payment of Gratuity Act, 1972.
h) The Payment of Wages Act, 1936.
i) The Workmen Compensation Act, 1923.
j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.
k) Shops and Establishment Act of respective states.
l) The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.
m) Tax on Profession of respective States.
n) Labour Welfare Fund.
o) The Legal Metrology Act, 2009.
p) The Consumer Protection Act, 1986.
q) Trademarks Act, 1999.
r) The Information Technology Act, 2000.
s) Income Tax Act, 1961 and its Rules.
t) The Goods and Services Tax Act, 2017.
u) Customs Act, 1962.

5. We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India and The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs except the following:

1. The Company has allotted following Equity shares of Rs. 4/- each with premium, during the F.Y. 2022-23, to the eligible employees pursuant exercise of stock options to eligible applicants/Grantee under Employee Stock Option scheme 2016 (ESOS 2016) of the Company.

Sr. No.	Date of allotment	No of Shares
1.	21.04.2022	100000
2.	14.06.2022	36000
3.	04.08.2022	112500
4.	17.08.2022	29200
5.	20.09.2022	35000
6.	07.10.2022	15000
7.	28.11.2022	21653
8.	10.02.2023	14494

For N. V. Kathiria & Associates
Company Secretaries

N. V. Kathiria
Proprietor
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573E000422364)

Date: 30/05/2023
Place: Ahmedabad

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Arvind Fashions Limited
Main Building, Arvind Limited Premises,
Naroda Road, Ahmedabad- 380025.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For N. V. Kathiria & Associates
Company Secretaries

N. V. Kathiria
Proprietor
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573E000422364)

Date: 30/05/2023
Place: Ahmedabad

Secretarial Audit Report of the Material Subsidary

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Arvind Lifestyle Brands Limited

Arvind Mills Premises,

Naroda Road, Ahmedabad – 380025.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arvind Lifestyle Brands Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:
   (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
   (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;
   (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (vii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

   It has been found that there were no instances requiring compliance with the provision of the laws indicated at point No. 2 mentioned hereinabove during the period under review.
3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.
4. The Company has complied with following specific laws to the extent applicable to the Company:
   a. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
   b. The Employees' State Insurance Act, 1948.
   c. The Contract Labour (Regulation & Abolition) Act, 1970.
   d. The Maternity Benefit Act, 1961.
   e. The Minimum Wages Act, 1948.

f. The Payment of Bonus Act, 1965.
g. The Payment of Gratuity Act, 1972.
h. The Payment of Wages Act, 1936.
i. The Workmen Compensation Act, 1923.
j. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.
k. Shops and Establishment Act of respective states.
l. The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.
m. Tax on Profession of respective States.
n. Labour Welfare Fund.
o. The Legal Metrology Act, 2009.
p. The Consumer Protection Act, 1986.
q. Trademarks Act, 1999.
r. The Information Technology Act, 2000.
s. Income Tax Act, 1961 and its Rules.
t. The Goods and Services Tax Act, 2017.
u. Customs Act, 1962.

5. We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

The Listing Agreements entered into by the Company with Stock Exchange pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. **(the securities of the company are not listed on any recognized stock exchange, so clauses of listing agreement were not applicable)**

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

During the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

For N. V. Kathiria & Associates
Company Secretaries

N. V. Kathiria
Proprietor
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573E000422727)

Date: 30/05/2023
Place: Ahmedabad

To,
The Members
ARVIND LIFESTYLE BRANDS LIMITED
Arvind Mills Premises, Naroda Road,
Ahmedabad- 380025.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For N. V. Kathiria & Associates
Company Secretaries

N. V. Kathiria
Proprietor
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573E000422727)

Date: 30/05/2023
Place: Ahmedabad

ANNEXURE TO SECRETARIAL AUDIT REPORT

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Arvind Youth Brands Private Limited

Main Building, Arvind Limited Premises,

Near Chamunda Bridge, Naroda Road,

Ahmedabad- 380025.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARVIND YOUTH BRANDS PRIVATE LIMITED** (hereinafter "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 (Audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:
   (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
   (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;
   (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (vii) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

   Being status of Company is private and none of its security are listed on Stock Exchanges. Therefore, Point No 2 as above mentioned are not applicable to the Company for F.Y. 2022-23.
3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.
4. The Company has complied with following specific laws to the extent applicable to the Company:
   a. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
   b) The Employees' State Insurance Act, 1948.
   c) The Contract Labour (Regulation & Abolition) Act, 1970.
   d) The Maternity Benefit Act, 1961.

e) The Minimum Wages Act, 1948.

f) The Payment of Bonus Act, 1965.

g) The Payment of Gratuity Act, 1972.

h) The Payment of Wages Act, 1936.

i) The Workmen Compensation Act, 1923.

j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

k) Shops and Establishment Act of respective states.

l) The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.

m) Tax on Profession of respective States.

n) Labour Welfare Fund.

o) The Legal Metrology Act, 2009.

p) The Consumer Protection Act, 1986.

q) Trademarks Act, 1999.

r) The Information Technology Act, 2000.

s) Income Tax Act, 1961 and its Rules.

t) The Goods and Services Tax Act, 2017.

u) Customs Act, 1962.

5. We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

The Listing Agreements entered into by the Company with Stock Exchange pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. **(the securities of the company are not listed on any recognized stock exchange, clauses of listed agreement were not applicable).**

We further report that

The Board of Directors of the Company is properly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs.

For N. V. Kathiria & Associates
Company Secretaries

N. V. Kathiria
Proprietor
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573E000422815)

Date: 30/05/2023
Place: Ahmedabad

To,
The Members
Arvind Youth Brands Private Limited
Main Building, Arvind Limited Premises,
Near Chamunda Bridge, Naroda Road,
Ahmedabad- 380025.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For N. V. Kathiria & Associates
Company Secretaries

N. V. Kathiria
Proprietor
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573E000422815)

Date: 30/05/2023
Place: Ahmedabad

Annexure – C

Disclosures under Regulation 14 of the SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021

1	**Description of ESOS**	**ESOS 2016**	**ESOS 2018**	**ESOS 2022**
(a)	Date of shareholders approval	15-Oct-2016	12-May-2018 Date of approval to the Composite Scheme of Arrangement involving De-merger, amalgamation and restructure of Capital amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective Shareholders and creditors ("**the Scheme**")	26-September-2022
	Date of shareholder's approval on the amendment	16-Jul-2018	Not applicable	Not applicable
(b)	Total number of shares approved	75,00,000	19,09,800	8,00,000
(c)	Vesting requirements	Options vest over a period of 1 to 5 years based on continued service and certain performance parameters.		
(d)	Exercise price or pricing formula	The Exercise Price shall be as decided by the Board/Committee at its own discretion. Provided that after listing of the equity shares of the Company on any recognized stock exchange in India, the exercise price shall be the Market Price of the share. However, it can be such other price as may be decided by the Board/Committee for grant of options not exceeding 0.5% of the paid-up equity shares as on 31st March 2018 i.e. not exceeding 5,79,257 shares or such other price as may be required to be arrived in accordance with the applicable laws. Further, Board/Committee shall grant such options not exceeding 0.5% of paid up capital as mentioned above to employees in lieu of cash compensation based on achievement of key performance indicators and such options shall not exceed 0.15% of the paid-up capital i.e. not exceeding 1,73,777 shares to any one employee.	Market price of the equity shares being latest available closing price on the Stock Exchange. However, Options granted to the Employees of the Demerged Company, i.e., Arvind Limited, will be at the Exercise Price as mentioned under Part II, clause 7.4.4 of the Scheme of Arrangement which states that the Board of the Resulting Company 1, i.e., AFL shall determine the exercise price of the stock options issued by it in lieu of stock options granted under Arvind Limited's ESOS and outstanding before the demerger.	The exercise price shall be the Market Price for options to be granted under this scheme.

1	Description of ESOS	ESOS 2016	ESOS 2018	ESOS 2022
(e)	Maximum term of options granted	5 years from the date of grant		
(f)	Source of shares	Primary		
(g)	Variation of terms of options	None		
2	Method used to account for ESOS	Fair Value Method		
3	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on the profits and EPS of the Company shall also be disclosed. (i) Difference between Intrinsic value and Fair value compensation cost (ii) Impact on the Profits of the Company (Rs.) (iii) Impact on Basic Earnings Per Share of the Company (Rs.) (iv) Impact on Diluted Earnings Per Share of the Company (Rs.)	Not applicable	Not applicable	Not applicable
4	Option movement during the period:			
(a)	Options Outstanding at the beginning of the year	18,69,274	3,15,200	0
(b)	Options granted during the year	3,15,000	0	1,15,000
(c)	Options forfeited/lapsed during the year	73,700	3,15,200	0
(d)	Options vested during the year	5,09,550	0	0
(e)	Options exercised during the year	3,63,847	0	0
(f)	Number of shares arising as a result of exercise of option	3,63,847	0	0
(g)	Money realised by exercise of options (Rs.)	5,23,68,064	0	0
(h)	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA
(i)	Options Outstanding at the end of the year	17,46,727	0	1,15,000
(j)	Options Exercisable at the end of the year	9,15,377	0	0

1	Description of ESOS	ESOS 2016	ESOS 2018	ESOS 2022
5A	Weighted average exercise prices of outstanding options whose:			
	Exercise price equals market price of stock	257.78	-	306.10
	Exercise price exceeds market price of stock	1320.37	-	-
	Exercise price is less than market price of stock	81.18	-	-
5B	Weighted average fair value of options whose			
	Exercise price equals market price of stock	109.80	-	102.69
	Exercise price exceeds market price of stock	98.10	-	-
	Exercise price is less than market price of stock	83.17	-	-
6	Grantee wise details of options granted to:	Girdhar Kumar Chitlangia, Chief Financial Officer –	None	Girdhar Kumar Chitlangia, Chief Financial Officer –
	(i) Key managerial personnel	85,000 options	----	15,000 options
	(ii) any other grantee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year;	Anurag Pandey - 50,000 options Amitabh Suri – 50,000 options Suman Saha - 50,000 options		Lal Sudhakaran – Chief Sourcing Officer – 1,00,000 options
	(iii) identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant.	None	None	None
7	A description of the method and significant assumptions used during the year to estimate the fair values of options, including following weighted average information:	None	No grants made during the period	Girdhar Kumar Chitlangia, Chief Financial Officer –
	(i) Share price (Rs.)	320.57		294.60
	(ii) Exercise price (Rs.)	308.68		306.10
	(iii) Expected volatility	48.65%		48.59%
	(iv) Expected dividends	0.00%		0.00%
	(v) Risk-free interest rate	6.56%		7.23%
	(vi) Any other inputs to the model	None		None
	(vi) Method used and the assumptions made to incorporate effects of expected early exercise	Binomial Option Pricing Model		Binomial Option Pricing Model
	(viii) How expected volatility was determined, including an explanation of the extent of to which expected volatility was based on historical volatility	The daily volatility of the Company's stock price and		The daily volatility of the Company's stock price and comparable companies'
	(ix) Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition.	None		None

Annexure – D

Information pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the percentage of increase in the remuneration of each Directors, Chief Financial officer, Chief Executive officer, Company Secretary or Manager if any in the financial year 2022-23:

₹ in Lacs

Name	Designation	Annual Remuneration on for FY 2022-23 (in lacs)	% increase/ (decrease) in remuneration in FY 2022-23	Ratio of Remuneration to Median remuneration of employees
Non-Executive/ Independent Directors*				
Mr. Sanjay Lalbhai	Chairman & Non Executive Director	0.7	16.67	0.06
Mr. Kulin Lalbhai	Vice Chairman & Non Executive Director	0.8	-11.11	0.07
Mr. Punit Lalbhai	Non-Executive Director	0.8	-20.00	0.07
Ms. Nithya Easwaran	Non-Executive Director	1.4	-12.50	0.13
Mr. Suresh Jayaraman[1]	Non-Executive Director	0	0.00	-
Mr. Nagesh Dinkar Pinge	Independent Director	9.1	2.25	0.83
Mr. Nilesh Dhirajlal Shah	Independent Director	9.4	5.62	0.86
Ms. Abanti Sankaranarayanan[2]	Independent Director	7.9	-2.47	0.72
Mr. Achal Anil Bakeri	Independent Director	7.4	5.71	0.68
Mr. Vallabh Roopchand Bhansali	Independent Director	6.1	1.67	0.56
Ms. Vani Kola[1&3]	Independent Director	0.0	0.00	-
Mr. Manoj Nakra[3]	Independent Director	4.6	N/A	0.42
Mr. Ananya Tripathi[2]	Independent Director	0.4	N/A	0.03
Key Managerial Personnel				
Mr. Shailesh Shyam Chaturvedi[4]	Managing Director & CEO	876.1	51.05	36.14
Mr. Piyush Gupta[5]	Chief Financial Officer	155.0	72.25	13.11
Mr. Girdhar Kumar Chitlangia[5]	Chief Financial Officer	46.7	N/A	5.73
Mr. Lipi Jha[6]	Company Secretary	38.8	N/A	3.30

Notes:

* Non-Executive directors (other than Independent Directors) of the Company were paid only sitting fees for Financial Year 2022-23, as per the statutory provisions. Further Non-Executive Independent Directors of the company were paid sitting fee and commission for the Financial Year 2022-23 as per the statutory provisions.

1. Ms. Vani Kola and Mr. Suresh Jayaraman have opted not to take any remuneration from the Company for their services. Hence, percentage increase/ decrease in remuneration in the year under review is not applicable.
2. Ms. Abanti Sankaranarayanan has resigned as Independent Director w.e.f 10th March 2023 and Ms. Ananya Tripathi has been appointed as Independent Director w.e.f 14th March 2023.
3. Ms. Vani Kola has resigned as Independent Director and Mr. Manoj Nakra has been appointed as Independent Director of the company w.e.f 1st July 2022.
4. Mr. Shailesh Chaturvedi remuneration for the FY 22-23 includes perquisites arising from the exercise of his vested stock options.
5. Mr. Piyush Gupta was appointed as the Chief Financial Officer of the Company as on 12th February 2022, hence the remuneration paid for the FY 21-22 was on prorated basis. He has resigned as Chief Financial Officer of the company w.e.f. 5th January 2023. Remuneration for the FY 22-23 also includes perquisites arising from the exercise of his vested stock options. Mr. Girdhar Kumar Chitlangia has been appointed as the Chief Financial Officer of the company w.e.f. 6th January 2023.
6. Ms. Lipi Jha has been appointed as company secretary of the company w.e.f. 27th May 2022.

B. The percentage increase in median remuneration of employees for the Financial Year was 11.97%.

C. The Company has 180 permanent Employees on the rolls of Company as on March 31, 2023.

D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase for Key Managerial Personnel is -3.1% and for other employees the average median increase is 11.97%. There is no exceptional increase in remuneration of Key Managerial Personnel.

E. It is hereby affirmed that the remuneration paid during the year is as per the applicable Remuneration Policy of the Company.

CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended on 31st March 2023.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate governance at Arvind Fashions Limited ("Arvind") is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The majority of our Board, 6 out of 12, are independent members. Given below is the report on Corporate Governance of Arvind.

2. BOARD OF DIRECTORS

2.1 Composition of the Board:

The Board has 12 Directors, comprising of 1 Managing Director, 5 Non-Executive Directors and 6 Non-Executive Independent Directors. The Non-Executive Independent Directors are leading professionals from varied fields who bring in independent judgment to the Board's discussions and deliberations.

The following is the Composition of the Board as at 31st March 2023:

Sr. No.	#Name of Director	Executive/Non-executive /Independent Director	No. of Directorships held (Including Arvind Fashions Ltd.)*	Committee(s) position (Including Arvind Fashions Ltd.)**	
				Member	Chairman
1	Mr. Sanjay Shrenikbhai Lalbhai	Chairman & Non-Executive Director	5	2	1
2	Mr. Shailesh Shyam Chaturvedi	Managing Director & CEO	4	0	0
3	Mr. Suresh Jayaraman	Non-Executive Director	6	1	0
4	Mr. Kulin Lalbhai	Vice Chairman & Non - Executive Director	6	2	1
5	Mr. Punit Lalbhai	Non-Executive Director	9	1	1
6	Ms. Nithya Easwaran	Non-Executive Director	9	4	0
7	Mr. Nilesh Shah	Independent Director	4	4	0
8	Ms. Ananya Tripathi	Independent Director	1	1	0
9	Mr. Nagesh Dinkar Pinge	Independent Director	10	9	2
10	Mr. Vallabh Bhanshali	Independent Director	12	0	0
11	Mr. Achal Anil Bakeri	Independent Director	7	1	0
12	Mr. Manoj Nakra	Independent Director	2	0	0

*All the Companies have been considered excluding Companies incorporated under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and Companies incorporated outside India.

**Only Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

#during the year 2022-23 Ms. Vani kola & Ms. Abanti Sankaranarayanan have resigned from the office of Independent Director with effect from 01st July 2022 & 10th March 2023 respectively. Further Mr. Manoj Nakra & Ms. Ananya Tripathi were appointed as Independent Directors with effect from 01st July 2022 & 14th March 2023 respectively.

Names of the other Listed Entities where the person is a Director and the category of Directorship:

Sr. No.	Name of the Director	Name of Listed Company	Category of Directorship
1	Mr. Sanjay Lalbhai	Arvind Limited	Chairman & Managing Director
		Arvind Smart Spaces Limited	Chairman & Non-Executive Director
		The Anup Engineering Limited	Chairman & Non-Executive Director
2	Mr. Shailesh Shyam Chaturvedi	-	-
3	Mr. Suresh Jayaraman	TCNS Clothing Co. Limited	Non-Executive - Independent Director
4	Mr. Kulin Lalbhai	Arvind Smart Spaces Limited	Non-Executive Director
		Arvind Limited	Wholetime Director
		Zydus Wellness Limited	Non-Executive Independent Director
5	Mr. Punit Lalbhai	Arvind Limited	Wholetime Director
		The Anup Engineering Limited	Non-Executive Director
		Deepak Nitrite Ltd	Non-Executive - Independent Director
6	Ms. Nithya Easwaran	Kogta Financial Service (India) Limited	Nominee Director
7	Mr. Nilesh Shah	Arvind Limited	Non-Executive Independent Director
8	Ms. Ananya Tripathi	-	-
9	Mr. Nagesh Dinkar Pinge	Goa Carbon Limited	Non-Executive Independent Director
		Automobile Corporation Of Goa Limited	Non-Executive Independent Director
10	Mr. Vallabh Bhanshali	-	-
11	Mr. Achal Anil Bakeri	Symphony Limited	Chairman & Managing Director
		Nuvoco Vistas Corporation Limited	Non-Executive Independent Director
12	Mr. Manoj Nakra	-	-

2.2 The Board has identified the following skills/expertise/competencies with reference to its Business for the effective functioning of the Company and which are currently available with the Board:

Name of the Director	Skills/Expertise/Competencies
Mr. Sanjay Lalbhai	Industrialist, Apparel & Textile Industry domain, Entrepreneur, Board Service & Governance
Mr. Shailesh Shyam Chaturvedi	Apparel & Textile Industry domain, Marketing, Finance, Business Strategy & Corporate Planning.
Mr. Suresh Jayaraman	Apparel & Textile Industry domain, FMCG Industry domain, Marketing, Business Strategy & Corporate Planning.
Mr. Kulin Lalbhai	Industrialist, Apparel & Textile Industry domain, Entrepreneur, Technology Expert
Mr. Punit Lalbhai	Expertise in new materials and sustainable technologies, Sales and marketing, International business operations and Innovation management
Ms. Nithya Easwaran	Financial Services, Asset Management, Capital Markets, Wealth Management, Private Equity.
Mr. Nilesh Shah	Finance, Banking, Asset Management, Capital Markets, Wealth Management
Ms. Ananya Tripathi	Business strategy, business analysis, management consulting, competitive analysis.
Mr. Nagesh Dinkar Pinge	Ethics, Corporate Governance, Risk Management, Internal Audit, Finance, Accounts and corporate laws.
Mr. Vallabh Bhanshali	Finance, Investment Banker, Asset Management, Capital Markets, Wealth Management
Mr. Achal Anil Bakeri	Industrialist, Entrepreneur, corporate strategy and people development
Mr. Manoj Nakra	Expertise and experience are in retail and distribution, entrepreneurship, and technology application.

2.3 Board Agenda:

The annual calendar of Board and Committee Meetings are agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board Member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board Members at least 7 working days in advance. In addition, for any business exigencies the resolutions are passed by circulation and later places at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

Invitees & Proceedings:

Apart from the Board Members, the Company Secretary, the Heads of Brands are invited to attend the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the matters being discussed by the Board. The CFO makes presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director and other senior executives make presentations on capex proposals & progress, operational health & safety and other business issues.

Representatives of the Statutory Auditors and Internal Auditors are the permanent invitees of the Audit Committee meetings to discuss the areas of internal audit as well as highlights of the financial performance of the Company.

Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of agenda and other documents and recording of the minutes of the meetings. He/She acts as interface between the Board and the Management and provides required assistance to the Board and the Management.

2.4 Meetings and Attendance:

During the year, the Board of Directors met 7 times on May 27, 2022, June 15, 2022, August 10, 2022, August 18, 2022, November 14, 2022, January 5, 2023 and February 14, 2023. The gap between two Board Meetings was within the maximum time gap prescribed in SEBI (LODR) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

Sr. No.	Name of Director	Number of Board Meetings held during the period when the Director was on the Board	Number of Board Meetings attended	Whether present at the previous AGM held on September 26, 2022
1	Mr. Sanjay Lalbhai	7	7	No
2	Mr. Suresh Jayaraman	7	4	Yes
3	Mr. Kulin Lalbhai	7	6	Yes
4	Mr. Punit Lalbhai	7	7	No
5	Ms. Nithya Easwaran	7	5	Yes
6	Mr. Nilesh Shah	7	6	Yes
7	Ms. Abanti Sankaranarayanan	7	2	No
8	Mr. Nagesh Dinkar Pinge	7	7	Yes
9	Mr. Vallabh Bhanshali	7	6	Yes
10	Mr. Achal Anil Bakeri	7	5	Yes
11	Ms. Vani Kola	2	0	No
12	Mr. Shailesh Shyam Chaturvedi	7	7	Yes
13	Mr. Manoj Nakra	5	5	Yes
14	Ms. Ananya Tripathi	0	0	Not applicable

2.5 Independent Directors:

Independent Directors play an important role in the governance processes of the Board. They bring to bear their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest in the decision making process.

None of the Independent Directors serves as “Independent Directors” in more than seven listed companies. No person has been appointed or continuing as an Alternate Director for an Independent Director of the Company.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations.

During the year under review, the Independent Directors met on March 29, 2023, interalia:

- To review the performance of the Non-Independent Directors (Executive Directors);
- To review the performance of the Board of the Company as a whole;
- To review the performance of Chairman of the Company taking into account the views of Executive Directors on the same;
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

They expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express views on the business transacted at the Meetings and the openness with which the Management discussed various subject matters on the agenda of meetings.

2.6 Disclosure of relationships between the Directors inter-se:

Except between Mr. Sanjay Lalbhai, Chairman and Non-Executive Director and his two son's viz. Mr. Punit Lalbhai (Non-Executive Director) and Mr. Kulin Lalbhai (Vice Chairman & Non Executive Director), there is no relationship between the Directors inter-se.

2.7 Number of shares and convertible instruments held by Non-Executive Directors:

Name	Category	No. of equity shares held
Mr. Suresh Jayaraman	Non-Executive Director	10,21,568
Ms. Nithya Easwaran	Non-Executive Director	6,670
Mr. Punit Sanjay Lalbhai	Non-Executive Director	1544
Mr. Kulin Lalbhai	Vice Chairman & Non-Executive Director	0
Mr. Sanjaybhai Shrenikbhai Lalbhai	Chairman and Non-Executive Director	641
Mr. Nilesh Dhirajlal Shah	Independent Director	42
Ms. Abanti Sankaranarayanan	Independent Director	0
Mr. Nagesh Dinkar Pinge	Independent Director	0
Mr. Vallabh Bhanshali	Independent Director	0
Mr. Achal Anil Bakeri	Independent Director	0
Mr. Manoj Nakra	Independent Director	0
Ms. Ananya Tripathi	Independent Director	0

During the year under review, the Company has not issued any Convertible Instruments.

2.8 Familiarization Programme for Independent Director:

On appointment of an individual as Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program including the presentation from the Chairman, Managing Director & CEO providing information relating to the Company, Brands, Industry, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

The details of familiarisation program imparted to Independent Directors is also posted on the Company's Website at

https://www.arvindfashions.com/wp-content/uploads/2023/05/Directors-Familiarization-Programs-2018-19-to-2022-23.pdf

2.9 Code of Conduct for Directors and Senior Management Personnel:

In terms of provisions of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

2.10 Prohibition of Insider Trading Code:

The codes viz. "Code of Conduct for Prohibition of Insider Trading" and the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

Chief Financial Officer is responsible for implementation of the Code.

2.11 Committees of the Board:

The Board of Directors has constituted 6 Committees of the Board viz.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Committee of Directors

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman/Company Secretary. At each Board Meeting, minutes of these Committees are placed before the Directors for their perusal and noting.

3. AUDIT COMMITTEE

The Audit Committee of the Company comprises of 4 members out of which 3 members are Non-Executive Independent Directors. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management. Mr. Nagesh Dinkar Pinge, Non-Executive Independent Director acts as the Chairman of the Committee.

3.1 Terms of reference of the committee inter alia, include the following:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of Company;
3. Approval of payment to Auditors for any other services rendered by the Auditors of Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons thereto;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Modified opinion(s) the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
9. Approval or any subsequent modification of transactions of the listed entity with related parties;
10. Scrutiny of inter-corporate loans and investments
11. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. To review the functioning of the whistle blower mechanism;
20. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. To review the compliance with the provisions of Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively;
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
24. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;
b. Management letters / letters of internal control weaknesses issued by the statutory auditors of Company;
c. Internal audit reports relating to internal control weaknesses;
d. The appointment, removal and terms of remuneration of the chief internal auditor;
e. Statement of deviations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchanges in terms of sub-regulation (1) of Regulation 32 of the SEBI Listing Regulations; and
    - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of sub-Regulation (7) of Regulation 32 of the SEBI Listing Regulations.

3.2 The Composition of the Committee as at 31st March 2023 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 6 Audit Committee Meetings were held on May 27, 2022, August 10, 2022, August 18, 2022 November 14, 2022, January 05, 2023 and February 14, 2023. The attendance of Members at meetings was as under. The committee was reconstituted by the board of directors by inducting Ms. Ananya Tripati in place of Ms. Abanti Sankaranarayanan on March 14, 2023. Ms. Abanti Sankaranarayanan has resigned from her office with effect from March 10, 2023. During the year 2022-23 she has attended 2 audit committee meeting.

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Mr. Nagesh Dinkar Pinge	Chairman	6	6
2	Mr. Nilesh Shah	Member	6	5
3	Ms. Nithya Easwaran	Member	6	4
4	Ms. Ananya Tripati	Member	0	0

The representatives of Internal and Statutory Auditors are invitees to the Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the company comprises of 3 Directors viz. Ms. Nithya Easwaran, Mr. Achal Anil Bakeri and Mr. Nilesh Dhirajlal Shah, 1 of them are Non-Executive Directors and other 2 are Non-Executive Independent Directors. During the year under review the committee met 4 times on May 27, 2022, August 10, 2022, January 5, 2023 and February 14, 2023.

4.1 The terms of reference of the Committee inter alia, include the following:

Nomination of Directors / Key Managerial Personnel / Senior Management

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

For every appointment of an Independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent director. The person recommended to the Board for appointment as an Independent director shall have the capabilities identified in such descriptions. For the purpose of identifying suitable candidates, the Committee may:

(i) Use the services of external agencies, if required

(ii) Consider candidates from a wide range of backgrounds, having due regard to diversity and

(iii) Consider the time commitments of the candidates

b. Formulation of criteria for evaluation of independent directors and the Board;

c. Devising a policy on Board diversity;

d. Identify persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

e. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

f. Recommend to the board, all remuneration, in whatever form, payable to senior management.

4.2 The Composition of the Committee as at 31st March 2023 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 4 Nomination and Remuneration Committee Meeting were held on May 27, 2022, August 10, 2022, January 5, 2023 and February 14, 2023. The Attendance of Members at meeting was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Mr. Nilesh Shah	Chairman	4	3
2	Mr. Achal Anil Bakeri	Member	4	3
3	Ms. Nithya Easwaran	Member	4	3

4.3 Evaluation of the Board's Performance:

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

4.4 Remuneration of Directors:

Remuneration of Managing Director is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company.

The remuneration of Non-Executive Directors is determined by the Board and is also approved by the Shareholders in General Meeting. Non-Executive Directors are paid Sitting Fees of Rs.10,000/- for every meeting of Board of Directors or Committee attended by them. Apart from this, Non-Executive Directors (other than Managing Director and Whole Time Director(s)) are entitled for commission within the limit of 1% of the net profits of the Company per annum or such other amount approved by the Board.

Details of remuneration to all Directors for the Financial Year 2022-23 are as under:

Details of remuneration to all Directors for the Financial Year 2022-23 are as under:

Sr. No.	Name of Director	Salary (₹)	Perquisites & Allowances (₹)	Retirement & Leave Benefits (₹)	Sitting Fees (₹)	Commission/ Bonus (₹)	Stock Option (No. of shares)
1	Mr. Sanjay Lalbhai	-	-	-	70,000	-	-
2	Mr. Suresh Jayaraman	-	-	-	-	-	-
3	Mr. Kulin Lalbhai	-	-	-	80,000	-	-
4	Mr. Punit Lalbhai	-	-	-	80,000	-	-
5	Ms. Nithya Easwaran	-	-	-	1,40,000	-	-
6	Mr. Nilesh Shah	-	-	-	1,90,000	7,50,000	-
7	Ms. Abanti Sankaranarayanan	-	-	-	40,000	7,50,000	-
8	Mr. Nagesh Dinkar Pinge	-	-	-	1,60,000	7,50,000	-
9	Mr. Vallabh Bhanshali	-	-	-	60,000	5,50,000	-
10	Mr. Achal Anil Bakeri	-	-	-	90,000	6,50,000	-
11	Mr. Shailesh Shyam Chaturvedi	6,06,55,067	2,69,51,995*	-	-	-	-
12	Mr. Manoj Nakra	-	-	-	50,000	4,12,500	-
13	Ms. Ananya Tripathi	-	-	-	-	36,986	-

* Perquisite of Mr. Shailesh Chaturvedi is due to exercise of his vested employees stock options

None of the Directors of the company / Key managerial Personnel had any pecuniary relationship with the Company during the year.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The details of stock options granted to the eligible employees and directors under Arvind Fashions Limited – Employee Stock Option Scheme 2016 (ESOP-2016), Arvind Fashions Limited – Employee Stock Option Scheme 2018 (ESOP-2018) and Arvind Fashions Limited – Employee Stock Option Scheme 2018 (ESOP-2022) are provided in the Directors' Report of the Company.

Please refer point no. 29 of Directors' Report for Employee Stock Option Scheme.

(a) There is neither any pecuniary relationship nor any transactions of the Non-Executive Directors vis-à-vis of the Company except remuneration paid as above.

(b) The Company has disclosed the criteria of making payment to Non-Executive Directors and the same is posted on the website of the Company at

https://www.arvindfashions.com/wp-content/uploads/2019/11/Independent-Director-Terms-and-Conditions-of-Appointment.pdf

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted the Stakeholders' Relationship Committee ("SRC") in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The SRC of the Company comprises of 3 (three) Directors out of which 1 (One) is Non-Executive Independent Directors and 2 (two) are Non-Executive Director.

5.1 Terms of reference of the Committee inter alia, include the following:

a Resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

b. Review of measures taken for effective exercise of voting rights by shareholders;

c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and

d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

5.2 The Composition of the Committee as at 31st March 2023 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 1 Stakeholders' Relationship Committee Meetings was held on August 10, 2022. The Attendance of Members at meetings was under:

Sr. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Kulin Lalbhai	Chairman	1	1
2	Ms. Nithya Easwaran	Member	1	1
3	Mr. Nilesh Shah	Member	1	1

5.3 Name and Designation of Compliance Officer:

a. Mr. Piyush Gupta (Compliance officer under SEBI (Prohibition of Insider Trading). Regulations, 2015 upto 05th January 2023)

b. Mr. Girdhar Kumar Chitlangia (Compliance officer under SEBI (Prohibition of Insider Trading). Regulations, 2015 with effect from 06th January 2023)

c. Ms. Lipi Jha, Company Secretary

5.4 Details of Complaints / Queries received and redressed during 1st April 2022 to 31st March 2023 are as follows:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
0	3	3	0

All the complaints/ queries have been redressed to the satisfaction of the complainants and no shareholders' complaint/ query was pending at the end of the year.

6. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprising of 6 Director viz. Ms. Nithya Easwaran, Mr. Nilesh Dhirajlal Shah, Ms. Abanti Sankaranarayanan, Mr. Nagesh Dinkar Pinge, Mr. Suresh Jayaraman and Mr. Shailesh Chaturvedi, 4 of them are Non-Executive Independent Directors and other 2 are Non-Executive Directors. During the year under review the committee met 2 time on August 10, 2022 & February 06, 2023.

6.1 Terms of reference of the Committee inter alia, include the following:

a) To formulate a detailed risk management policy which shall include;

1. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
2. Measures for risk mitigation including systems and processes for internal control of identified risks
3. Business continuity plan

b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

6.2 The Composition of the Committee as at 31st March 2023 and the details of Members participation at the Meetings of the Committee are as under:

During the year 3 Risk Management Committee Meeting was held on May 27, 2022, August 10, 2022 & February 06, 2023 the Attendance of Members at meeting was under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Ms. Nithya Easwaran	Member	3	1
2	Mr. Nilesh Shah	Member	3	3
3	Mr. Nagesh Dinkar Pinge	Member	3	3
4	Mr. Suresh Jayaraman	Chairman	3	2
5	Mr. Shailesh Chaturvedi	Member	3	3
6	Ms. Ananya Tripathi	Member	0	0

The committee was reconstituted by the board of directors by inducting Ms. Ananya Thripati in place of Ms. Abanti Sankaranarayanan on March 14, 2023. Ms. Abanti Sankaranarayanan has resigned from her office with effect from March 10, 2023. During the year 2022-23 she has not attended any Risk Management Committee Meeting.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of 3 Directors viz. Mr. Kulin Lalbhai, Mr. Punit Lalbhai and Mr. Nilesh Shah of them 2 Non-Executive Director and 1 Non-Executive Independent Directors. During the year under review the committee met 1 time on May 27, 2022.

7.1 Terms of reference of the Committee inter alia, include the following:

a. Formulate and Recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by Company as specified in Schedule VII of the Companies Act, 2013;

b. To finalise a list of CSR projects or programs or initiatives proposed to be undertaken periodically including the modalities for their execution / implementation schedules and to review the same from time to time in accordance with requirements of section 135 of the Companies Act 2013;

c. To review and recommend the amount of expenditure to be undertaken by Company;

d. To monitor the Corporate Social Responsibility Policy of Company from time to time;

e. Review the CSR Report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board Report; and

f. Any other matter as the CSR Committee may deem appropriate after approval of Board or as may be directed by Board from time to time pursuant to the provisions of Section 135 of the Companies Act and rules in relation thereto, as amended from time to time.

7.2 Composition of the Committee as at 31st March 2023 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 1 Meeting was held on May 27, 2022.

Sr. No.	Name of Member	Position	Number of Meetings held during the year when the members was on the board	Number of Meetings attended
1.	Mr. Kulin Lalbhai	Chairman	1	1
2.	Mr. Nilesh Shah	Member	1	1
3..	Mr. Punit Lalbhai	Member	1	1

8 COMMITTEE OF DIRECTORS

The Board of Directors of the Company has re-constituted the Committee of Directors in its meeting held on November 12, 2020, which comprises of 5 (five) Directors out of which 4 (four) are Non-Executive and 1 (one) is Executive Director.

8.1 Role:

The Committee of Directors primary role is to look after the day-to-day business activities of the Company within Board approved direction/ framework. The Committee meets frequently, as and when need arises, to transact matters within the purview of its terms of reference.

8.2 The Composition of the Committee as at 31st March 2023 and the details of Members participation at the Meetings of the Committee are as under:

During the year 19 Committee of Directors Meetings were held on various dates. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings attended
1.	Mr. Sanjay Lalbhai	Member	19	19
2.	Mr. Kulin Lalbhai	Member	19	19
3.	Mr. Punit Lalbhai	Member	19	19
4.	Mr. Suresh Jayaraman	Member	19	0
5.	Mr. Shailesh Chaturvedi	Member	19	0

9 INFORMATION ON GENERAL BODY MEETINGS

9.1 The last 3 Annual General Meetings of the Company were held as under:

Date	Time	Venue
September 26, 2022	02.00. p.m.	Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")
August 23, 2021	11.00. a.m.	Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")
September 28, 2020	10:00 a.m.	Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")

9.2 Special Resolutions passed in the last 3 Annual General Meetings:

2021-22

1. To Appoint Mr. Manoj Nakra (DIN: 08566768) as an Independent Director of the Company.
2. To approve to give loans or guarantees or provide security to the Subsidiary and Joint Venture Companies.
3. To consider such number of stock options exercisable into not more than 8,00,000 (Eight Lakhs only) equity shares of the Company of face value of Rs. 4 each, under one or more Employee Stock Option Schemes for the benefit of such person(s) who are in permanent employment of the Company/Holding Company/Subsidiary Companies

2020-21

1. To approve appointment of Mr. Shailesh Shyam Chaturvedi, as Managing Director & Chief Executive Officer (CEO) of the Company for a term of five years.
2. To approve raising of funds through issuance of securities of the Company.
3. To approve payment of Remuneration/Commission to Non-Executive Directors and Independent Directors of the Company in case in any financial year the Company has no profits or its profits are inadequate.
4. To approve to give loans or guarantees or provide security to the Subsidiary and Joint Venture Companies.
5. To approve Re-issue forfeited shares by the Board of Directors of the Company.

2019-20

1. To approve / ratify the creation of encumbrance by way of pledge or otherwise, on the shares / securities held by the Company in its wholly owned subsidiary Arvind Lifestyle Brands Limited ("ALBL")
2. To approve / ratify the creation of encumbrance by way of pledge or otherwise, on the shares / securities held by the Company in its step-down subsidiary Arvind Youth Brands Private Limited "AYBPL")

9.3 Extraordinary General Meeting (EGM):

During last 3 years, the Company has held 1 Extra Ordinary General Meetings in the financial year 2021-22 to approve following business:

1. To create, offer, issue and allot shares on Preferential Basis to Investors.

2. To create, offer, issue and allot shares on Preferential Basis to one of the Promoters

9.4 Details of Resolution Passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:

On May 3, 2023 the company has passed following resolution through Postal Ballot and respective details are as under:

1. Appointment of Ms. Ananya Tripathi (DIN: 08102039) as an Independent Director of the Company.
2. To consider such number of stock options exercisable into not more than 8,00,000 (Eight Lakhs only) equity shares of the Company of face value of Rs. 4 each, under one or more Employee Stock Option Schemes for the benefit of such person(s) who are in permanent employment of the Holding Company/Subsidiary Companies

- The Board of Directors through a circular resolution passed on February 14, 2023, had appointed Mr. Hitesh Buch, Hitesh Buch & Associates, Practicing Company Secretaries, (Membership No. FCS 3145, COP 8195) as the Scrutinizer for conducting the voting process through Postal Ballot in accordance with the law and in a fair and transparent manner.
- Details of the voting pattern:

Mode of Voting	In favour of the resolution			Against the resolution		
	No. of shareholders	Value of Votes	% of votes	No. of shareholders	Value of Votes	% of votes
Postal Ballot (Remote e-voting						
Resolution No. 1	534	82167503	99.9978	46	1773	0.0022
Resolution No. 2	494	78740374	95.8280	80	3428110	4.1720

10. MEANS OF COMMUNICATION

10.1 The Quarterly, half-yearly and yearly financial Results are published in the Financial Express - All India Editions and Financial Express - Gujarati Edition of Ahmedabad and are also posted on the Company's website at www.arvindfashions.com.

10.2 Information released to the press at the time of declaration of results are also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors. Moreover, the Company's website hosts a special page giving information which investors usually seek.

10.3 Presentations made to institutional investors/analysts are posted on the Company's web site at www.arvindfashions.com.

11. GENERAL SHAREHOLDER INFORMATION

11.1 Annual General Meeting:

Date	Tuesday, September 12, 2023
Time	11: 00 A.M (IST)
Mode	Video Conferencing or through Other Audio Visual Means

11.2 Financial Calendar (Tentative):

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

First quarter results	:	Second week of August, 2023
Second quarter results	:	Second week of November, 2023
Third quarter results	:	Second week of February, 2024
Fourth quarter results / Year end results	:	Second week of May, 2024

11.3 Book Closure: September 2, 2023 to September 12, 2023 (both days inclusive)

11.4 Dividend Payment Date :

The board of directors of the company have recommended final dividend Rs. 1/- on fully paid up equity shares subject to approval of members in the ensuing annual general meeting. If approved by the members of the company the declared dividend will be paid within 30 days from the date of annual general meeting.

11.5 Listing on Stock Exchanges:

- **Equity Shares**

Sr. No.	Name of the Stock Exchange	Code	Address
1	BSE Ltd.	542484	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
2	National Stock Exchange of India Ltd.	ARVINDFASN	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051

The Company has paid Annual Listing Fees for the year 2022-2023 to the above Stock Exchanges.

- **Non-Convertible Debentures -** The company has not issued any non-convertible securities.

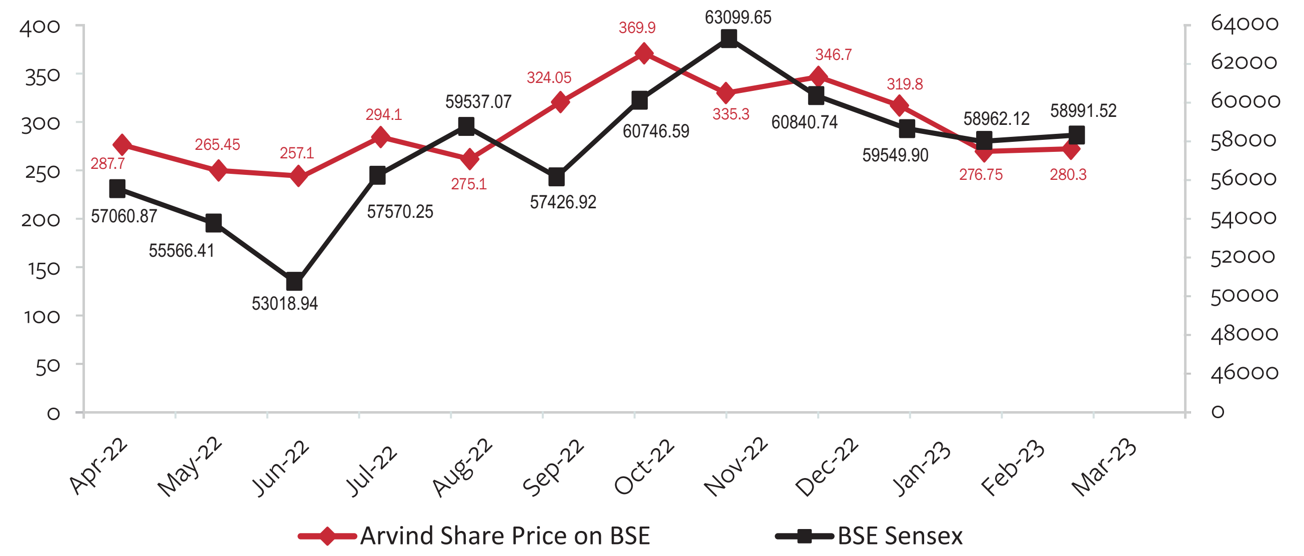
11.6 Market Price Data:

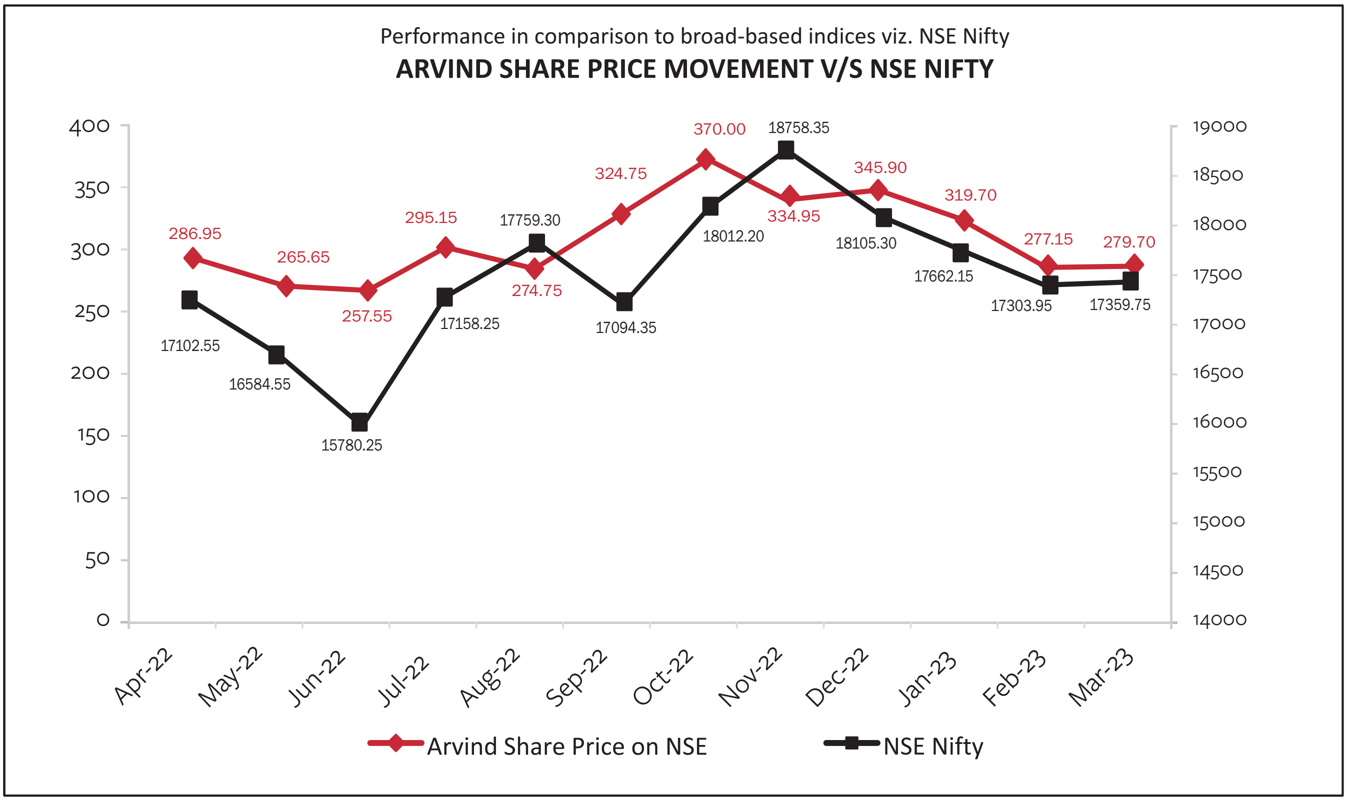
The market price data and volume of the company's share traded in the BSE Limited and the National Stock Exchange of India Limited during the Financial Year 2022-23 were as under:

Month	Share price on BSE		BSE Sensex		Volumes	Share price on NSE		NSE (NIFTY)		Volumes
	High (₹)	Low (₹)	High	Low	No. of Shares traded in the month	High (₹)	Low (₹)	High	Low	No. of Shares traded in the month
Apr-22	277.20	276.40	6,14,985	60,845.10	56,009.07	285.00	275.60	33,32,119	18,114.65	16,824.70
May-22	272.00	218.40	8,18,203	57,184.21	2,632.48	281.10	217.90	34,93,230	17,132.85	5,735.75
Jun-22	268.90	233.00	2,39,732	56,432.65	50,921.22	264.00	232.00	17,02,990	16,793.85	15,183.40
Jul-22	261.20	252.25	1,43,913	57,619.27	52,094.25	258.80	251.45	20,26,868	17,172.80	15,511.05
Aug-22	298.50	262.10	3,31,996	60,411.20	57,367.47	297.15	262.00	43,33,507	17,992.20	17,154.80
Sep-22	275.30	271.30	8,15,186	60,676.12	56,147.23	274.75	271.45	97,07,747	18,096.15	16,747.70
Oct-22	321.25	298.00	7,30,586	60,786.70	56,683.40	327.45	298.00	88,76,861	18,022.80	16,855.55
Nov-22	370.65	321.55	6,20,829	63,303.01	60,425.47	372.95	321.55	74,99,644	18,816.05	17,959.20
Dec-22	331.05	295.00	7,55,401	63,583.07	59,754.10	334.95	295.10	86,89,574	18,887.60	17,774.25
Jan-23	348.00	299.85	4,94,774	61,343.96	58,699.20	348.80	300.00	25,77,544	18,251.95	17,405.55
Feb-23	325.95	264.35	3,92,490	61,682.25	58,795.97	320.90	264.10	30,05,139	18,134.75	17,255.20
Mar-23	280.95	261.05	2,75,246	60,498.48	57,084.91	277.00	261.10	31,48,002	17,799.95	16,828.35

Performance in comparison to broad-based indices viz. BSE Sensex

ARVIND SHARE PRICE MOVEMENT V/S BSE SENSEX





11.7 Registrar And Transfer Agent:

Link Intime India Private Limited
5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1),
Beside Gala Business Centre (GBC), Near St. Xavier's College Corner,
Off. C. G. Road, Ellisbridge, Ahmedabad-380006.
Phone Nos. 079-26465179/86/87
Fax No. 079-26465179
E-mail: ahmedabad@linkintime.co.in

11.8 Share Transfer System:

(I) Delegation of Share Transfer Formalities:

Since the Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form. However, shares in the physical form are processed by the Registrar and Share Transfer Agent. However, to expedite the transfers, the Board has delegated share transfer formalities to certain officers of the Company and Registrar and Share Transfer Agent, who attend to them at least 3 times in a month. Physical transfers are affected within the statutory period of one month. The Board has designated the Company Secretary as the Compliance Officer.

(II) Share Transfer Details for the period from 1st April 2022 to 31st March 2023:

Transactions	Physical
Number of Transfers	0
Average Number of Transfers per month	0
Number of Shares Transferred	0
Average Number of shares Transferred per month	0
No. of Pending Share Transfers	0

(III) Investors' Grievances:

The Registrar and Transfer Agent under the supervision of the Secretarial Department of the Company look after investors' grievances. Link Intime India Private Limited is responsible for redressal of Investors' Grievances. The Company Secretary of the Company has been appointed as the Compliance Officer for this purpose. At each Meeting of the Stakeholders' Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported.

11.9 Shareholding Pattern as on 31st March 2023:

Sr. No.	Catagory	No. of Shares held	Percentage of Shareholding
1	Promoters and Promoter Group	4,89,08,638	36.82
2	Mutual Funds	1,23,03,646	9.26
3	Financial Institutions, Banks, Insurance Companies, Alternative Investment Funds & Central/State Government	16,86,893	1.27
4	Foreign Portfolio Investors, Foreign Institutional Investors, NRIs, Foreign Banks, Foreign Nationals	2,22,65,941	16.76
5	NBFCs registered with RBI	3,254	0.00
6	Bodies Corporate	46,91,872	3.53
7	Individuals	4,21,78,008	31.75
8	Trusts	4,454	0.00
9	Hindu Undivided Family	7,78,398	0.59
10	Clearing Members	3,976	0.00
11	Overseas Bodies Corporate	580	0.00
12	**Total shareholding**	**13,28,25,660**	**100**

11.10 Distribution of shareholding as on 31st March 2023

Sr. No.	Shareholding Of Shares			Shareholder	Percentage of Total	Total Shares	Percentage of Total
1	1	to	500	162472	97.32	5624789	4.23
2	501	to	1000	1974	1.18	1484562	1.11
3	1001	to	2000	1077	0.65	1605307	1.20
4	2001	to	3000	396	0.24	1003258	0.75
5	3001	to	4000	224	0.13	805681	0.60
6	4001	to	5000	158	0.09	736824	0.55
7	5001	to	10000	290	0.17	2095938	1.57
8	10001	to	**********	355	0.21	119444612	89.94
	Total			**166946**	**100**	**132800971***	**100**

*Excluding 24,689 partly paid up share.

11.11 Dematerialisation of shares and liquidity:

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on 31st March 2023, 13,23,04,985 shares representing 99.61% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form.

Demat ISIN: Equity Shares fully paid: INE955V01021

11.12 Outstanding GDRs / ADRs / Warrants or any convertible instruments and conversion date and likely impact on equity:

Company had not issued any GDRs / ADRs / Warrants or any convertible instruments, hence this is not applicable

11.13 Commodity price risk or foreign exchange risk and hedging activities:

Commodity price risk and commodity hedging activities

Company does not engage in commodity hedging activities

Forex Risk:

Company is exposed to foreign exchange risk on account of import transactions entered into and committed royalty payments to licensee of the Brands. For import of apparel & accessories and payment of Royalties the Company has to make payment in USD terms; therefore the Company is exposed to the risk of depreciation in the local currency. The company is proactively mitigating these risks by entering into commensurate hedging transactions with banks/Financial Institutions as per applicable guidelines.

11.14 Plant Locations:

Company does not have any manufacturing plants.

11.15 Unclaimed Dividend:

Since the incorporation of the company it has not declared any dividend till date. The Dividend recommended by the board of directors for the financial year 2022-23 is subject to approval of members in the ensuing annual general meeting. If the dividend is approved, the unclaimed portion of dividend if any will be dealt in accordance with the rules stated thereunder the Companies Act 2013.

11.16 Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form SH-13 for this purpose. Shareholders may write to the Secretarial Department of the Company for a copy of the Form.

11.17 List of all Credit Ratings obtained by the entity

Credit Ratings obtained by the Company during the year are available on Company's website at www.arvindfashions.com.

11.18 Address for correspondence:

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrar and Transfer Agent of the Company:

Arvind Fashions Limited Secretarial Department Naroda Road, Ahmedabad - 380025. Phone Nos: 079-68268000/68268108-09 E-mail: investor.relations@arvindbrands.co.in Website: www.arvindfashions.com	Link Intime India Private Limited 5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre (GBC), Near St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad - 380006. Phone No. 079-26465179/86/87 Fax No. 079-26465179 E-mail: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

12. OTHER DISCLOSURES

12.1 There are no materially significant transactions with the related parties viz. promoters, directors or the management or their relatives or subsidiaries etc. that had potential conflict with the company's interest at large or which warrants the approval of the shareholders. Suitable disclosure as required by the Indian Accounting Standard has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's Website at https://www.arvindfashions.com/wp-content/uploads/2022/06/Related-Party-Transaction-Policy.pdf

12.2 Transactions with related parties are disclosed in detail in "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.

12.3 There are no pecuniary relationships or transactions of Non-executive Directors vis-à-vis the Company which has potential conflict with the interests of the company at large.

12.4 No Strictures or penalties have been imposed on the company by the Stock Exchanges or by the Security Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

12.5 The Company has formed the policy for determining material subsidiary as required by Regulation 16 of the SEBI (LODR) Regulations, 2015 and the same is disclosed on the Company's website. The web link is https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Policy-on-Material-Subsidiaries.pdf.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

Copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary Companies are given to all the Directors and are tabled at the subsequent Board Meetings.

12.6 Vigil Mechanism:

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Whistleblower Policy (WB Policy) that provides a secured avenue to directors, employees, business associates and all other stakeholders of the company for raising their concerns against the unethical practices, if any. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be met out to any person for a genuinely raised concern.

Pursuant thereto, a dedicated helpline "Arvind Ethics Helpline" has been set up which is managed by an independent professional organization.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on:

Website for Complaints: www.in.kpmg.com/ethicshelpline/Arvind

Toll Free No.: 1800 200 8301

Dedicated Email ID: arvind@ethicshelpline.in

Whistle blower Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.

12.7 The minimum information to be placed before the Board of Directors as specified in Part A of Schedule II of Listing Regulations is complied with to the extent possible.

12.8 Certification from Company Secretary in Practice:

Mr. N. V. Kathiria, Proprietor of M/s. N. V. Kathiria & Associates, Practicing Company Secretaries, has issued a certificate as required under the SEBI (LODR) Regulations, 2015, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

12.9 Complaints pertaining to Sexual Harassment:

During the year 3 (Three) cases of sexual harassment were received by the Company, its subsidiaries and associates the same had been satisfactorily addressed before 31st March 2023 except 1 (one) case which is yet to be disposed of as on 31st March 2023.

12.10 CEO/CFO Certification:

The Managing Director & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affair. The said certificate is annexed and forms a part of the Annual Report.

12.11 Details of total fees paid to Statutory Auditors:

Details relating to fees paid to the Statutory Auditors are given in in "Notes forming part of the Accounts" annexed to the financial statements for the year.

12.12 Details of material subsidiaries:

Sl No.	Name of material subsidiaries	Date of incorporation	Place of incorporation	Name of statutory auditors	Date of appointment of statutory auditors
1	Arvind Lifestyle Brands Limited	13/02/1995	Ahmedabad	Deliotte Haskins & Sells	30/09/2021
2	Arvind Youth Brands Private Limited	27/02/2020	Ahmedabad	SRBC & Co. LLP	27/06/2020

12.13 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

During the year, the Company has fully complied with the mandatory requirements as stipulated under SEBI (LODR) Regulations, 2015.

The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI (LODR) Regulations, 2015, is provided below:

a. **The Board:** The Chairman of the Company is Non-Executive Director.

b. **Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on company's website at www.arvindfashions.com and same are not being sent to the shareholders.

c. **Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.

d. **Separate posts of Chairperson and Chief Executive Officer:** Mr. Sanjay S. Lalbhai is the Chairman and Mr. Shailesh Shyam Chaturvedi is the Managing Director & CEO of the Company.

e. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

The above Report was placed before the Board at its meeting held on May 30, 2023 and the same was approved.

For and on behalf of the Board

Sanjay S. Lalbhai
Chairman & Director
(DIN: 00008329)

Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director & CEO
(DIN: 03023079)

Place: Bangalore
Date: May 30, 2023

CEO / CFO certifcation

To

The Board of Directors,

Arvind Fashions Limited,

Re: Financial Statements for the year 2022-23 - Certification by CEO and CFO

We, Shailesh Chaturvedi, Chief Executive Officer and Managing Director, and Girdhar Kumar Chitlangia, Chief Financial Officer of Arvind Fashions Limited, hereby certify to the Board that:

A) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2023 and that to the best of our knowledge and belief:

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the auditors and the Audit committee

(1) Significant changes in internal control over financial reporting during the year;

(2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Shailesh Chaturvedi
Chief Executive Officer and Managing Director
DIN: 03023079

Girdhar Kumar Chitlangia
Chief Financial Officer

Place : Bangalore
Date : May 30, 2023

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is available on the Company's website at www.arvindfashions.com.

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2023.

Shailesh Chaturvedi
Managing Director & CEO
DIN: 03023079

Place : Bangalore
Date :May 30, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

Arvind Fashions Limited

Main Building, Arvind Limited Premises,

Naroda Road, Ahmedabad- 380025. (Gujarat)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Arvind Fashions Limited** having CIN: L52399GJ2016PLC085595 and having registered office at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad- 380025 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of the Director	DIN	Date of appointment in Company
1.	Mr. Sanjaybhai Shrenikbhai Lalbhai	00008329	07/02/2017
2.	Mr. Nagesh Dinkar Pinge	00062900	10/10/2018
3.	Mr. Vallabh Roopchand Bhanshali	00184775	10/10/2018
4.	Mr. Achal Anil Bakeri	00397573	10/10/2018
5.	Mr. Nilesh Dhirajlal Shah	01711720	07/02/2017
6.	Mr. Shailesh Shyam Chaturvedi	03023079	12/11/2020
7.	Mr. Suresh Jayaraman	03033110	01/08/2018
8.	Ms. Nithya Easwaran	03605392	07/02/2017
9.	Mr. Punit Sanjay Lalbhai	05125502	02/04/2019
10.	Mr. Kulin Sanjay Lalbhai	05206878	07/02/2017
11.	Mr. Manoj Nakra	08566768	01/07/2022
12.	Ms. Ananya Tripathi	08102039	14/03/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, N.V.KATHIRIA & ASSOCIATES
Company Secretaries

DATE : 11.05.2023
PLACE: AHMEDABAD

N. V. KATHIRIA
PROPRIETOR
FCS 4573 COP 3278
UDIN : F004573E000291222

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To The Members of
Arvind Fashions Limited

We, N. V. Kathiria & Associates, Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company for the year ended on 31st March, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para–C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations").**

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our examination was limited to a review of the procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para–C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended on 31st March, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, N.V.KATHIRIA & ASSOCIATES
Company Secretaries

N. V. KATHIRIA
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573E000422518)

DATE : 30.05.2023
PLACE: AHMEDABAD

Management Discussion and Analysis

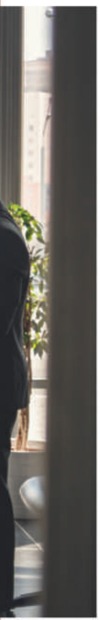
Global Market

The financial year 2023 was marked by a complex global economic landscape, as multiple factors posed significant challenges. The ongoing COVID-19 pandemic and its emerging variants, geopolitical tensions exemplified by the Russia-Ukraine conflict entering its second year, and energy crisis that affected Europe and beyond, had far-reaching consequences. As a result, inflation rates soared in various economies, prompting central banks to implement aggressive monetary policies to combat inflation.

With the macroeconomic insights in mind, the global apparel market also encountered its share of turbulence during the FY 2022-23. Amid inflation, geopolitical tensions, and a resurgence of COVID-19 cases in China, the global GDP recorded a growth rate of 3.5 percent, which was lower than the previous year's 6.3 percent. Notably, advanced economies witnessed their highest inflation rates since 1982, while emerging markets and developing economies experienced significant inflation not seen since 1999.

Central banks worldwide responded to inflationary pressures by raising policy interest rates, contributing to a temporary contraction in GDP during Q2. However, the global economy regained momentum in the second half of the fiscal year, bolstered by lower commodity prices, strong labor markets, robust household consumption, and increased business investments. China's re-opening in November 2022 also contributed to the overall global economic rebound.

Looking ahead, the global economic outlook for 2023 remained uncertain, with projections indicating mixed trajectories for growth rates and inflation. In this dynamic landscape, the apparel industry faces the challenge of adapting to changing consumer behaviors and demands to navigate the complexities of the global economy successfully.



Overview of the World Economic Outlook Projections (%)

Particulars	2022	Projections	
		2023	2024
World Output	3.5	3.0	3.0
Advanced Economies	2.7	1.5	1.4
Emerging Market and Developing Economies	4.0	4.0	4.1
Emerging and Developing Asia	4.5	5.3	5.0
China	3.0	5.2	4.5
India	7.2	6.1	6.3

Source: IMF World Economic Outlook July 2023

Indian economy overview

The data release at February 2023 end from the National Statistical Office (NSO) highlights that the Indian economy is positioned favourably compared to market expectations. India's recovery from the pandemic has been stronger than initially anticipated, gaining momentum steadily since the second quarter of the fiscal year 2023. The International Monetary Fund (IMF) identified India as one of the top two fast-growing economies in 2022. Despite global challenges and tighter domestic monetary policies, India's economy achieved a growth rate of 7.0%, indicating its inherent economic resilience and ability to rejuvenate growth drivers of the economy.

For 2023-24, India's GDP is projected to grow by 6-6.8%, overcoming challenges like inflation and supply shocks. The government's efforts to manage supply and demand, infrastructure investments, and pro-investor policies are expected to stimulate growth. The manufacturing and services sectors are poised for recovery, driven by improved consumer and business confidence. Recent improvements in the private sector's financial health suggest potential increased spending and capital investment when the investment cycle picks up. The Reserve Bank of India (RBI) has projected headline inflation to stand at 5.4 percent in FY24.

Positive signs are evident in the labour market, with rising workforce participation and job creation in specific sectors. The "Atmanirbhar Bharat" (self-reliant India) initiative is supported by measures like the Emergency Credit Line Guarantee Scheme and the Production Linked Incentive Scheme, aimed at reducing import dependence and strengthening the manufacturing sector. Structural reforms such as the National Infrastructure Pipeline and National Monetization Plan are set to bolster infrastructure development and drive progress across sectors.

India's economic fundamentals remain robust, and the long-term outlook is expected to be minimally impacted. The subdued global growth scenario has potential benefits for India, including lower oil prices and a comparatively better current account balance projection. While uncertainties persist, the overall external situation is anticipated to remain manageable for India.

Source: -
RBI March 2023 Bulletin
https://pib.gov.in/PressReleasePage.aspx?PRID=1894932
Economic Survey of India, 2022-2023

Indian Retail overview

Indian Apparel and Retail Market Highlights

The Indian textile and apparel market is thriving due to increased demand for high-quality clothing and footwear. The government supports domestic manufacturers through initiatives like production-linked incentives. Abundant raw materials like cotton, wool, and silk are readily available. Sustainable practices, such as using vegan leather and eco-friendly materials, are adopted by key players to prevent animal cruelty and reduce pollution. Luxury brands use silks and leather for durable products. Online platforms and e-commerce are expanding distribution. Growing awareness of environmental issues drives demand for long-lasting, environmentally-friendly fashion. The Indian apparel industry stands out globally due to its rich heritage of ancient techniques and cultural diversity. Across India's vast expanse, diverse regions not only possess distinct languages and cultures but also showcase a variety of clothing styles. As urbanization accelerates and traditional values persist, the fashion and apparel sectors are undergoing a process of transformation to align with evolving trends.

Apparel Market: The Indian apparel market has witnessed significant growth, with a revenue of US$96.47 billion in 2023. The market is projected to expand at a compound annual growth rate (CAGR) of 3.34% from 2023 to 2027. The largest segment within the apparel market is Women's Apparel, with a substantial market volume of US$43.65 billion in 2023.

Retail Growth: The Indian retail market is on a trajectory to reach an impressive value of $2 trillion by 2032. This growth is fueled by various factors, including urbanization, rising incomes, and the prevalence of nuclear families.

E-commerce Industry: The Indian e-commerce sector is experiencing rapid expansion, poised to surpass the $350 billion mark by 2030. The industry is projected to grow at an impressive CAGR of 23%. In 2021, the Gross Merchandise Value (GMV) of the Indian e-commerce market exceeded $55 billion. By 2030, the annual GMV is estimated to reach $350 billion.

Investment and Funding: E-commerce and consumer internet companies in India attracted significant investor interest, raising a substantial US$15.4 billion in private equity and venture capital funding in 2022. This represents a notable increase from the approximately US$8.2 billion raised in 2020.

Online Retail Ranking: By 2030, India is expected to secure its position as the third-largest online retail market globally, boasting an estimated annual GMV of $350 billion. This impressive growth solidifies India's prominence in the digital retail landscape. Recent industry reports highlight a remarkable 36.8% year-on-year growth in the e-commerce sector's order volumes. This significant increase reflects the shifting consumer preference for year-round online shopping, indicating the advanced and mature status of e-commerce brands in India

These statistics highlight the remarkable growth and potential of the Indian apparel and retail sectors. As the apparel market continues to thrive, and the retail and e-commerce industries demonstrate robust expansion, India is poised to play a significant role on the global stage. The confluence of urbanization, rising income levels, and technological advancements positions India as a key player in shaping the future of the retail and e-commerce landscape.

Source
Apparel - India | Statista Market Forecast
Retail Industry in India - Indian Retail Sector, Market Size (investindia.gov.in)
https://www.ibef.org/industry/retail-india

Trends in Indian fashion industry

As new trends emerge in the Indian fashion industry, AFL is ready and equipped to leverage these trends by servicing the new priorities and demands of our customers.

Digital – Channel of choice

Anticipated to surpass $350 billion in GMV by 2030, the Indian e-commerce sector presents a substantial avenue for local fashion brands. The pandemic expedited the industry's digital transformation, prompting Indian brands to prioritize online presence through e-commerce platforms. Social media proves pivotal for marketing and engagement. Forecasts project India to ascend as the third-largest online retail market by 2030

AFL is a leading Omnichannel player with own e-commerce website & strategic partnerships with third-party marketplaces

Footwear potential

As the consumer preference & market shifts towards a bold & fashionable & casualisation approach, the team is ready to leverage this shift with a stronger design language, without losing the roots of classic. The collection caters to all, from latest generational shift of fashionable Gen-Z to the ones who still prefer classic styling. With its unique design languages & strive for innovation along with stronger portfolio of brands, AFL will be one of the growing footwear business in the Indian footwear industry.

With a diverse product range, across different brands, AFL is ready to cater to a wider spectrum of consumers & capture a larger segment of the market

Local sourcing and manufacturing

The surge in valuing local sourcing and production continues its upward trajectory into 2023. Brands and retailers are wholeheartedly embracing this trend, actively seeking local materials and crafting garments within their communities. This not only champions reduced emissions and community empowerment but also affords a heightened level of control over the manufacturing process, ensuring improved working conditions – a paramount concern for conscientious consumers.

AFL stands to benefit from technological innovations in the manufacturing space and drive localization to improve profitability

Formal wear reinvented

The approach to dressing for work, weddings, and events has shifted, reshaping formal wear. While relaxed dress codes are common, the integration of stretchable clothing into formal attire is notable. The rising popularity of stretchable garments spans all product categories, lending versatility. Designers now incorporate stretch fabrics, fostering creativity in formal fashion with unique and innovative styles.

AFL is well-positioned as the leading Formal wear player in India

Source
www.indianretailer.com
Retail Industry in India - Indian Retail Sector, Market Size (investindia.gov.in)

Arvind Fashions Limited

At the forefront of the fashion and lifestyle landscape, your Company leads with a diverse portfolio of brands that epitomize innovation, quality, and customer-centricity. From USPA's sporty offerings to Tommy Hilfiger's timeless elegance, each brand caters to dynamic consumer preferences. Our category expansions include comfort wear, athleisure, prestige beauty, premium kidswear, innerwear, footwear & accessories. Advanced analytics enhance efficiency and merchandise curation for digital customers, aligning with our focus on direct-to-consumer capabilities. With a commitment to heritage, innovation and customer satisfaction, Arvind Fashions Ltd. shapes the global fashion landscape, delivering unrivalled experiences.

Key characteristics of the Arvind Fashions portfolio

- Lifestyle offering across International and aspirational brands
- Across price points & usage occasions to cater to large consumer segments
- Distribution strength to expand into multiple cities & towns across India
- Future ready by being digitally capable with presence across all direct-to-consumer touch points: own website, strong market place & very large e-commerce partner portal play
- Strong brand extensions into adjacent categories post success of footwear, innerwear, kids wear and accessories across brand portfolios

U.S. Polo Assn.	#1 Casuals brand
Flying Machine	Among top 3 Denim brands
Arrow	Among top 3 Formalwear brands
Tommy Hilfiger	#1 & #2 in super premium casuals
Calvin Klein	
Sephora	#1 Prestige beauty retailer

Brands and product groups

Your Company is focusing on U.S. Polo Assn., Tommy Hilfiger, Flying Machine, Arrow, Calvin Klein and Sephora. These brands have a strong historical performance and robust long-term growth potential.

U.S. Polo Assn., is one of India's largest casualwear brand with strong multi-category & multi-channel play. Strengthening the brand aura remains at the heart of execution by creating experiential stores and engaging with influencers and celebrities on social platforms while tightening discounts across both online & offline channels. The brand aims to premiumize its product offerings across Polos, Shirts, Chinos & Jeans, with a focus on increasing the bottom-wear (Chinos & Jeans) contribution and growing the kidswear portfolio through better quality and increased assortment. The brand is expected to continue its aggressive growth path through strategic expansion both vertically & horizontally, along with growing the retail footprint and expanding into adjacent categories. The brand is strategically focused on achieving significant growth in the footwear business, by increasing the degree of localization and ensuring new product initiatives to cater to its large customer base. The brand carried out multiple product innovation across its innerwear category. These strategic initiatives reflect the brand's commitment to progress, innovation, and expansion, positioning it for a successful and promising future.

Tommy Hilfiger, is our flagship designer lifestyle brand with an indelible American spirit. With unwavering dedication, we have traversed the global fashion landscape, communicating a universal language of style that resonates with diverse audiences.

Our expansive portfolio spans across various categories, from men's, women's, and kid's sportswear to denim, accessories, and footwear, fulfilling the diverse sartorial preferences of fashion enthusiasts.

Tommy Hilfiger has emerged as India's leading international premium casual wear brand. Its enduring style and appeal have captivated Indian consumers, cementing our position as a beloved and trusted fashion icon.

Multiple growth drivers exist for the brand including category extension such as Tailored line, product premiumization, expansion of market place and opening stores in Tier 2 & 3 cities.

Flying Machine, is India's original Jeans brand with over 40 year old legacy and continues to chart a path of strategic excellence, aiming to strengthen its position as India's premier denim brand. The brand is boldly reinventing itself to resonate with the dynamic preferences of Gen Z consumers. Embracing a modern spirit, the brand is infusing its design ethos with fresh energy and innovation. Drawing inspiration from the Gen Z, it is crafting products that encapsulate their unique sensibilities. From fashion-forward denim to cutting-edge accessories, each creation is a testament to the brand's commitment to staying relevant and appealing to the younger generation.

Arrow, is a brand with strong heritage value since its inception in 1851. The brand refreshed its retail identity along with driving product innovation through premiumization and delivering superlative consumer experience leading to strong business performance.

It has invested in demand-based pull supply chain mechanism to help drive automated replenishment and increase the share of sales from its core products thereby driving higher freshness across EBOs and enriching the shopping experience. The brand intends to aggressively expand its retail footprint over the next few years to continue its growth momentum journey and executing multi-channel play.

Calvin Klein, is India's #2 casualwear brand in the super-premium segment. As a global lifestyle brand, Calvin Klein stands as an embodiment of bold, progressive ideals, embracing a seductive and minimal aesthetic that captivates discerning consumers.

Our strategic focus on store upgrades and the introduction of multi-category stores has bolstered its retail channel's productivity. By adeptly communicating the brand's identity as an ultra-chic and cool fashion brand with high glamour quotient, it continues to strengthen its appeal among the valued customers.

With an eye on growth, the brand is expanding its presence in the online channel and fortifying entry-level price point products to cater to a wider audience. Additionally, our accessories range, including men and women bags, opens new avenues for growth.

Sephora, operates in the prestigious beauty market segment offering a unique customer experience. The brand has built a community of beauty enthusiasts and loyalists who perceive Sephora as a reliable source for beauty trends, products and a leading voice in evolving beauty ideals. At the heart of Sephora's success lies its beauty curation, personalised service and rewarding loyalty program called "Beauty Insider". Sephora takes the lead by offering an expansive range of products catering to different skin tones, skin types and cultures. Revenue in India in the Prestige Cosmetics segment amounts to US$1bn in 2023. The market is expected to grow annually by 2.94% (CAGR 2023-2028), thereby presenting a larger opportunity.

Digital focus

Leader in Digital

The e-commerce scenario in India has evolved from its initial focus on urban regions to encompass a more diverse audience, including the middle-class and smaller towns. This transformation has introduced a new phase marked by innovation, market segmentation, and a notable increase in customer engagement. Your Company has also evolved in the digital business over the years to capitalize on India's digitization growth story.

Throughout the past year, your Company has been investing in key capabilities that drive its e-commerce business forward. With a strategic focus on digital marketing, we've leveraged innovative techniques to expand our online presence, reaching and engaging a wider audience. Our commitment to refining supply chain management has enabled us to optimize inventory, streamline order fulfilment, and ensure seamless logistics, resulting in enhanced customer satisfaction. Moreover, our emphasis on data analytics has empowered us to derive valuable insights from customer behaviour and sales trends, enabling informed decision-making and the delivery of personalized experiences. These concerted efforts reflect our unwavering commitment to providing a seamless and customer-centric e-commerce journey.

In a strategic move to extend our footprint and cater to an even broader spectrum of customers, your Company has embarked on a journey of offering curated products, including captivating online exclusives. This initiative aligns seamlessly with our marketplace business strategy, enabling us to connect with audiences far and wide. By curating products tailored to specific tastes and preferences, we're not only enriching our product offerings but also fostering deeper customer engagement. This exciting focus area underlines our commitment to delivering unique, value-driven experiences and reinforces our position as a customer-centric e-commerce leader.

In a major stride forward, nearly 84% of our stores have embraced omnichannel capabilities, propelling your Company toward a host of significant advantages. By seamlessly integrating online and offline touchpoints, we enhance customer convenience, enabling effortless transitions between platforms and physical locations. This approach drives engagement, satisfaction, and loyalty. Moreover, robust data collection informs personalized strategies, refining product offerings and marketing efforts. This strategic move solidifies our position in the evolving retail landscape, catering to modern consumers' preference for a unified shopping experience.

With a key strategic vision to amplify the digital presence of our brand portfolio, your Company intends to embark on a progressive journey to introduce dedicated websites for each individual brand in the near future. This pivotal step signifies our commitment to enhancing customer experiences by offering tailored interactions that align with the distinct identity of each brand. By prioritizing a brand-by-brand approach, we aim to channel our focus effectively, nurturing the growth and recognition of each brand within the dynamic digital landscape.

Our journey in the ever-evolving e-commerce landscape reflects our unwavering dedication to innovation, customer-centricity, and growth. By refining core competencies and placing a spotlight on meticulously curated products, we remain resolute in our dedication to providing unparalleled, customer-centric e-commerce journeys. Our strategic emphasis on brands promises a dynamic trajectory into the digital future, ensuring lasting impact and engagement.

Business Strategy

With the rebound in offline channel and strategy of decisive focus on growing existing brands has helped your Company regain the scale during the year along with strong performance on the bottom-line. Sharper controls over inventory & debtors along with significant improvement in profitability has strengthened the balance sheet and helped generate higher return on capital employed (ROCE). Your Company continues to focus on cost optimization and expanding its store network across the country along with growing adjacent categories across brands, which provides the Company continue its journey of improved financial performance and generate value for its customers and shareholders in the coming years.

GROWTH DRIVERS
Emphasizing a strong concentration on prominent brands holding leading positions in the market to stimulate growth
Utilizing robust omni-channel abilities to enhance growth within the online sphere
Extending the physical presence to reach small towns across India
Expanding brand-related categories like kidswear, footwear, innerwear, and accessories by capitalizing on established brand reputation
Prioritizing an assertive approach to opening new stores for expansion

PROFIT DRIVERS
Continued focus on improving full price through
Streamlined cost structure: • Efficiently managing fixed expenses to achieve operational advantages • Optimizing operating costs of stores and shutting down unprofitable stores • Controlling overheads to drive efficiencies
Application of analytics-driven approaches to optimize discounts and markdowns
Concentrated efforts on transforming small-scale operations into profitable ventures
Reduction in borrowing leading to reduction of interest cost

ROCE DRIVERS
Continued focus on efficient working capital management
Automated replenishment of core products resulting in improved inventory control
Flexible sourcing methods to facilitate purchasing of market-appropriate products in closer alignment with season launches
Aligning primary sales with consumer demand to minimize B2B returns
Strengthened operational oversight over the inventory procurement process

Financial Performance and Analysis

Consolidated Financial Performance and Analysis

(Rs. Crores)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from Operations	**4,421**	**3,056**
Other Income	**53**	**67**
Total Income	**4,474**	**3,123**
EBITDA	**505**	**247**
Finance Costs	138	124
Depreciation	239	233
Profit Before Taxes	**128**	**(110)**
Tax Expense Charge/(Credit)	**40**	**(6)**
Profit / (Loss) After Tax for Continued Operations	**88**	**(104)**
Discontinued Operations	(1)	(133)
Profit/(Loss) Before Minority Interest (Continued and Discontinued operations)	**87**	**(237)**
Minority Interest	**50**	**31**
Net Profit/(Loss) for Equity Shareholders of Parent	**37**	**(267)**
Other Comprehensive Income/(Loss)(Net of Tax)	(1)	(0)
Net Profit/ (Loss) after other comprehensive income/ (loss)	**36**	**(268)**

Balance Sheet

(Rs. Crores)

Particulars	As on March 31, 2023	As on March 31, 2022
Net Fixed Assets	259	273
Net Working Capital	671	489
Deferred Tax asset	412	411
Other Current assets/ Non -current assets and Liabilities	407	392
IND AS 116 Impact		
ROU Assets	608	388
Lease Liability	(667)	(456)
Capital Employed	**1,690**	**1,497**
Net Worth	1092	850
Compulsorily Convertible Preference Share Capital (Disclosed under other non-current Financial Liability)	-	145
Debt	598	502
Capital Employed	**1,690**	**1,497**

Revenue from Operations:

Company registered revenues from operations of Rs. 4421.1 Crore in FY23 compared to Rs. 3056.0 Crore in FY22. The Company delivered an industry-leading growth rate of 45%, driven by its multi-channel performance, with focus on retail channel execution. Growth was also aided by strong bounce back in the offline consumer demand coupled with Company's continued investments in adjacent categories such as footwear, kids wear, innerwear etc.

Other Income:

Other Income includes Rs. 13.6 Crore of gain on reassessment of lease and Rs. 15.7 Crore on account of interest income on financial assets and fair value of security deposit.

EBITDA:

EBITDA is Earnings before Interest, depreciation & amortization and Taxes. Company registered an EBITDA of Rs. 505 Crore compared to Rs. 247 Crore during FY22. The significant improvement in EBITDA margins was primarily driven by improvement in gross margins, higher full price sell-through, and operating leverage. The Company continues to focus on improving profitability in the coming years as well.

Finance Cost:

Finance cost includes (a) interest on borrowings of Rs. 80.7 Crore and (b) interest on lease liabilities of Rs. 57.7 Crore.

Depreciation:

This includes depreciation on assets invested by the Company of Rs. 72.8 Crore and Right Of Use (ROU) Assets for leases of Rs. 165.9 Crore for FY23.

Minority Interest:

This represents share of profits / loss pertaining to JV partners of one of our subsidiary Company PVH Arvind Fashions Private Limited.

Net Working Capital:

Net Working Capital of business stood at Rs. 671 Crore as on March 31, 2023 compared to Rs. 489 Crore last year. The breakup of the reported figures are mentioned below

(Rs. Crores)

Particulars	As on March 31, 2023	As on March 31, 2022
Inventory (Including Returnable Assets)	1,131	965
Trade Receivables	560	572
Less: Trade Payables	1,020	1,048
Net Working Capital	**671**	**489**

Debt:

Total debt for the Company stood at Rs 598 Crore as on March 31, 2023, as compared to Rs.502 Crore as on March 31, 2022.

Financial Ratios (on Consolidated Financial Statements)

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has identified the following ratios as key financial ratios at consolidated level:

(Rs. Crores)

Particulars*	As on March 31, 2023	As on March 31, 2022
Debtors Turnover Ratio	7.82	5.10
Inventory Turnover Ratio	4.82	3.69
Interest Coverage Ratio	1.93	0.11
Current Ratio	1.20	1.16
Debt Equity Ratio	0.66	0.67
EBITDA Margin	11.43%	8.08%
Operating Profit Margin	6.03%	0.46%
Net Profit Margin	1.99%	(3.40%)
Return on Net Worth	29.29%	1.87%
Return on Average Capital Employed	16.72%	0.88%

** All Ratios have been worked out considering only continuing operations*

The formula used for the computation of the above ratios are as follows:

Particulars	Formula
Debtors Turnover Ratio	Revenue from Operations / Average of opening and closing Trade Receivables
Inventory Turnover Ratio	Revenue from Operations / Average of opening and closing Inventories
Interest Coverage Ratio	EBITDA less Depreciation / Finance Costs
Current Ratio	Current Assets / Current Liabilities
Debt Equity Ratio	Debt / Net Worth
EBITDA Margin	EBITDA / Revenue from Operations
Operating Profit Margin	EBITDA less Depreciation / Revenue from Operations
Net Profit Margin	Profit After Tax / Revenue from Operations
Return on Net Worth	EBITDA less Depreciation / Net Worth
Return on Average Capital Employed	EBITDA less Depreciation / Average Capital Employed

Commentary on significant changes in key financial ratios (i.e., changes of 25% or more compared to the immediately preceding financial year)

Turnover Ratio: There is a significant improvement in revenue growth compare to previous year. The Company has put in tighter controls over buying along with better collections from the large customers across various channels resulted in significant improvement in inventory & debtor levels as of March 31, 2023 compared to previous year.

Interest Coverage Ratio: The is significant increase is EBITDA during the year which led to the improvement of interest Coverage ratio in spite of marginal increase in finance cost

EBITDA Margin, Operating Profit Margins, Net Profit Margins, Return on Net Worth and Return on Capital Employed: The improvement in profitability margins along with return ratios is due to strong operating leverage as a result of growth in revenues across the channels and store network expansion along with optimization of various expenses.

Business Outlook

During the fiscal year FY23, the Company delivered revenue growth of 45%, EBITDA growth of over 100%, an improvement in EBITDA margins of 330 bps compared to last year and multi-fold increase in Profit after tax. With decisive focus of scaling up existing brands and efficient working capital management, the Company is very optimistic about its growth and profitability prospects in FY24. We will invest in product innovation and increased marketing spends to re-energize our brands. The Company will focus on improving the profitability through cost optimization and driving superior customer experience to further improve sell-thru's and lower the discounts.

We have significant potential in scaling up the adjacent categories across the brands such as footwear, kids wear, innerwear, women's wear and other accessories. We will continue to expand the retail network across the country in various cities and towns and plans to open more than 200 stores in the coming year. The Company will continue having multi-channel strategy to grow the brands.

With sharper control over inventory and debtors and lower capex on account of franchisee led expansion, the Company expects to generate free cash flow from the business which will help de-leverage the balance sheet and further improve the return on capital employed and return on equity. . The Company stands well-prepared to navigate short-term uncertainties and risks, while also positioning itself as a dominant player in the retail sector in the medium and long term.

RISK MANAGEMENT

The success of current as well as future performance of Arvind Fashions is subject to a variety of factors, including but not limited to forecasting and managing of risks and uncertainties which are described as below:

1. **Strategic Risks-** These risks arise out of a Company's strategies and objectives towards business which could have potential risk on the long-term continuity and sustainability.

2. **Operational Risks-** The risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events, leading to potential disruptions in the smooth functioning of the business.

3. **Regulatory Risks-** Lack of structured framework for compliance adherence towards statutory/legal laws and regulations pose such risks which could affect credibility of the organization causing financial implications.

The Company has a robust enterprise risk management framework which identifies such potential risks, defines strategies for mitigating the impact of these identified risks and lays down processes for their continuous monitoring. The Company has identified the key risks, including Strategic, Operational and Regulatory risk. Some of the identified risks and their mitigation plans are described below:

1. Strategic Risks

a. Inability to renew brand license due to non-compliance to contractual conditions or failure to meet agreed performance parameters can seriously impact profitability. The Company regularly reviews critical performance parameters which are key for brand license renewal. It has established a structured framework for periodic vendor, product and store compliance audits to ensure there are no violations to licensee/sub licensee obligations.

2. Operational Risks

a. High interest costs and fixed retail costs consumes significant portion of the margins impairing the capability to spend on business transformation. Excess inventory build-up and delayed payments by the customers also results in increased need for working capital. Significant actions have taken place in over the last few years to strengthen the balance sheet in terms of additional liquidity being available with the Company. With strengthened provisioning norms, there is a significant focus on improving the inventory turns and timely realization of receivables which will continue to be a key area of management focus going forward. Similar to FY22, fixed costs have also been rationalized significantly during the course of FY23 and necessary controls to monitor them are in place.

b. International trade dispute or change in Government policy especially over imports from China may significantly disrupt the supply chain cycle. Further, sharp fluctuations in for-ex rates can also adversely impact the margins. The management is closely monitoring and is updated about the international trade policy to leverage the competitiveness and take informed decision while placing import orders. All pre-committed outflows are adequately hedged. We are also shifting the focus on domestic procurements and developing capabilities to reduce dependencies from Chinese supplies.

c. Inadequate digitization and IT infrastructure is viewed as a serious risk by the Company both from a business perspective as well as finance / legal & compliances. The Company has a much focused approach for strengthening the IT infrastructure of the organization. The roadmap for projects on IT development, process streamlining and strengthening the present IT infrastructure to enable better monitoring and customer experience has been put in place and the progress is closely monitored.

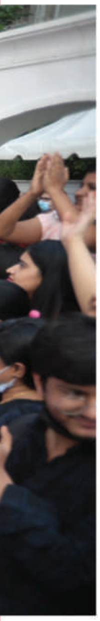
d. Counterfeit products of key brands like U.S. Polo Assn., Tommy Hilfiger, Calvin Klein, FM and Arrow pose a serious threat to the brand image leading to dilution of brand value. Lack of adequate legal framework and robust mechanism to control unauthorized use of brand logos/product information like labels cause such kind of risk.

e. Continuous audits at vendors to ensure compliance, coordinated intelligence gathering on counterfeit in coordination with the brand owners and relentless effort in seeking strictest action against counterfeit producers and distributors enables the Company to check counterfeits. The Company actively engages with industry peers on brand protection strategy and building common platforms for countering counterfeit. The Company is also evaluating the change in approach to ensure the vendors are never in possession of excess / QC failed products and all such inventory is handled internally by the Company.

3. Regulatory Risks

Increasing Compliance Requirements under governing laws and regulations in a time bound manner is a continuing challenge. The Company has established a structured framework of accountability across the senior management team supported by a third-party tool for online monitoring the status of compliances across key processes.

Human Resource



At Arvind Fashions, we believe that our people are our most important asset. We are guided by the CCPP formula: Care for our employees which leads to Confidence in our employees and teams that deliver highest standards of Performance resulting in their development and Promotion. Our strong 'Collaborative' culture inspires passion, commitment and spirit of contribution in our employees.

We have a vibrant workforce of over 5800 employees with an average age of 29 years and a gender diversity of 16%. We are an employer of choice for some of the most talented individuals across the country due to the quality of work, autonomy, growth and supportive environment provided to our employees.

At Arvind Fashions, our Employee Engagement framework keeps the holistic growth and wellness of our people at its centre. "Arvind Voice" is a program designed to give employees a platform to express their opinions, concerns and suggestions openly. This initiative aims to foster a culture of transparency, open communication and empowerment. Leaders connect with employees through townhalls and employee connect programs and share key achievements, challenges and the way forward. We provide rewards and recognition to our employees in the form of Retail, Value and Spotlight awards to reinforce the behaviours and values that are essential for our growth.

Arvind University – our learning and development centre of excellence – plays a pivotal role in cultivating a skilled, adaptable and motivated workforce. At Arvind Fashions, we are committed to their continuous learning and professional growth which sets us apart as an employer of choice. Our programs are strategically aligned with our business objectives and are designed to address current and future skill gaps thereby ensuring our workforce remains agile and ready to embrace the changing retail landscape. Arvind Express – our career progression initiative – provides employees a transparent and structured process to help take on larger roles within the Company. As part of our organizational assessment process, we utilize a holistic approach that blends both Machine Learning and Human Intervention for strategic evaluation of employee performance and potential to provide critical feedback for employee development.

Our progressive policies and practices such as Flexi-time policy, Equal Employment Opportunity policy, Paternity & Adoption policy, Crèche Services along with our Professional Development initiatives and internal career mobility ensures that an environment of empowerment, growth and engagement is created for all employees.

Arvind Care – our safety and wellness initiative – goes beyond traditional benefits. It reflects our deep concern for health, happiness and wellness of each of our employees. The key initiatives include free health check-ups, Doctor-on-Call, Weekly doctor visit, Medical room with nursing facility and Gym for employees. Apna Arvind is a comprehensive employee self-service platform which provides employees instant support on policies, payroll related services, learning and development, career progression and performance and wellness with the click of button.

Arvind Fashions remains committed to nurturing a workforce that can thrive personally and professionally and contribute to the sustained success and growth of our organisation

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

1	**Corporate Identity Number (CIN) of the Company**	L52399GJ2016PLC085595
2	**Name of the Listed Entity**	Arvind Fashions Limited
3	**Year of incorporation**	2016
4	**Registered address**	Arvind Limited, Naroda Road, Ahmedabad – 380035, Gujarat, India
5	**Corporate address**	Duparc Trinity, Service Road, M G Road, Bangalore – 560001
6	**E-mail id**	investor.relations@arvindbrands.co.in
7	**Telephone**	080 - 4155 0601
8	**Website**	https://www.arvindfashions.com/
9	**Financial year for which reporting is being done**	FY 2022-23
10	**Name of the Stock Exchange(s) where shares are listed**	1. BSE Limited (Scrip Code: 542484) 2. National Stock Exchange of India Limited (Symbol: ARVINDFASN)
11	**Paid-up Capital**	Rs. 53.12 Crores
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**	**1.Details of Director / Directors responsible for Business Responsibility & Sustainability Report** Name: Mr. Shailesh Shyam Chaturvedi DIN: 03033110 Designation: Managing Director & CEO Telephone Number: 080 - 4155 0601 Email id: shailesh.chaturvedi@arvindbrands.co.in **2.Details of the Business Responsibility and Sustainability Head** Name: Mr. Ajay Ravuri Designation: Head of Sustainability Telephone Number: 9108449039 Email id: ajay.ravuri@arvindbrands.com
13	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	Disclosures made in this report are on consolidated basis

II. Products/services

2 Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1	Wholesale and Retail Trading of Ready-Made Garments and Accessories	Wholesale and Retail Trading of Apparel and Non-Apparel Fashion Products (Footwear, Belts, Bags etc.)	100%

3. **Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Wholesale Trading of Fashion Brands	4641	56%
2.	Retail Trading of Fashion Brands	4771	43%

III. Operations

4. **Number of locations where plants and/or operations/offices of the entity are situated**

Location	Number of Plants	Number of Offices	Total
National	0	5	5
International	0	0	0

5. **Markets served by the entity:**

a. **Number of locations**

Location	Number
National (No. of States)	29
International (No. of Countries)	2

b. **What is the contribution of exports as a percentage of the total turnover of the entity? -** 0.53%

c. **A brief on types of customers:** Considering the nature of business, we deal with customers from multiple geographies.

IV. Employees

6. **Details as at the end of Financial Year:**

a. **Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	**Permanent (D)**	1692	1265	75%	427	25%
2.	**Other than Permanent (E)**	4378	3809	87%	569	13%
3.	**Total Employees (D + E)**	6070	5074	84%	996	16%
WORKERS						
4.	**Permanent (F)**	0	0	0	0	0
5.	**Other than Permanent (G)**	0	0	0	0	0
6.	**Total Workers (F + G)**	0	0	0	0	0

b. **Differently abled employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total Differently Abled Employees (D + E)**	**0**	**0**	**0**	**0**	**0**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	**Total Differently Abled Workers (F + G)**	**0**	**0**	**0**	**0**	**0**

7. **Participation/Inclusion/Representation of women:**

Particulars	Total (A)	No. and percentage of females	
		No. (B)	% (B / A)
Board of Directors	12	2	16%
Key Management Personnel	3	1	33%

8. **Turnover rate for permanent employees and workers:**

Particulars	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	65.1%	34.9%	100%	52.1%	47.9%	100%	58.3%	41.7%	100%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

9. **(a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Arvind Lifestyle Brands Limited	Subsidiary	100	Yes
2	Arvind Beauty Brands Retail Private Limited	Subsidiary	100	Yes
3	Arvind Youth Brands Private Limited	Subsidiary	68.75	Yes
4	Value Fashion Retail Limited	Subsidiary	100	Yes
5	PVH Arvind Fashion Private Limited	Controlled Entity Jointly Owned with PVH BV	50	No

VI. CSR Details

10. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

Turnover (in Rs.)	740.57 Crore (Standalone) and 4,421.08 Crore (Consolidated)
Net worth (in Rs.)	2322.09 Crore (Standalone) and 1092.23 Crore (Consolidated)

VII. Transparency and Disclosures Compliances

11. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Arvind Fashions Limited abides by the Code of Conduct. Two separate code of conduct are available in the Company, one for the Board of Directors which is available on the website of the Company and other for the employees. Both code of conducts provide guidance on matters related to ethics, workplace responsibilities and conflict of interest.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks for investors (Other than shareholders)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks for investors (Other than shareholders)
Communities	Yes www.arvindfashions.com/corporate-governance/	0	0	No complaints received	0	0	No complaints received
Investors (Other than shareholders)		0	0		0	0	
Shareholders	Yes, Same as above	3	3	There are no any pending complaints	27	27	There are no any pending complaints
Employees and workers	Yes, Same as above	0	0		0	0	
Customers	Yes, Same as above	717911	0		28109	0	
Value Chain Partners	Yes, Same as above	0	0		0	0	
Other (please specify)	Yes	0	0		0	0	

12 Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water Use and Management	Opportunity and Risk	Risk: Increased water consumption and constrained water supply are among the most critical global risks. Considering our huge dependency on water for the viability of our operations, we have identified it as a material risk for us. Opportunity: AFL have made commitments to reduce their water use; thus adopting water saving practices will give us an edge	AFL has made a commitments inorder to reduce the water consumption in both production and domestic by using water conservation technologies such as working with the factories whose ETP is ZLD and fresh water consumption reduction by promoting rainwater harvesting	Positive: Initially there will be additional cost to adopt new technologies. However, in the long run, it will shield us from water price and availability issues. Thus helping maintain a control over our operating expenses. Negative: Increased production cost due to change in input prices of water, driven by water availability and quality issues.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Energy Management	Opportunity and Risk	Risk: While energy contributes to the growth of textile and apparel industry, resulting emissions are a dampener for environmental health. Increasing demand of textile and apparels in the world, followed by increased production is the cause of higher GHG emissions. Opportunity: Improving upon the energy efficiency and increasing renewable usage will support us in cutting down the energy expenses and achievement of pertinent emission reduction commitments.	We have developed an energy policy to continually improve the energy performance, flatten our energy demand curve and reduce our carbon footprint. We are also engaged in increasing renewable energy uptake in our energy mix.	Positive: Initially there will be additional cost to adopt new technologies, however in the long run it will shield us from fossil fuel price increase. Negative: Increased production cost due to change in input prices of fossil fuels.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section helps us demonstrate our structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Policy and management processes

S. No.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	www.arvindfashions.com/corporate-governance/								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Policy and management processes

S. No.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Governance, leadership and oversight

7 **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

Refer to the 'Message from the Chairman in the Annual Report.

Governance, leadership and oversight

8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Name: Mr. Shailesh Chaturvedi DIN: 03033110 Designation: Managing Director & CEO Name: Mr. Ajay Ravuri Designation: Head of Sustainability
9	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes /No). If yes, provide details.**	The ESG Committee is responsible for decision-making on sustainability related issues. Head of Sustainability and ERM team will focus on environmental and social issues

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the board/ Any other Committee									Frequency (Annually/Half Yearly/ Quarterly/Any-other please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow-up action	Committee of the board									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committee of the board									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. – The company has not carried out assessment/ evaluation by external agency

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Not applicable as all 'yes' in question (1) above - Not Applicable

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)	Not Applicable								
Any other reason (please specify)	Not Applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	0	0	0
Key Managerial Personnel	0	0	0
Employees other than BoD and KMPs	31	POSH, Code of conduct, Global Business Skills, Advanced Excel, Macros & Power BI, Business Communication, Building High Performance	70%
Workers	0	0	0

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred (Yes/No)
Penalty/Fine	-	-	0	-	-
Settlement	-	-	0	-	-
Compounding Fee	-	-	0	-	-
Non-Monetary	**NGRBC Principle**	**Name of the regulatory /enforcement agencies/ judicial institutions**	**Brief of the Case**		**Has an appeal been preferred (Yes/No)**
Imprisonment	-	-	-		-
Punishment	-	-	-		-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
-----------	-----------

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, we have an anti corruption/Anti Bribery policy and it is a part of Whistle Blower policy published in the AFL website : https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

<table>
<tr><th rowspan="2">Category</th><th colspan="2">FY 2022-23
(Current Financial Year)</th><th colspan="2">FY 2021-22
(Previous Financial Year)</th></tr>
<tr><th>Number</th><th>Remarks</th><th>Number</th><th>Remarks</th></tr>
<tr><td>Number of complaints received in relation to issues of Conflict of Interest of the Directors</td><td>0</td><td rowspan="2">There are no complaints received in relation to the conflict of interest against Directors and KMPs in the current financial year.</td><td>0</td><td rowspan="2">There are no complaints received in relation to the conflict of interest against Directors and KMPs in the previous financial year</td></tr>
<tr><td>Number of complaints received in relation to issues of Conflict of Interest of the KMPs</td><td>0</td><td>0</td></tr>
</table>

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered by value of business done with such partners) under the awareness programmes
The Awareness on the AFL Responsible Supply chain is given to all of the vendors who are on boarding as a business partners	Broader topics of Labor Standards, Human Rights, Health and Safety and Unethical practices	100%

2. **Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, we have a Code of Conduct for Directors and Senior Management Personnel. Each Board Member or Senior Management Personnel should endeavor to avoid having his or her private interests interfere with (i) the interests of the Company or (ii) his or her ability to perform his or her duties and responsibilities objectively and effectively. Board Members and Senior Management Personnel should avoid receiving or permitting members of their immediate family to receive, improper personal benefits from the Company including loans from or guarantees of obligations by the Company. A Board Member should make a full disclosure to the entire Board of any transaction or relationship that such a Board Member reasonably expects could give rise to an actual conflict of interest with the Company and seek the Board's authorization to pursue such transactions or relationships.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively. –** Not applicable.

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Not applicable		
CAPEX			

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   - 100% of all polybags, constitute 50% more than recycled plastic
   - 10% of the total volume we used recycled polyester threads
   - 100% of all labels, constitute 25% more than recycled polyester

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   We at AFL has framed waste management policy and below are the actions taken to dispose the wastes generated,

   a. Plastic Wastes: All the plastic wastes generated from the packaging are disposed to SPCB approved Recycler for recycling.

   b. E wastes: All the E wastes (Tube Lights, Computer Scraps) are disposed to SPCB approved Recycler for recycling.

   c. Hazardous Waste: NA

   d. Other Wastes: Other wastes viz., Carton box wastes, paper wastes are disposed to SPCB approved Recycler for recycling.

4 **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, AFL is registered under EPR regulations and the plastic wastes are categorized under LDPE and PET.

AFL was associated with Nepra for Plastic waste recycilng across India. Based on the sales data we have figured the plastic weight and Nepra has collected and recycled as per the agreed quantities. In this process we have recycled 367.52 MT/Yr.

Now We have now identified "Arvind Envisol" who will help us in collection of plastic from the pickers and recycling the plastic in a sustainable manner and will submit a half year report as per CPCB format to meet the Plastic waste Management rules.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? –** Not applicable

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide web link

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same. –** Not applicable

Name of Product / Service	Description of the risk / concern	Action Taken

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Recycled Polybag	100% of all polybags, constitute 50% more than recycled plastic	100% of all polybags, constitute 50% more than recycled plastic
Recycled Polyester Thread	10% of the threads are recycled threads	0
Recycled Labels	100% of all labels, constitute 25% more than recycled polyester	100% of all labels, constitute 25% more than recycled polyester

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)		367 MT			283 MT	
E-waste						
Hazardous waste		NA				
Other waste		1032 MT			986 MT	

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category –** Not applicable

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

1 **a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1265	1265	100%	1265	100%	NA	NA	1265	100%	0%	0%
Female	427	427	100%	427	100%	427	100%	NA	NA		
Total	**1692**	**1692**	**100%**	**1692**	**100%**	.....	.....	.....	.....	.....	.....
Other than Permanent employees											
Male	3809	3809	100%	3809	100%	NA	NA	0	0%	0%	0%
Female	569	569	100%	569	100%	569	100%	NA	NA		
Total	**4378**	**4378**	**100%**	**4378**	**100%**	.....	.....	.....	.....	.....	.....

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Female	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other than Permanent employees											
Male	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Female	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

1. **Details of retirement benefits, for Current FY and Previous Financial Year:**

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year			
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers		Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA		Yes	100%	NA	Yes
Total Permanent Employees	1692	NA		2187	NA	NA	Yes
Total Permanent Workers	NA	NA	Yes	NA	NA	NA	NA

2. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any step is being taken by the entity in this regard.

Yes, the offices of the company are accessible to differently abled employees and workers in line with Rights of Persons with Disabilities Act, 2016. The installed features include ramps and lift facilities.

3. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes Arvind Fashions Limited ensures that the employees are treated fairly and with equality, regardless of their race, sex, or disability. All the employees have equal chance to apply for any internal job postings or promotions, and training opportunities at the workplace.

4. **Return to work and retention rates of permanent employees and workers that took parental leave.**

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	7	100%	0	0
Female	46	100%	0	0
Total	53	100%	0	0

5. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	Yes, AFL has a grievance mechanism and link to the website is given below: https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf
Other than permanent workers	
Permanent employees	
Other than permanent employees	

6. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:** The employees of the company have not formed any associations or unions.

Category	**FY 2022-23 Current Financial Year**			**FY 2021-22 Previous Financial Year**		
	Total employees/ workers in the respective category (A)	**No. of employees / workers in the respective category, who are part of the association(s) or Union (B)**	**% (B / A)**	**Total employees/ workers in the respective category (C)**	**No. of employees / workers in the respective category, who are part of the association(s) or Union (D)**	**% (D / C)**
Total Permanent Employees	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

7. **Details of training given to employees and workers:**

Category	FY 2022-23 Current Financial Year					FY 2021-22 Current Financial Year				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (B)	% (B / A)	Number (F)	% (F / D)
Employees										
Male	784	656	83%	722	92%	1021	800	78%	945	92%
Female	564	422	74%	538	95%	656	444	67%	432	65%
Total	**1348**	**1078**	**79%**	**1260**	**93%**	**1677**	**1244**	**74%**	**1377**	**82%**
Workers										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

8. **Details of performance and career development reviews of employees and workers:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
	Employees					
Male	1265	1265	100%	1270	1754	99%
Female	427	427	100%	461	437	95%
Total	**1692**	**1692**	**100%**	**2231**	**2291**	**98%**
	Workers					
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

9. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?**

Yes, Arvind Fashions has Safety, Health & Environment (SHE) policy which endeavors to create safe and healthy working environment at all our facilities.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We follow the Hazard Identification and Risk Assessment (HIRA) framework for identifying work-related hazards and risk assessment. This framework helps us in carrying out systematic identification of potential risks, evaluate existing safeguards available to control these risks and develop additional control measures to reduce the risk to acceptable level.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, we have a process in place and it is included in the Occupational Health and Safety Procedures Manual. Additionally, we conduct trainings, mock drills, safety talks and seminars for raising awareness of the workers.

d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

The employees are covered for health and accidental insurance. Additionally, we also have availability of basic paramedical services within our premises.

10. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

11. Describe the measures taken by the entity to ensure a safe and healthy work place.

At AFL we have prepared a HIRA for all our operations involved in the daily routines and every floor is provided with Secondary exits provided emergency evacuation plan. Regular Fire Mockdrills and Health checkups are provided to the employees for a better safe and healthy work place

12. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	There are no complaints received	0	0	There are no complaints received
Health & Safety	0	0		0	0	

13. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

14. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No significant risks or concerns were highlighted in the assessment.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, at AFL we have Arvind Care which covers wide range of benefits like term life insurance, EDLI, death benefit voluntary contribution to the employees

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

We ensure that all statutory dues have been deducted and deposited by our value chain partners in accordance with applicable laws and regulations.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	Total no. of affected employees/ workers		No. of employees/workers that have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial
Employees	0	0	0	0
Workers	NA	NA	NA	NA

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   Yes

5. **Details on assessment of value chain partners:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%, We will conduct audit on the Principles of Responsible Supply chain (RSC) guidelines which covers the Health and Safety practices, Labour and human rights regulations where the supply chain needs to be met. The audit will be conducted every year.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. -** Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 **Describe the processes for identifying key stakeholder groups of the entity.**

Internal and external group of stakeholders have been identified. Presently the given stakeholder groups have the immediate impact on the operations and working of the company. This includes Employees, Shareholders & Investors, Customers, Communities and Vendors.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails/Meetings Townhall	Ongoing process	1. Employee welfare programs 2. Health and safety trainings 3. Learning and Personnel skill development programs
Value Chain partners	No	Frequent Vendor communication/ Vendor meeting	Ongoing process	1.AFL RSC guidelines 2.Social compliance requirement's
Customers	No	SMS, Email, Website and Social Media	Ongoing process	Customer Complaints
Regulatory Bodies	No	Meetings, Emails	Ongoing process	1. Submission of Annual regulatory reports 2. Attending the meetings held by regulatory bodies
Community	Yes	Meetings, Emails	Ongoing process	Impact Assessment and CSR Intervention Monitoring and Evaluation

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Board of Directors at AFL has constituted various Board Committee - Stakeholder's Relationship Committee, Environmental Social and Governance committee, Enterprise Risk Management Committee. Meetings of these committees are convened by the respective committee chairman/company secretary. The various Board committees receive their inputs based on interactions between the stakeholders and our various departments. These departments engage with stakeholders and the feedback of these discussions are provided to the Board by placing the meeting minutes of these committees before the Directors for their perusal and noting.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No).If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the environmental and Social Topics identification was done in tandem with the stakeholder identification was carried out. During this assessment, key material issues were identified by us. For managing these issues, we have incorporated various policies and procedures and also implemented various initiatives.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.-** Not Applicable

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1 **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
	Employees					
Permanent	1692	1184	69%	2231	1770	79%
Other than permanent	4378	3515	80%	2785	2431	87%
Total Employees	**6070**	**4699**	**77%**	**5016**	**4201**	**83%**
	Workers					
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Employees	**0**	**0**	**0**	**0**	**0**	**0**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
Employees										
Permanent										
Male	1265	0	0%	1265	100%	1770	124	7%	1646	93%
Female	427	0	0%	427	100%	461	41	9%	420	91%
Total	**1692**	**0**	**0%**	**1692**	**100%**	**2231**	**165**	**7%**	**2066**	**93%**
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Workers										
Male	2431	1491	61%	940	39%	1951	1212	62%	739	38%
Female	354	251	71%	103	29%	236	152	64%	84	36%
Total	**2785**	**1742**	**63%**	**1043**	**37%**	**2187**	**1364**	**62%**	**823**	**38%**
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	12	INR 3.4 Lakhs	2	INR 3.2 Lakhs
Key Managerial Personnel (KMP)	2	INR 300.03 Lakhs	1	INR 36 Lakhs
Employees other than BoD and KMP	1265	INR 11.74 lakhs	427	INR 8.48 Lakhs
Workers	0	0	0	0

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) - Yes.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

Grievances related to Human rights impacts or issues at Arvind are addressed via the Whistle Blower Committee and/or the Internal Grievance Redressal Body depending upon the nature of the matter.

6 Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	3	1	All the Sexual Harassment cases reported during the year FY 2022-23 in AFL and its subsidiaries have been satisfactorily addressed before 31st March 2023 except one case which is pending for final disposal.	5	0	All the Sexual Harassment cases reported during the year FY 2021-22 in AFL and its subsidiaries have been satisfactorily addressed before 31st March 2022.
Discrimination at workplace	0	0	No cases found	5	0	No cases found
Child Labour	0	0	No cases found	5	0	No cases found
Forced Labour/Involuntary Labour	0	0	No cases found	5	0	No cases found
Wages	0	0	No cases found	5	0	No cases found
Other human rights related issues	0	0	No cases found	5	0	No cases found

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

For handling the complaints of discrimination, harassment or any other complaint under the scope of the Whistle Blower and POSH Policies, the identification of the complainant is kept confidential. Further every internal and external stakeholder has set obligations to follow, to prevent the adverse consequences to the complainant by adhering to the following mechanism (for more details refer to the Whistle Blower and POSH policies: Ensure that the complainant is not victimised for doing so, and is adequately protected against any such incident.

Treat victimisation as a serious matter including initiating disciplinary action on such person/(s) that subjects or threatens to subject the other person to any detriment.

Ensure complete confidentiality by,

- Maintaining complete confidentiality / secrecy of the matter
- Not discussing the matter in any informal / social gatherings / meetings
- Discussing only to the extent or with the persons required for the purpose of completing the process and investigations
- Not keeping the papers unattended anywhere at any time
- Keeping the electronic mails / files under password

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, our AFL COC covers the human rights requirements, below listed policies are pertaining to human rights requirements:

- Equal Opportunity policy
- POSH policy
- Whistle Blower Policy

9 Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%. The Company is in compliance with the laws, as applicable
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

10 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. – Not Applicable

Leadership Indicators

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not applicable as no such modifications has been introduced in the current reporting year

2 Details of the scope and coverage of any Human rights due-diligence conducted.

At Arvind Fashions Limited, we believe that it is of utmost importance to undertake our business with honesty and integrity while ensuring a safe and conducive work environment for everyone, free of discrimination and harassment. We are committed to uphold and respect human rights across all our operations and businesses

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the offices of the company are accessible to differently abled employees and workers in line with Rights of Persons with Disabilities Act, 2016. The installed features include ramps and lift facilities.

4 **Details on assessment of value chain partners:**

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100% At AFL we conduct audit on the Principles of Responsible Supply chain (RSC) guidelines which covers POSH, Labour and human rights, Minimum wages regulations where every supply chain needs to be meet. The audit will be conducted every year.
Discrimination at workplace	
Child Labour	
Forced Labour / Involuntary Labour	
Wages	
Others - please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. -** Not Applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1 **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	6552000 Mega Joule	5645880 Mega Joule
Total fuel consumption (B)	696160 Mega Joule	557840 Mega Joule
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	13513500 Mega Joule	6203720 Mega Joule
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	0.000306 Mega Joules / INR	0.00014 Mega Joules / INR
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, we have not carried out any independent assessment for the year

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any -** Not Applicable

3. **Provide details of the following disclosures related to water,**

The Company's usage of water is primarily restricted to human consumption purposes only. Efforts have been made to ensure that water is consumed judiciously in the office premises. Sensor taps are installed in office washrooms to economies on water consumption. The Company ensures that the domestic waste (sewage) from offices and Stores are not let into water bodies.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No any independent assessment/evaluation/assurance has been carried out by an external agency.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

AFL is not a production/manufacturing facility and does not generate any industrial wastewater, but the vendor facilities working for AFL are having ZLD and are meeting the State Pollution Control Board Norms.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Nox	g/kW-hr	0.0021	0.0062
Sox	mg/Nm3	4.8	7.0
Particulate matter (PM)	g/kW-hr	0.023	0.033
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others– please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	357
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	47.63
Total Scope 1 and Scope 2 emissions per rupee of turnover	Kg Per INR	0.00000915
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

At AFL we have a Climate Combat Change as a sustainability pillar, where The company has shifted from conventional lights to LED lights in the stores and in the warehouses and he company has installed motion sensor LED lights for energy management within its warehouse operations in FY 23 that indicated a reduction potential of 5%-8% in the energy demand. The same is being evaluated for new warehouses also.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total waste generated (in metric tonnes)		
Plastic waste (A)	215.6	223.1
E-waste (B)	1.24	1.1
Bio-medical waste ©	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	641	702
Total (A+B + C + D + E + F + G + H)	**857.84**	**926.2**

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Category of waste		
(i) Recycled	857.84	926.2
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**857.84**	**926.2**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

   Not Applicable. We will not generate any hazardous wastes and toxic chemicals. And all the Non Hazardous and other wastes generated are recycled by an approved State Pollution Control Board recycler.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval /clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
AFL operating facilities is located in the premises which have the requisite building permits and fire departments clearance for carrying out the operations			

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No such project requiring EIA has been undertaken in the current or previous reporting year					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules there under (Y/N). If not, provide details of all such non-compliances, in the following format:

The company is in compliance with all the applicable environmental law/ regulations/ guidelines in India

S.No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	14,00,000 Units	10,06,000 Units
Total fuel consumption (B)	0	0
Energy consumption through other sources ©	0	0
Total energy consumed from renewable sources (A+B+C)	14,00,000 Units	10,06,000 Units
From non-renewable sources		
Total electricity consumption (D)	1516435.2 Mega Joules	604800 Mega Joules
Total fuel consumption (E)	696160 Mega Joules	557840 Mega Joules
Energy consumption through other sources (F)	0	0
Total energy consumed from		
non-renewable sources (D+E+F)	696160 Mega Joules	557840 Mega Joules

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agencies

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Not Applicable	Not Applicable
- No treatment		
_ With treatment-please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment-please specify level of treatment		
(iii) To Seawater		
- No treatment		
_ With treatment-please specify level of treatment		
(iii) To Seawater		
- No treatment		
_ With treatment-please specify level of treatment		
(iv) Sent to third- parties		
- No treatment		
_ With treatment-please specify level of treatment		
(v) Others		
- No treatment		
_ With treatment-please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not applicable

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

The Company is presently working on Scope-1 and Scope-2 emissions

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. – Not applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format**

S.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Utilization of Solar Energy for Corporate office through PPA	Our corporate office is utilizing 14lacs solar units every year through power purchase agreement	Arvind Fashions Limited has reduced 1190 Metric Tonnes of GHG emissions by utilizing Renewable energy every year.
2	Installation of IOTs in the warehouse	AFL has installed IOTs in the warehouse lighting, where the lights will be turned off in no use condition	We have saved 30% of electricity consumption by using Motion sensors lights.

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.** No. However, we plan to develop the same in the coming years
8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard? -** Not Applicable
9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.** - Not applicable

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**
   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No.	Name of the trade and industry chambers /associations	Reach of trade and industry chambers /associations (State / National)
1	RETAILERS ASSOCIATION OF INDIA (RAI)	National
2	RETAILERS ASSOCIATION'S SKILL COUNCIL OF INDIA (RASCI)	
3	INDIA RETAIL FORUM (IRF)	
4	CONFEDERATION OF INDIAN INDUSTRY	

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities. –**

   No issues reported

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	--	--	--	--	--
	--	--	--	--	--

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
No such project requiring SIA has been undertaken in the current or previous reporting year. Hence, not applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:** Not applicable to the nature of business being carried out by the company.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
	Not Applicable	NA		NA		

3. **Describe the mechanisms to receive and redress grievances of the community.**

We actively engage with the local community through various interactions and activities through Investor Relations Department, and through the institutions promoted and partnered by us. The receiving and redressing of any grievance by the local community is done in accordance to the Whistle Blower Policy.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	37%	29%
Sourced directly from within the district and neighboring districts	NA	NA

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
As mentioned previously, no such project requiring SIA has been undertaken in the current or previous reporting year. Not Applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
1	Gujarat	Naroda	16.31 lakhs (Scholarship Assistance to Higher Education Project.)

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No) –** No. However, we purchase from MSME Vendors

   (b) **From which marginalized /vulnerable groups do you procure? –** MSME Vendors

   (c) **What percentage of total procurement (by value) does it constitute? –** Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NA	NA	NA	NA	NA

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
NA	NA	NA

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	SHARADA TRUST - Scholarship Assistance to Higher Education Project".	178	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaint and feedback.**

The Company has a Customer Care team which is available through dedicated phone numbers, Email, Website to enable customers to log any complaints or feedbacks. Customer can also provide feedback through Social Media, which gets picked up by our concerned team for necessary action. These complaints are regularly tracked for resolution.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about**

	As a percentage of total turnover
Environmental and social parameters relevant to the product	NIL
Safe and responsible usage	All products has instructions for safe and responsible usage
Recycling and/or safe disposal	Not yet calculated

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, Arvind Fashions Limited has an information security policy and the purpose of this policy is to state the organizations directive towards data confidentially and to ensure adequate safeguards to prevent misuse or loss of information. AFL has taken adequate precautions for the protection of data and has ensured that information related to its employees is secure. Appropriate controls are in place to prevent unauthorized disclosure or modification.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No such incident related to the mentioned topics has been reported

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The information relating to the products are available on the website of the Company www.arvindfashions.com. It is also available on various digital platforms and social media.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Every product comes with a necessary tag and a wash care label which gives a necessary information about the product regarding the safe and usage

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Yes, as part of the Company's ERP system, contact details such as email addresses and phone numbers are maintained. This information can be used to intimate them about any risk of disruption or discontinuation of services.

4. **Does the entity Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Yes, as part of the Company's ERP system, contact details such as email addresses and phone numbers are maintained. This information can be used to intimate them about any risk of disruption or discontinuation of services

5. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) –** Yes, Customer feedback is considered as an important factor. Preferences of the customers are considered through their feedbacks at the store levels and through social handles.

6. **Provide the following information relating to data breaches:**

a. Number of instances of data breaches along-with impact - No instance of data breach has been reported.

b. Percentage of data breaches involving personally identifiable information of customers – NIL

Independent Auditor's Report

To The Members of Arvind Fashions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Arvind Fashions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the statement of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
1	**Revenue Recognition: [Assertion- Cut off] and provision for sales return.** Revenue recognition involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point of time and provision for sales return. Cut-off is the key assertion in so far as revenue recognition is concerned. There is a risk that revenue is recognized on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers". Also, Company has contracts with customers which entitles them to right of return. At year end, amount of expected returns that have not yet been settled with the customers are estimated and accrued. Estimating the amount of such accrual at year end is considered a key audit matter due to assumptions and judgments required to be made by management.	**Principal Audit Procedures Performed:** The details of audit procedures performed by us are as follows: • Selected a sample and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • We obtained an understanding of process and evaluated the design and operating effectiveness of key controls over timing of revenue recognition and calculating, reviewing and approving sales returns. • Selected samples and performed the following procedures: - Read, analyzed and identified the distinct performance obligations in these contracts and compared these performance obligations with that identified and recorded by the Company. - For the selected samples, tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues with comparative period. - Analyzed historical trends for returns and held discussions with management to understand changes in provisioning norms/additional provisions made based on management's assessment of market conditions and based on that, we have tested the estimates of

Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
		returns related accruals with underlying documentation such as management approved norms, customer agreements, sales data and customer reconciliations, as applicable. • At the year end, we have performed early and late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexures thereof, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

Other Matters

The comparative financial statements of the Company for the year ended March 31, 2022, have been audited by the joint auditors including us, who had expressed an unmodified opinion thereon as per their reports dated August 18, 2022. Our report on the statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   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, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 25 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 39(iv)(I) to the standalone financial statements,, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities

("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 39(iv)(II) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (iv) (a) and (b) above, contain any material misstatement.

v. As stated in note 43 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No.106189)
(UDIN: 23106189BGVORX4879)

Place : Ahmedabad
Date : May 30, 2023

Annexure "A" To The Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Arvind Fashions Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls With reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements 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 issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No.106189)
(UDIN: 23106189BGVORX4879)

Place : Ahmedabad
Date : May 30, 2023

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

₹ in Crores

Description of property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
	Gross carrying value	Carrying value in the financial statements				
Building	6.94	6.04	Arvind Limited (formerly known as Arvind Mills Limited)	No	Since November 05, 2018	The transfer is in process

(d) The Company has not revalued any of its property, plant and equipment (including Right-of-Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, including the revised submissions made by the Company to its lead bankers based on closure of books of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has made investments in, provided guarantee and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a)The Company has provided loans and stood guarantee during the year and details of which are given below:

₹ in Crores

Particulars		Loans	Guarantees
A.	Aggregate amount granted during the year:		
	- Subsidiaries**	92.50	1032.81
	- Others	0.90	-
B.	Balance outstanding as at balance sheet date in respect of above cases:*		
	- Subsidiaries**	225.43	1111.64
	- Others	0.80	-

*includes opening balances.

** includes amounts invested in Perpetual / non convertible debentures of Subsidiaries

The Company has not provided any advances in the nature of loans to any other entity during the year.

(b) The investments made, guarantees provided, and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) (i) The Company has granted loans to its subsidiaries, which are payable on demand. Accrued interest at every year end is converted to loan as per the agreement. In our opinion, the repayments of principal amounts (when demanded) are regular. In respect of loans granted by the Company to others, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(ii) In respect of loans granted in the nature of Perpetual Debt, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii)(f) below)

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans granted by the Company which have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) During the year, the Company has granted loans which are repayable on demand or without specifying any terms or period of repayment, details of which are given below:

₹ in Crores

Particulars	All Parties (Including related parties)	Related Parties
Aggregate amount loans:	93.40	92.50
- Repayable on demand (A)	77.50	77.50
- Agreement does not specify any terms or period of repayment (B)#	15.00	15.00
Total (A+B)	92.50	92.50
Percentage of loans/advances in nature of loans to the total loans given	99.04%	100%

Perpetual / non convertible debentures, classified under the note of Investments in the financial statements, has been considered as loans without repayment terms for the purpose of above reporting.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Professional tax and TCS.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable except as disclosed with relation to TCS as given below:

₹ in Crores

Name of Statute	Nature of Dues	Amount	Period to which the Amount Relates	Due Date	Date of payment	Remarks, if any
The Income Tax Act, 1961	TCS	0.20	2021-22 2022-23	7th Day of following month	Unpaid	

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

₹ in Crores

Name of Statute	Nature of Dues	Amount	Amount unpaid	Period to which the Amount Relates	Forum where Dispute is pending
The Income Tax Act, 1961	Income Tax	42.37	39.49	2017-18 2018-19 2020-21	Commissioner of Income Tax Appeals
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	0.36	0.15	2016-17	Deputy Commissioner of Commercial Taxes
The Central Sales Tax Act, 1956	Central Sales Tax Act	2.00	1.19	2016-17	Assistant Commissioner of Commercial Taxes (Maharashtra) (Appeals)

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entities or persons on account of or to meet the obligations of its subsidiaries during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2023.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred any cash losses in the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

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

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No.106189)
(UDIN: 23106189BGVORX4879)

Place : Ahmedabad
Date : May 30, 2023

Standalone Balance Sheet as at March 31, 2023

(₹ in Crores)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
I Non-current assets			
(a) Property, Plant and Equipment	5	**16.23**	17.05
(b) Right-of-Use Asset	33	**18.54**	-
(c) Intangible assets	6	**6.54**	10.67
(d) Intangible assets under development	6(a)	**0.30**	-
(e) Financial assets			
(i) Investments	7(a)	**2,129.12**	2,108.26
(ii) Other financial assets	7(f)	**0.18**	5.91
(f) Deferred tax assets (net)	24	**19.35**	19.35
(g) Non-Current tax assets (net)	8	**9.38**	7.95
(h) Other non-current assets	9	**3.91**	19.70
Total non-current assets		**2,203.55**	2,188.89
II. Current assets			
(a) Inventories	10	**27.08**	41.36
(b) Financial assets			
(i) Trade receivables	7 (b)	**242.99**	271.26
(ii) Cash and cash equivalents	7 (d)	**0.05**	1.05
(iii) Bank balance other than (ii) above	7 (e)	**1.16**	1.17
(iv) Loans	7 (c)	**111.23**	44.08
(v) Others financial assets	7 (f)	**0.05**	1.32
(c) Other current assets	9	**114.39**	55.53
Total current assets		**496.95**	415.77
Total Assets		**2,700.50**	2,604.66
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	**53.13**	52.97
(b) Other equity	12	**2,268.96**	2,249.30
Total equity		**2,322.09**	2,302.27
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(a)	**24.16**	37.33
(ii) Lease Liabilities- Non Current	33	**15.85**	-
(iii) Other financial liabilities	13(c)	**2.31**	2.32
(b) Long-term provisions	14	**3.91**	3.32
Total non-current liabilities		**46.23**	42.97
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	**107.90**	54.34
(ii) Lease Liabilities- Current	33	**3.74**	-
(ii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	13 (b)	**9.93**	8.28
-Total outstanding dues of creditors other than micro enterprises and small enterprises	13 (b)	**184.84**	163.00
(iv) Other financial liabilities	13 (c)	**12.55**	12.83
(b) Other current liabilities	15	**12.83**	19.82
(c) Short-term provisions	14	**0.39**	1.15
Total current liabilities		**332.18**	259.42
Total Equity and Liabilities		**2,700.50**	2,604.66
Significant Accounting Policies	3		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 30, 2023

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru
Date: May 30, 2023

Girdhar Chitlangia
Chief Financial Officer
Place: Bengaluru
Date: May 30, 2023

Lipi Jha
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Standalone Statement of profit and loss for the year ended March 31, 2023

(₹ in Crores)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
I. Income			
Revenue from operations			
Sale of Products	16	**740.09**	513.60
Operating Income	16	**0.48**	0.41
Revenue from operations		**740.57**	514.01
Other income	17	**18.02**	9.44
Total income (I)		**758.59**	523.45
II. Expenses			
Purchases of stock-in-trade	18	**506.46**	254.27
Changes in inventories of stock-in-trade	19	**14.28**	67.52
Employee benefits expense	20	**56.67**	50.72
Finance costs	21	**15.52**	12.36
Depreciation and amortisation expense	22	**14.56**	18.07
Other expenses	23	**141.00**	111.63
Total expenses (II)		**748.49**	514.57
III. Profit/(Loss) before tax (I-II)		**10.10**	8.88
IV. Tax expense	24		
Current tax		**-**	-
(Excess)/short provision related to earlier years		**-**	1.20
Deferred tax charge / (credit)		**0.24**	0.24
Total tax expense		**0.24**	1.44
V. Profit/(Loss) for the year (III-IV)		**9.86**	7.44
VI. Other comprehensive income			
Items that will not to be reclassified to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans	29	**(0.68)**	(0.68)
Income tax effect	24	**0.24**	0.24
Total other comprehensive income/(loss) for the year		**(0.44)**	(0.44)
VII. Total comprehensive income for the year, net of tax (V+VI)		**9.42**	7.01
VIII. Earnings per equity share			
Nominal Value per share - Rs. 4 (Previous Year Rs. 4)			
Basic - Rs.		**0.74**	0.61
Diluted - Rs.		**0.74**	0.61
Significant Accounting Policies	3		

The accompanying notes are an integral part of these Standalone financial statements.

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 30, 2023

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru
Date: May 30, 2023

Girdhar Chitlangia
Chief Financial Officer
Place: Bengaluru
Date: May 30, 2023

Lipi Jha
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Standalone Statement of cash flows for the year ended March 31, 2023

(₹ in Crores)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**Operating activities**		
	Profit/(Loss) after taxation	9.86	7.44
	Adjustments to reconcile profit/(loss) before tax to net cash flows:		
	Depreciation and Amortisation	14.56	18.07
	Interest Income	(6.27)	(4.05)
	Tax Expenses	0.24	1.44
	Finance Cost	15.52	12.36
	Financial guarantee commission	(4.43)	(4.44)
	Allowance/ (Reversal) of doubtful debts	(6.18)	6.37
	Unrealised Foreign Exchange Difference	(0.22)	0.03
	Stamp Duty on Demerger	-	(5.50)
	(Profit)/Loss on Sale of Property, Plant & Equipment	(0.02)	(0.72)
	Provision for Non-moving Inventory and Returnable assets	9.45	0.36
	Unclaimed liability written off	(0.99)	-
	Share based payment expense	3.34	4.16
	Operating Profit before Working Capital Changes	34.86	35.52
	Adjustments for changes in working capital :		
	(Increase)/Decrease in Inventories	4.82	67.08
	(Increase)/Decrease in Trade receivables	34.49	(158.05)
	(Increase)/Decrease in Other assets	(59.56)	(12.04)
	(Increase)/Decrease in Other financial assets	7.01	8.49
	Increase/(Decrease) in Trade payables	23.88	(34.89)
	Increase/(Decrease) in Other current liabilities	(6.99)	9.04
	Increase/(Decrease) in Other financial liabilities	1.70	0.91
	Increase/(Decrease) in Provisions	(0.62)	(0.19)
	Net Changes in Working Capital	4.73	(119.65)
	Cash Generated from Operations	39.59	(84.13)
	Direct Taxes paid (Net of Income Tax refund)	(1.67)	(3.16)
	Net Cash Flow from Operating Activities (A)	37.92	(87.29)
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant & Equipment and Intangible assets	(6.22)	(4.24)
	Proceeds from disposal of Property, Plant & Equipment	0.10	0.87
	Changes in Capital Advances	16.50	(16.50)
	Purchase of Investments	(15.00)	(348.00)
	Changes in other bank balances not considered as cash and cash equivalents	0.01	(1.10)
	Loans (given)/received back (net)	(60.89)	3.07
	Interest Received	0.01	0.01
	Net Cash used in Investing Activities (B)	(65.49)	(365.89)
C	**Cash Flow from Financing Activities**		
	Proceeds from Issue of share capital	5.42	499.82
	(Repayment) from long term borrowings (net)	(12.74)	(12.06)
	Proceeds from short term borrowings (net)	53.14	(19.57)
	Finance Cost Paid	(14.81)	(14.61)
	Payment for Unpaid Fractional Shares	(0.01)	-
	Repayment of lease liabilities	(4.43)	-
	Net Cash used in Financing Activities (C)	26.57	453.58
	Net Increase/(Decrease) in cash & cash equivalents	(1.00)	0.40

Standalone Statement of cash flows for the year ended March 31, 2023 (Contd.)

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2023
Cash & Cash equivalent at the beginning of the year	**1.05**	0.65
Cash & Cash equivalent at the end of the year	**0.05**	1.05
Figures in brackets indicate outflows.		

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash and cash equivalents comprise of: (Refer Note 7(d))		
Cash on Hand	**-**	-
Balances with Banks	**0.05**	1.05
Cash and cash equivalents	**0.05**	1.05

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from financing activity	Note No.	As at April 1 2022	Net cash flows	Non Cash Changes		As at March 31, 2023
				Impact of Ind AS 116	Other changes *	
Borrowings:						
Long term borrowings	13 (a)	50.05	(12.74)	-	-	37.31
Short term borrowings	13 (a)	41.62	53.14	-	-	94.75
Interest accrued on borrowings	13 (c)	2.34	(2.34)	-	0.56	0.56
Lease liabilities	33	-	(4.43)	24.02	-	19.59
Total		**94.01**	**33.63**	**24.02**	**0.56**	**152.21**

* The same relates to amount charged in statement of profit and loss accounts.

Notes: 1) The standalone cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 30, 2023

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru
Date: May 30, 2023

Girdhar Chitlangia
Chief Financial Officer
Place: Bengaluru
Date: May 30, 2023

Lipi Jha
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Standalone Statement of changes in equity for the year ended March 31, 2023

Statement of changes in Equity

(₹ in Crores)

A. Equity share capital

Balance	Amount
As at April 1, 2021	**42.43**
Add: Issue of fully paid up shares (Refer Note 11.5)	7.32
Add: Issue of partly paid up shares (Refer Note 11.6)	2.95
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32)	0.27
As at March 31, 2022	**52.97**
Add: Issue of partly paid up shares (Refer Note 11.6)	0.01
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32)	0.15
As at March 31, 2023	**53.13**

B. Other equity

Particulars	Attributable to the equity holders				
	Reserves and Surplus				Total equity
	Share Based Payment Reserve	Securities premium	Retained Earnings	Capital Reserve	
	Note 12	Note 12	Note 12	Note 12	
Balance as at April 1, 2021	**11.23**	**1,651.88**	**44.05**	**45.39**	**1,752.55**
Profit/ (Loss) for the year	-	-	7.44	-	7.44
Other comprehensive income/(loss) for the year	-	-	(0.43)	-	(0.43)
Total Comprehensive income/(loss) for the year	**-**	**-**	**7.01**	**-**	**7.01**
Addition during the year	5.95	493.62	-	-	499.57
Utilisation during the year (Refer note 12(a))	-	-	-	(5.50)	(5.50)
Equity issue expenses adjusted during the year (Refer Note 11.6)	-	(4.33)	-	-	(4.33)
Transfer to securities premium	(4.36)	-	-	-	(4.36)
Transfer from share based payment reserve	-	4.36	-	-	4.36
Balance as at March 31, 2022	**12.82**	**2,145.53**	**51.06**	**39.89**	**2,249.30**
Balance as at April 1, 2022	**12.82**	**2,145.53**	**51.06**	**39.89**	**2,249.30**
Profit/ (Loss) for the year	-	-	9.86	-	9.86
Other comprehensive income/(loss) for the year	-	-	(0.44)	-	(0.44)
Total Comprehensive income/(loss) for the year	**-**	**-**	**9.42**	**-**	**9.42**
Addition during the year	4.99	5.26		-	10.25
Utilisation during the year (Refer note 12(a))	-	-	-	-	-
Equity issue expenses adjusted during the year (Refer Note 11.6)	-	-	-	-	-
Transfer to securities premium	(1.66)	-	-	-	(1.66)
Transfer from share based payment reserve	-	1.66	-	-	1.66
Balance as at March 31, 2023	**16.15**	**2,152.45**	**60.48**	**39.89**	**2,268.96**

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 30, 2023

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru
Date: May 30, 2023

Girdhar Chitlangia
Chief Financial Officer
Place: Bengaluru
Date: May 30, 2023

Lipi Jha
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Notes to the Standalone Financial Statement As At and for The Year Ended 31st March, 2023

1. **Corporate Information**

Arvind Fashions Limited ("the Company") is a public limited company incorporated in India under the provisions of the Companies Act, 2013 and has its registered office at Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 having CIN L52399GJ2016PLC085595. The Company has its primary listings on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("the Stock Exchanges"). The Company is in the business of marketing and distribution of branded apparels and accessories.

The Company's Standalone Financial Statements have been approved by Board of Directors in the meeting held on May 30, 2023.

2. **Statement of Compliance and Basis of Preparation**

2.1 Basis of Preparation and Presentation and Statement of Compliance

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements comprising of Standalone Balance Sheet, Standalone Statement of Profit and Loss including other comprehensive income, Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows as at March 31, 2023 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III of the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to Standalone Financial Statement.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Previous year numbers are regrouped or reclassified, where necessary to comply with the amendment. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

2.2 Historical Cost Convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;

2.3 Rounding off

The Standalone Financials Statement have been prepared in Indian Rupees (INR) and all the values are rounded to nearest crores as per the requirement of Schedule III, except when otherwise indicated. Figures less than Rs 50,000 which are required to be shown separately, have been shown in actual brackets.

3. **Summary of Significant Accounting Policies**

The following are the significant accounting policies applied by the Company in preparing its Standalone Financial Statements consistently to all the periods presented:

3.1. Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the 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 equivalent 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 current when:

- It is expected to be settled in the 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.

The Company classifies all other liabilities as non-current.

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

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. For the purpose of current/non-current classification of assets, the company has ascertained its normal operating cycle as twelve months.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.3. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Company after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

3.4. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. 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.

3.5. Fair value measurement

The Company measures financial instruments such as derivatives at fair value at the end of each reporting period.

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:

- In the principal market for the asset or liability

Or

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

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

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

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

  The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

  The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement.

  At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

  Management compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

  For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

  This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Financial instruments (including those carried at amortised cost)

3.6. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful life and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful life of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for following assets category as shown in Table below.

Asset	Estimated Useful Life
Buildings	30 Years
Plant & Machinery	6 to 15 Years
Office Equipment	6 to 8 Years
Furniture & Fixture	6 to 9 Years
Motor Cars	4 Years

However, Leasehold Improvements have been depreciated considering the lease term or useful life whichever is lower.

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful life for these assets are different from the useful life as prescribed under Part C of Schedule II to the Companies Act 2013. Any change in useful life are being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (major components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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

3.7. Leases

The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows.

3.8. Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 or sale are capitalised as part of the cost of the respective asset.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

3.9. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful life of intangible assets are assessed as finite.

Intangible assets with finite life are amortised over their 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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite life is recognised in the Statement of Profit and Loss.

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

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

Intangible assets under development comprises cost of development cost and other operating cost incurred during development phase and ready for their intended use at the balance sheet date.

Amortisation

Value of License Brands/License fees acquired under demerger scheme has been amortized on Straight Line basis over the period of 10 years.

Technical Process Development has been amortized on Straight Line basis over the period of 6 years and Product Development has been amortized on Straight Line basis over the period of 3 to 5 years.

Software and Website are depreciated over management estimate of its useful life of 5 years.

3.10. Inventories

Trims and Accessories, Stock-in-trade and Packing Materials are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Trims and Accessories: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Stock in Trade: 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 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.

3.11. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful life are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.12. Revenue Recognition

The Company derives revenues primarily from sale of traded goods and related services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

i. Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refundable liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

ii. Discounts

Discounts are offset against amounts payable by the customer. To estimate the variable consideration for the expected future discounts, the Company applies the expected value method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

b) Contract balances

i. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (3.13) Financial instruments – initial recognition and subsequent measurement.

iii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

c) Assets and liabilities arising from returns

i. Returnable asset

Returnable asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decrease in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decrease in the value of the returned products.

ii. Refundable Liabilities

A Refundable Liabilities is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of Refundable Liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

d) Sale of goods – customer loyalty programme (deferred revenue)

The Company operates a loyalty point programme which allows customers to accumulate points when they purchase the products. The points can be redeemed for free products, subject to a minimum number of points being obtained. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

e) Gift Vouchers

The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) when redeemed or to revenue (sale of services) on expiry.

f) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

g) Profit or loss on sale of Investments

Profit or Loss on sale of investments is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

h) Insurance claims

Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

i) Export Incentive

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.

3.13. Financial instruments – initial recognition and subsequent measurement

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.

a) Financial assets

(i) Initial recognition and measurement of financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- **Financial assets at amortised cost:**

A financial asset is measured at amortised cost if:

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Financial assets at fair value through other comprehensive income**

  A financial asset is measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

- **Financial assets at fair value through profit or loss**

  FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

  After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

b) Equity instruments:

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(iii) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(v) Impairment of financial assets

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 109 and Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and Ind AS 115, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and Ind AS 115 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
- Right Of Use Assets resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and ROU Assets: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.14. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

3.15. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current 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.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method 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 liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.16. Employee Benefit

a) Short Term Employee Benefit

All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

c) Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

d) Termination Benefits:

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

3.17. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.18. Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3.19. Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Standalone Financial Statements.

Contingent assets are not recognised but disclosed in the Standalone Financial Statements when an inflow of economic benefits is probable.

3.20. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.21. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

3.22. Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item.

4. Critical accounting Judgements and key source of estimation uncertainty

The preparation of the Standalone financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities and income and expenses that are not readily apparent from other sources. Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and / or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1 Revenue recognition

The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Company has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Company has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

4.2 Customer loyalty program reward points

Customer loyalty program reward points having a predetermined life are granted to customers when they make purchases. The fair value of the consideration on sale of goods resulting in such award credits is allocated between the goods supplied and the reward point credits granted. The consideration allocated to the reward point credits is measured by reference to fair value from the standpoint of the holder and revenue is deferred. The Company at the end of each reporting period estimates the number of points redeemed and that it expects will be further redeemed, based on empirical data of redemption / lapses, and revenue is accordingly recognised.

4.3 Provision for discount and sales return

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

4.4 Defined benefit plans

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

The parameter most subject to change is the discount rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

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

Further details about defined benefit obligations are provided in Note 29.

4.5 Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

4.6 Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The expenses recognised for share-based payment transactions are disclosed in Note 32.

4.7 Taxes

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

The Company has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax credits carried forward and unused losses carried forward.

Further details on taxes are disclosed in Note 24.

4.8 Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete / slow-moving inventory items.

4.9 Useful life of Property, Plant and Equipment and Intangible assets

The Company reviews the estimated useful life of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended March 31, 2023, there were no changes in useful life of property plant and equipment and intangible assets other than

(a) useful life of leasehold improvements which have been considered lower of the lease term or useful life and (b) those resulting from store closures / shifting of premises.

4.10 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the 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 of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4.11 Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company.

Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the Standalone Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 14 and 25).

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 5 : Property, plant and equipment

Particulars	Buildings	Plant & machinery	Furniture & fixture	Vehicles	Leasehold Improvements	Office Equipment	Computer, server & network	Total
Gross Carrying Value								
As at April 01, 2021	**6.94**	**5.05**	**10.70**	**1.11**	**3.09**	**0.61**	**7.24**	**34.74**
Additions	-	0.01	2.40	0.82	0.84	0.02	0.09	4.18
Deductions	-	-	-	0.33	0.49	0.13	0.12	1.07
As at March 31, 2022	**6.94**	**5.06**	**13.10**	**1.60**	**3.44**	**0.50**	**7.21**	**37.85**
Additions	-	0.08	3.46	1.06	1.06	0.25	0.01	5.92
Deductions	-	0.03	-	0.52	-	-	0.01	0.56
As at March 31, 2023	**6.94**	**5.11**	**16.56**	**2.14**	**4.50**	**0.75**	**7.21**	**43.21**
Accumulated Depreciation								
As at April 01, 2021	**0.47**	**3.77**	**4.55**	**0.42**	**1.68**	**0.33**	**2.59**	**13.81**
Depreciation for the year	0.21	1.11	2.69	0.38	0.91	0.17	2.35	7.82
Deductions	-	-	-	0.18	0.48	0.09	0.08	0.83
As at March 31, 2022	**0.68**	**4.88**	**7.24**	**0.62**	**2.11**	**0.41**	**4.86**	**20.80**
Depreciation for the year	0.22	0.13	3.14	0.39	0.73	0.22	1.83	6.66
Deductions	-	0.02	-	0.45	-	-	0.01	0.48
As at March 31, 2023	**0.90**	**4.99**	**10.38**	**0.56**	**2.84**	**0.63**	**6.68**	**26.98**
Net Carrying Value								
As at March 31, 2023	**6.04**	**0.12**	**6.18**	**1.58**	**1.66**	**0.12**	**0.53**	**16.23**
As at March 31, 2022	**6.26**	**0.18**	**5.86**	**0.98**	**1.33**	**0.09**	**2.35**	**17.05**

Notes:

1) For Properties pledge as security Refer Note 13 (a).

2) Title deeds of Immovable Properties are not held (as mentioned below) in name of the Company (Other than properties where the Company is Lessee and where the lease agreements are duly executed in favour of the Company).

Following is the details of immovable property not held in the name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held	Reason for not being held in the name of the company
Property, plant and equipment	Building	6.94	Arvind Limited (formerly known as Arvind Mills Limited)	No	Since November 05, 2018.	The Transfer is in process

Notes to the Standalone Financial Statements

Note 6: Intangible assets

(₹ in Crores)

Particulars	Computer Software	Technical Process development	Product Develo-pment	Website	Total Intangible assets
Gross Carrying Value					
As at April 01, 2021	**11.16**	**8.00**	**12.59**	**2.46**	**34.21**
Additions	0.14	-	-	-	0.14
Deductions	0.01	8.00	4.50	-	12.51
As at March 31, 2022	**11.29**	**-**	**8.09**	**2.46**	**21.84**
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at March 31, 2023	**11.29**	**-**	**8.09**	**2.46**	**21.84**
Amortisation					
As at April 01, 2021	**2.77**	**4.26**	**4.34**	**2.06**	**13.43**
Amortisation for the Year	2.54	3.74	3.57	0.40	10.25
Deductions	0.01	8.00	4.50	-	12.51
As at March 31, 2022	**5.30**	**-**	**3.41**	**2.46**	**11.17**
Amortisation for the Year	2.93	-	1.20	-	4.13
Deductions	-	-	-	-	-
As at March 31, 2023	**8.23**	**-**	**4.61**	**2.46**	**15.30**
Net Carrying Value					
As at March 31, 2023	**3.06**	**-**	**3.48**	**-**	**6.54**
As at March 31, 2022	**5.99**	**-**	**4.68**	**-**	**10.67**

Note 6(a) : Intangible assets under development

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31st March, 2023					
Project in Progress	0.30	-	-	-	0.30
As on 31st March, 2022					
Project in Progress	-	-	-	-	-

Notes to the Standalone Financial Statements

Note 7 : Financial assets

(₹ in Crores)

7 (a) Investments

Particulars	Face Value per share in ₹	As at March 31, 2023	As at March 31, 2022
Non-current investment			
Investment in equity shares (fully paid up)			
Subsidiaries - measured at cost (Unquoted)			
Arvind Lifestyle Brands Limited (Refer Note 1, 2 and 3 below) (March 31, 2023: 15,75,00,000, March 31, 2022: 15,75,00,000)	10	**1,717.99**	1,713.69
Arvind Beauty Brands Retail Private Limited (Refer Note 1 and 2 below) (March 31, 2023 : 89,39,488, March 31, 2022 : 89,39,488)	10	**134.01**	133.73
PVH Arvind Fashion Private Limited (Refer Note 2 below) (March 31, 2023: 25,01,589 , March 31 2022: 25,01,589)	10	**116.32**	115.76
Arvind Youth Brands Private Limited (Refer Note 1, 2 and 3 below) (March 31, 2023:4,46,32,600 , March 31, 2022:4,46,32,600)	10	**45.80**	45.08
Total equity Investments		**2,014.12**	2,008.26
Investment in Perpetual Non Convertible Debentures (Refer Note 5 below)			
10,00,00,000 (Previous year: 10,00,00,000) 8% Unsecured Perpetual Non-Convertible Debentures of Rs.10 Each of Arvind Lifestyle Brands Limited		**100.00**	100.00
1,50,00,000 (Previous year: Nil) 8% Unsecured Perpetual Non-Convertible Debentures of Rs.10 Each of Arvind Beauty Brands Retail Private Limited		**15.00**	-
Total Investments		**115.00**	100.00
Total Investments		**2,129.12**	2,108.26
Aggregate amount of quoted investments		-	-
Aggregate amount of unquoted investments		**2,129.12**	2,108.26
Aggregate impairment in value of investment		-	-

Note 1: Increase in the cost of investment during the year includes recognition of cost of ESOPs issued to Employees of Subsidiaries. The same is detailed below:

Subsidiaries	2022-23	2021-22
Arvind Lifestyle Brands Limited	**1.26**	0.63
Arvind Youth Brands Private Limited	**0.21**	0.09
Arvind Beauty Brands Retail Private Limited	**0.16**	1.08

Note 2: Increase in the Cost of investment during the year includes recognition of Notional Commission on Fair Valuation of Financial Guarantee provided for loan taken by subsidiary. The same is detailed below:

Subsidiaries	2022-23	2021-22
Arvind Lifestyle Brands Limited	**3.04**	3.22
Arvind Youth Brands Private Limited	**0.51**	0.27
Arvind Beauty Brands Retail Private Limited	**0.12**	0.12
PVH Arvind Fashion Private Limited	**0.56**	0.55

Note 3: The Company has pledged 5,07,26,265 equity shares of Arvind Lifestyle Brands Limited as a security against working capital loans availed by the Company and Arvind Lifestyle Brands Limited.

The Company has pledged 2,56,97,557 equity shares of Arvind Youth Brands Retail Private Limited as a security against working capital loans availed by the Company.

Notes to the Standalone Financial Statements

(₹ in Crores)

7 (a) Investments (contd.)

Note 4: The Company has complied with the requirement with respect to number of layers prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

Note 5: Investment in Perpetual Non Convertible Debentures / Perpetual Debt is redeemable / Payable at issuer's option and can be deferred indefinitely.

7 (b) Trade receivables - Current

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	436.40	372.89
Significant increase in Credit Risk	-	-
Credit Impaired	13.46	19.64
Less: Allowance for doubtful debts	(13.46)	(19.64)
	436.40	372.89
Less: Refund liability - Refer Note 3 below	(193.41)	(101.63)
Total Trade receivables	242.99	271.26

Notes:

1) No trade receivables are due from directors or other officers of the Company either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.
2) Trade receivables are given as security for borrowings as disclosed under Note 13(a).
3) Refund liability are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.

Allowance for doubtful debts

Company has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix.

Movement in allowance for doubtful debt :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	19.64	13.27
Add : Allowance for the year	-	6.37
Less : Provision for doubtful debts -written back	(6.18)	-
Balance at the end of the year	13.46	19.64

Trade Receivables Ageing Schedule:
As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
"Undisputed Trade receivables - Considered Good"	366.16	67.50	1.60	0.81	0.32	-	436.39
"Undisputed Trade receivables - credit impaired"	-	-	3.76	0.56	1.49	1.39	7.20
"Disputed Trade receivables - credit impaired"	-	-	0.11	0.01	3.62	2.53	6.27
Total	**366.16**	**67.50**	**5.47**	**1.38**	**5.43**	**3.92**	**449.86**
Less: Allowance for doubtful debts							13.46
Less: Refundable Liability							193.41
Net Trade Receivables							**242.99**

Notes to the Standalone Financial Statements

(₹ in Crores)

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
"Undisputed Trade receivables - Considered Good"	176.75	186.31	9.83	-	-	-	372.89
"Undisputed Trade receivables - credit impaired"	-	-	0.13	13.76	1.49	-	15.38
"Disputed Trade receivables - credit impaired"	-	-	-	1.73	2.53	-	4.26
Total	**176.75**	**186.31**	**9.96**	**15.49**	**4.02**	**-**	**392.53**
Less: Allowance for doubtful debts							19.64
Less: Refundable Liability							101.63
Net Trade Receivables							**271.26**

7 (c) Loans

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Current		
Loans to related parties (Refer Note 32)	**110.43**	43.29
Loans to employees	**0.80**	0.78
	111.23	44.08
Total Loans	**111.23**	44.08

Notes: 1) No loans are due from directors or promoters of the Company either severally or jointly with any person.

Loans to related parties that are repayable on demand

Type of Borrower	Year ended March 31, 2023		Year ended March 31, 2022	
	Loan Outstanding	Loan Outstanding (%)	Loan Outstanding	Loan Outstanding (%)
Related Parties	**110.43**	**99.28%**	43.29	98.21%

7 (d) Cash and cash equivalent

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	**-**	-
Balance with Bank		
Current accounts and debit balance in cash credit accounts	**0.05**	1.05
Total cash and cash equivalents	**0.05**	1.05

7 (e) Other bank balance

Particulars	As at March 31, 2023	As at March 31, 2022
In Deposit Account		
Earmarked Balance - Unpaid Fractional Shares and Rights Issue	**1.04**	1.05
Held as Margin Money*	**0.12**	0.12
Total other bank balances	**1.16**	1.17

* Under lien with bank as Security for Guarantee Facility

Notes to the Standalone Financial Statements

(₹ in Crores)

7 (f) Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise specified)		
Non-current		
Security deposits	**0.18**	5.91
	0.18	5.91
Current		
Security deposits	**-**	1.28
Others	**0.05**	0.04
	0.05	1.32
Total other financial assets	**0.23**	7.23

Notes: 1) Other current financial assets are given as security for borrowings as disclosed under Note 13(a).

7 (g) Financial assets by category

Particulars	Cost	FVTPL	FVOCI	Amortised cost
March 31, 2023				
Investments				
- Equity shares	2,014.12	-	-	-
- Perpetual Debentures	-	-	-	115.00
Trade receivables	-	-	-	242.99
Loans	-	-	-	111.23
Cash & Bank Balances	-	-	-	1.21
Other Financial Assets	-	-	-	0.23
Total Financial assets	**2,014.12**	**-**	**-**	**470.66**
March 31, 2022				
Investments				
- Equity shares	2,008.26	-	-	-
- Perpetual Debentures	-	-	-	100.00
Trade receivables	-	-	-	271.26
Loans	-	-	-	44.08
Cash & Bank Balances	-	-	-	2.22
Other Financial Assets	-	-	-	7.23
Total Financial Assets	**2008.26**	**-**	**-**	**424.79**

Notes :

1. Financial instruments risk management objectives and policies, refer Note 37.
2. Fair value disclosure for financial assets and liabilities, refer note 35 and fair value hierarchy disclosures refer note 36.

Note 8 : Non-Current Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current Tax Assets (Net)		
Tax Paid in Advance (Net of Provision)	**9.38**	7.95
Total	**9.38**	7.95

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 9 : Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Non-current		
Sales tax paid under protest	**3.89**	3.18
Capital advances	**0.02**	16.52
	3.91	19.70
Current		
Advance to suppliers	**15.71**	5.05
Advance to employee	**0.08**	0.15
Balance with Government Authorities (Refer Note 1 below)	**6.30**	0.41
Export incentive receivable	**0.68**	0.46
Returnable Asset	**72.32**	41.39
Prepaid expenses	**0.86**	0.84
Other Current Asset	**18.44**	7.23
	114.39	55.53
Total	**118.30**	75.23

Notes :

1. Balance with Government Authorities mainly consist of input credit availed.
2. Other current assets are given as security for borrowings as disclosed under Note 13(a).
3. Returnable Asset are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.
4. No advances are due from directors or promoters of the Company either severally or jointly with any person.
5. Returnable Assets are accounted, considering the nature of inventory expected to be received, ageing and net realisable value. Accordingly Rs. 15.88 Crores (March 31, 2022 Rs. 7.66 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement.
6. Other current assets represents Goods and Service Tax paid on refund liability component.

Note 10 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Stock-in-trade (Garments and Accessories)	**27.08**	41.36
Total	**27.08**	41.36

Notes:

1) Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for Rs. 6.89 Crores (Previous year Rs. 8.59 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss

2) Inventories are given as security for borrowings as disclosed under Note 13(a)

Note 11 : Equity share capital:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹in Crores	No. of shares	₹in Crores
Authorised share capital Equity shares of Rs. 4 each (March 31, 2022: Rs. 4 each)	**18,75,00,000**	**75.00**	18,75,00,000	75.00
Issued and subscribed share capital Equity shares of Rs. 4 each (March 31, 2022: Rs. 4 each)	**13,28,25,660**	**53.13**	13,24,61,813	52.97
Subscribed and fully paid up Equity shares of Rs. 4 each (March 31, 2022: Rs. 4 each)	**13,28,00,971**	**53.12**	13,24,10,948	52.96
Subscribed and partly paid up Equity shares of Rs. 2 each (March 31, 2022: Rs. 2 each)	**24,689**	**(Rs.49,378/-)**	50,865	0.01
Total	**13,28,25,660**	**53.13**	13,24,61,813	52.97

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 11 : Equity share capital (Contd.)

11.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	**As at March 31, 2023**		As at March 31, 2022	
	No. of shares	**₹in Crores**	No. of shares	₹in Crores
At the beginning of the period	**13,24,61,813**	**52.97**	11,34,87,487	42.43
Add: Issue of fully paid up shares (Refer Note 11.5)	**-**	**-**	1,83,06,624	7.32
Add: Issue of partly paid up shares (Refer Note 11.6)	**-**	**0.01**	-	2.95
"Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32)"	**3,63,847**	**0.15**	6,67,702	0.27
Outstanding at the end of the period	**13,28,25,660**	**53.13**	13,24,61,813	52.97

11.2. Rights, Preferences and Restrictions attached to the equity shares :

The Company has one class of shares referred to as equity shares having a par value of Rs. 4 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.

11.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the Shareholder	**As at March 31, 2023**		As at March 31, 2022	
	No. of shares	**% of share holding**	No. of shares	% of share holding
Aura Securities Private Limited	**4,36,18,605**	**32.84%**	4,36,18,605	32.93%
ICICI Prudential Mutual fund				
- Through its various mutual fund schemes	**1,00,23,233**	**7.55%**	97,83,459	7.39%
Plenty Private Equity Fund I Limited	**75,10,649**	**5.65%**	75,10,649	5.67%
Akash Bhanshali	**73,17,553**	**5.51%**	80,09,153	6.05%

Notes to the Standalone Financial Statements

(₹ in Crores)

11.4. Shareholding of Promoters

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of total shares	'% change during the year	No. of shares	% of total shares	% change during the year
Aura Securities Private Limited	4,36,18,605	32.84%	0%	4,36,18,605	32.93%	1%
Aura Merchandise Private Limited	18,30,701	1.38%	0%	18,30,701	1.38%	4817534%
Atul Limited	15,96,105	1.20%	0%	15,96,105	1.20%	0%
Aura Business Ventures LLP	10,36,706	0.78%	0%	10,36,706	0.78%	231%
Aagam Holdings Private Limited	7,25,553	0.55%	0%	7,25,553	0.55%	0%
Anusandhan Investments Limited	44,470	0.03%	0%	44,470	0.03%	0%
Aayojan Resources Private Limited	35,190	0.03%	0%	35,190	0.03%	0%
Adhinami Investment Private Limited	7,153	0.01%	0%	7,153	0.01%	0%
Swati S Lalbhai	3,754	0.00%	0%	3,754	0.00%	0%
Hansa Niranjanbhai	2,279	0.00%	0%	2,279	0.00%	0%
Sunil Siddharth Lalbhai	2,101	0.00%	0%	2,101	0.00%	0%
Badlani Manini Rajiv	-	0.00%	-100%	1,644	0.00%	0%
Vimla S Lalbhai	1,593	0.00%	0%	1,593	0.00%	0%
Taral S Lalbhai	1,573	0.00%	0%	1,573	0.00%	0%
Punit Sanjaybhai	1,544	0.00%	0%	1,544	0.00%	0%
Sanjaybhai Shrenikbhai Lalbhai	641	0.00%	0%	641	0.00%	-1%
Astha Lalbhai	385	0.00%	0%	385	0.00%	0%
Vandana Gupta	-	0.00%	-100%	302	0.00%	0%
Jayshreeben Sanjaybhai Lalbhai	152	0.00%	0%	152	0.00%	0%
Utkarsh Bhikoobhai Shah	-	0.00%	-100%	96	0.00%	0%
Akshita Holdings Private Limited	51	0.00%	0%	51	0.00%	0%
Amit Gupta	-	0.00%	-100%	40	0.00%	-87%
Aura Business Enterprise Private Limited	38	0.00%	0%	38	0.00%	0%
Aura Securities Private Limited	38	0.00%	0%	38	0.00%	0%
Kalpanaben Shripalbhai Morakhia	3	0.00%	0%	3	0.00%	0%
Sunil Siddharth HUF	3	0.00%	0%	3	0.00%	0%
Total	**4,89,08,638**	**36.82%**		4,89,10,720	36.92%	

11.5. Issue of Equity Shares on preferential basis

On 21st August 2021, the Board of Directors approved issuance of equity shares on a preferential basis to various investors. The Company received the approval of shareholders in the extra ordinary general meeting held on 16th September 2021. The Board of Directors approved allotment of 1,83,06,624 fully paid equity shares to various investors at Rs. 218.50 per equity share (of which Rs. 4/- is towards face value and Rs. 214.50 towards premium) on receipt of consideration. There has been no deviation in the use of proceeds of the Preferential Issue, from the Objects stated in the Offer Letter.

11.6. Issue of Shares under Right Issue

On June 21, 2020, the Board of Directors of the Company had approved the revised size of Rights Issue of 3,99,79,347 shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 100 per Rights Equity Shares (including premium of Rs. 96 per Rights Equity Share) in

Notes to the Standalone Financial Statements

(₹ in Crores)

the ratio of 62:91, i.e. 62 Rights Equity Shares for every 91 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. March 18, 2020. On July 24, 2020, the Company has approved the allotment of 3,99,79,347 equity shares of face value Rs. 4/- each to the eligible equity shareholders as fully paid up.

On February 03, 2021, the Board of Directors of the Company and subsequently on February 18, 2021, the Committee of Directors had approved the Rights Issue of 1,48,02,856 equity shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 135 per Rights Equity Shares (including premium of Rs. 131 per Rights Equity Share) in the ratio of 3:20, i.e. 3 Rights Equity Shares for every 20 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. February 24, 2021. On March 25, 2021, the Company has approved the allotment of 1,48,01,776 equity shares of face value Rs. 4/- each to the eligible equity shareholders as partly paid up for an amount of Rs. 70/- per Rights Issue Share received on application (of which Rs. 2/- was towards face value and Rs. 68/- towards premium). The allotment of 1,080 Rights Equity Shares has been kept in abeyance pending regulatory/other clearance. The third reminder to pay first and final call of Rs. 65/- was made in the month of August 2022 and the company has received Rs. 17,01,440/- against 26,176 equity shares (of which Rs. 2/- was towards face value and Rs. 63/- towards premium). As on date the First and Final call payment for 24,689 shares amounting to Rs.0.16 Crores is yet to be received.

Equity Issue expenses of Nil (March 31, 2022 - Rs. 4.33 Crores) has been adjusted against Securities Premium.

11.7. Shares allotted as fully paid up without payment being received in cash during the period of five years immediately preceding the reporting date :

1) The Company has allotted 5,17,23,414 Equity Shares pursuant to the scheme of arrangement during the year 2018-19.

11.8. Shares reserved for issue under options and contracts :

Refer Note 32 for details of shares to be issued under Employee Stock Option Schemes (ESOPs)

11.9. Objective, policy and procedure of capital management:

Refer Note 38.

Note 12 : Other Equity

Balance	As at March 31, 2023	As at March 31, 2022
Reserves & Surplus		
Capital reserve		
Balance as per last financial statements	**39.89**	45.39
Less: Utilised during the year (refer note 12(a) below)	**-**	(5.50)
Balance at the end of the year	**39.89**	39.89
Securities premium account		
Balance as per last financial statements	**2,145.53**	1,651.88
Add: Addition during the year	**5.26**	493.62
Add: Transfer from share based payment reserve	**1.66**	4.36
Less: Equity issue expenses adjusted during the year	**-**	(4.33)
Balance at the end of the year	**2,152.45**	2,145.53
Share based payment reserve (Refer Note 32)		
Balance as per last financial statements	**12.82**	11.23
Add: Addition during the year	**4.99**	5.95
Less: Transfer to Securities Premium Account	**(1.66)**	(4.36)
Balance at the end of the year	**16.15**	12.82
Surplus in statement of profit and loss		
Balance as per last financial statements	**51.06**	44.05
Add: Profit/ (Loss) for the year	**9.86**	7.44
Less: OCI for the year	**(0.44)**	(0.43)
Balance at the end of the year	**60.48**	51.06
Total Reserves & Surplus	**2,268.96**	2,249.30
Total Other equity	**2,268.96**	2,249.30

Notes to the Standalone Financial Statements

Note 12 : Other Equity (Contd.)

(₹ in Crores)

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

a Capital reserve

Capital reserve represents capital reserve on amalgamation/business combination. This reserve arose pursuant to scheme of arrangement and shall not be considered to be reserve created by the Company. Utilisation during the previous year represents the stamp duty paid which is accounted as per the Composite scheme of arrangement for demerger of branded apparel undertaking.

b Securities premium

Securities premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies, Act.

c Share based payment reserve

This reserve relates to share options granted by the Company to its employees (including subsidiary Companies) and erstwhile Holding Company's employee share option plan. Further information about share-based payments to employees is set out in Note 32.

Note 13 : Financial liabilities

13 (a) Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term Borrowings (Refer Note 1(a) below)		
Secured (at amortised cost)		
Term loan from Banks	**24.16**	37.33
Total long-term borrowings	**24.16**	37.33
Short-term Borrowings		
Secured (at amortised cost)		
Current maturities of Long term borrowings (Refer Note 1(a) below)	**13.15**	12.72
Working Capital Loans repayable on demand from Banks (Refer Note 1(b) below)	**94.75**	41.62
Total short-term borrowings	**107.90**	54.34
Total borrowings	**132.06**	91.67

I Secured Borrowings

a Long term including Current Maturities

Particulars	Rate of interest	As at March 31, 2023	As at March 31, 2022	Security	Terms of repayment
Rupee Loans	9.15%	10.88	14.69	Secured against first pari passu charge over the entire fixed assets of the Company both present and future, and second charge is created over the entire stock, receivables and other current assets of the Company both present and future.	Repayable in 22 quarterly installments beginning from September 2019
Rupee Loans	9.25% to 9.50%	25.79	34.38	1. Guaranteed By National Credit Guarantee Trustee Company Ltd. 2. Second Charge on all current assets of borrower both present and future 3. Extension of second ranking charge over existing primary and collateral securities created in favour of the bank including but not limited to hypothecation on present and future stock, book debts and movable fixed assets of the company and assets of the borrower created out of this Facility.	Repayable in 48 Monthly installments beginning from April 2022
Hire Purchase loans	7.70%	0.64	0.98	Secured by hypothecation of related vehicles	Monthly payment of Equated Monthly Installments beginning from the month subsequent to taking the loans.

Notes to the Standalone Financial Statements

(₹ in Crores)

(b) Short term

Particulars	Rate of interest	As at March 31, 2023	As at March 31, 2022	Security	Terms of repayment
Working Capital loans	8.20%	37.60	26.62	First pari passu charge on entire Stock and Receivables of the Company both present and future.	Secured against Pledge 1,75,82,539 shares of Arvind Youth Brands Private Limited.
Working Capital loans	7.85%	28.00	15.00	First pari passu charge on entire Stock and Receivables of the Company both present and future.	
Working Capital loans	9.35%	29.15	-	First pari passu charge on entire Stock and Receivables of the Company both present and future.	Secured against Pledge of 43,75,000 shares of Arvind Lifestyle Brands Limited and 81,15,018 shares of Arvind Youth Brands Private Limited (AYBPL).

2. All necessary charges or satisfaction are registered with ROC within the statutory period.
3. The Company has Fund based and Non-fund based limits of working capital from Banks and Financial Institutions. For the said facility, the revised submissions made by the Company to its lead bankers based on closure of book of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
4. The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

13 (b) Trade Payable

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Acceptances	**54.37**	46.29
Other Trade Payables (Refer Note below)		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	**9.93**	8.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	**130.47**	116.71
Total	**194.77**	171.28

Trade Payables Ageing Schedule:
As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Micro, Small and Medium Enterprises	9.93	-	-	-	-	9.93
Other	180.26	2.97	0.02	0.40	1.19	184.84
Total	**190.19**	**2.97**	**0.02**	**0.40**	**1.19**	**194.77**

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Micro, Small and Medium Enterprises	8.24	0.04	-	-	-	8.28
Other	140.22	20.53	1.43	-	0.82	163.00
Total	**148.46**	**20.57**	**1.43**	**-**	**0.82**	**171.28**

Notes to the Standalone Financial Statements

(₹ in Crores)

Based on the information available, the disclosures as required under section 22 of the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 are presented as follows:

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
	i) Principal	**8.42**	6.16
	ii) Interest	**1.51**	2.13
(b)	the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**-**	-
(c)	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDAct, 2006;	**1.51**	2.13
(d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	**1.51**	2.13
(e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	**1.51**	2.13

13 (c) Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security Deposit	**2.31**	2.13
Financial Guarantee Contract	**-**	0.19
	2.31	2.32
Current		
Interest accrued but not due on borrowings	**0.56**	2.34
Payable to employees	**10.21**	8.71
Payable for capital goods	**0.61**	0.59
Financial Guarantee Contract	**0.13**	0.14
Others*	**1.04**	1.05
	12.55	12.83
Total	**14.86**	15.15

Financial guarantee contract

1) The Company has given the financial guarantee to Banks on behalf of Subsidiary Company.

* This includes Unpaid Fractional Shares Amount of Rs.1.04 Crores (previous year Rs.1.04 Crores) and due for refund for the excess money received on Right Issue of Rs.14,400 (previous year Rs.0.01 Crores)

Notes to the Standalone Financial Statements

13 (d) Financial liabilities by category

(₹ in Crores)

Particulars	FVOCI	FVTPL	Amortised cost
March 31, 2023			
Borrowings	-	-	132.06
Trade payables	-	-	194.77
Security Deposits	-	-	0.18
Payable to employees	-	-	10.21
Financial Guarantee Contract	-	0.13	-
Interest accrued but not due	-	-	0.56
Interest accrued and due	-	-	-
Payable in respect of Capital goods	-	-	0.61
Others	-	-	1.04
Total Financial liabilities	**-**	**0.13**	**339.43**

Particulars	FVOCI	FVTPL	Amortised cost
March 31, 2022			
Borrowings	-	-	91.67
Trade payables	-	-	171.28
Security Deposits	-	-	2.13
Payable to employees	-	-	8.71
Particulars	-	0.33	-
Interest accrued but not due	-	-	2.34
Interest accrued and due	-	-	-
Payable in respect of Capital goods	-	-	0.59
Others	-	-	1.05
Total Financial liabilities	**-**	**0.33**	**277.77**

1. Financial instruments risk management objectives and policies, refer note 37.
2. Fair value disclosure for financial assets and liabilities, refer note 35 and fair value hierarchy disclosures refer note 36.

Note 14: Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term		
Provision for employee benefits (refer note 29)		
Provision for leave encashment	**1.20**	1.01
Provision for Gratuity	**2.71**	2.31
	3.91	3.32
Short-term		
Provision for employee benefits (refer note 29)		
Provision for leave encashment	**0.39**	0.49
Provision for Gratuity	**-**	0.66
	0.39	1.15
Total	**4.30**	4.47

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 15 : Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Advance from customers	**9.10**	7.31
Statutory dues including provident fund and tax deducted at source etc	**2.84**	12.10
Deferred income of loyalty program reward points (Refer note (a) below)	**0.80**	0.38
Deferred Revenue	**0.09**	0.03
Total	**12.83**	19.82

a Deferred income of Loyalty Program Reward Points

The Company has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as per last financial statements	**0.38**	0.35
Provision made during the year(net)	**1.30**	0.45
Less: Redemption made during the year	**0.88**	0.42
Balance at the end of the year	**0.80**	0.38

Note 16 : Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products (Refer note (a) below)	**740.09**	513.60
Operating income		
Export incentives	**0.22**	-
Foreign Exchange fluctuation on Vendors and Customers (Net)	**0.26**	0.25
Royalty	**-**	0.16
	0.48	0.41
Total	**740.57**	514.01

I. Disaggregation of revenue from contracts with customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Revenue based on Geography		
i. Domestic	**727.02**	502.59
ii. Export	**13.55**	11.42
	740.57	514.01
B. Revenue based on Business Segment		
Branded Apparels and accessories	**740.57**	514.01

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 16 : Revenue from operations (Contd.)

II. Reconciliation of Revenue from Operation with Contract Price

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Contract Price	**1,179.49**	905.13
Less:		
Sales Return	**293.06**	340.30
Schemes and Discounts	**144.56**	50.37
Customer Loyalty Program	**1.30**	0.45
Total Revenue from Operations	**740.57**	514.01

(a) In the earlier years, the wholly owned subsidiary of the Company i.e. Arvind Lifestyle Brands Limited (ALBL) had sublicensed its right with respect to "U.S. Polo Assn. footwear brand business" exclusively to the Company under the sublicense Agreement. Pursuant to mutual discussion between the parties i.e. ALBL ("Sub licensor") and the Company ("Sublicensee") the said exclusive Sublicense Agreement stands terminated effective from January 01, 2023. In accordance with the terms of the said Sublicense Agreement, ALBL has exercised its right of buying back of products from the Company at the Company's landing cost.

Note 17 : Other income

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Interest income	**0.01**	0.01
Interest income on ICD	**6.26**	4.04
Financial guarantee commission (Refer note below)	**4.43**	4.44
Profit on sale of Property, Plant & Equipment (Net)	**0.02**	0.72
Liability no longer required - written back	**0.99**	-
Provision for doubtful debts - written back	**6.18**	-
Miscellaneous income	**0.13**	0.23
Total	**18.02**	9.44

Notes

1. The Company has given financial guarantee to Banks on behalf of the subsidiary. Fair value of the financial guarantee has been accounted as liability and amortised over the period of loan as commission income.

Note 18 : Purchases of stock-in-trade

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Branded Apparels and Accessories	**506.46**	254.27
Total	**506.46**	254.27

Note 19 : Changes in inventories

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Stock at the end of the year		
Stock-in-trade	**27.08**	41.36
Stock at the beginning of the year		
Stock-in-trade	**41.36**	108.88
Total	**14.28**	67.52

Notes to the Standalone Financial Statements

Note 20 : Employee benefits expense

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 29)	**49.45**	42.17
Contribution to provident and other funds (Refer Note 29)	**1.95**	2.08
Welfare and training expenses	**1.93**	2.31
Share based payment to employees (Refer Note 32)	**3.34**	4.16
Total	**56.67**	50.72

Note 21 : Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expenses on		
Loans	**8.53**	9.69
Lease liabilities	**1.71**	-
Others	**0.34**	1.54
Other finance cost	**4.94**	1.13
Total	**15.52**	12.36

Note 22 : Depreciation and amortization expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of Property, Plant & Equipment (Refer Note 5)	**6.66**	7.82
Amortization of Intangible assets (Refer Note 6)	**4.13**	10.25
Depreciation of right-of-use-assets (Refer Note 33)	**3.77**	-
Total	**14.56**	18.07

Notes to the Standalone Financial Statements

Note 23 : Other expenses

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel	**0.13**	0.27
Insurance	**0.52**	0.48
Processing charges	**1.01**	0.81
Printing, stationery & communication	**1.06**	1.13
Rent Expenses (Refer Note 33)	**2.03**	4.79
Commission & Brokerage	**2.98**	2.18
Rates and taxes	**2.69**	4.29
Repairs :		
To Building	**0.22**	0.16
To others	**0.20**	0.52
Royalty on Sales*	**44.75**	33.00
Freight, insurance & clearing charge	**5.19**	5.62
Legal & Professional charges	**9.47**	6.07
Computer Expenses	**1.33**	1.31
Conveyance & Travelling expense	**5.21**	2.59
Advertisement and publicity	**26.37**	20.20
Packing Materials Expenses	**0.69**	3.01
Outsourced Services	**24.33**	13.70
Sampling and Testing Expenses	**4.04**	1.71
Director's sitting fees and Commission	**0.49**	0.02
Allowance for doubtful debts -	**-**	6.37
Auditor's remuneration (Refer note 23(a) below)	**0.80**	1.11
Business Conducting Fees	**2.25**	0.02
Bank charges	**0.19**	0.17
Warehouse Charges	**3.40**	0.24
Corporate Social Responsibility Expenses (Refer Note 34)	**0.16**	0.43
Miscellaneous expenses	**1.49**	1.43
Total	**141.00**	111.63

Notes :

*Royalty on sales includes termination fees amounting to Rs. 7.93 Crores for one of the brands.

Note 23(a): Breakup of Auditor's remuneration

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payment to Auditors as :		
Statutory Auditor Fees	**0.75**	0.72
Taxation Matters	**-**	0.13
Company Law Matters	**-**	0.15
Certification Fee	**0.01**	0.05
For reimbursement of expenses	**0.04**	0.06
Total	**0.80**	1.11

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 24 : Income tax

The major component of income tax expense:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statement of Profit and Loss		
Current tax		
Current income tax	-	-
Excess provision related to earlier years	-	1.20
Deferred Tax		
Deferred tax Charge/(Credit)	0.24	0.24
Income tax expense reported in the statement of standalone profit & loss	0.24	1.44

OCI section

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statement to Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	(0.24)	(0.24)
Deferred tax charged to OCI	(0.24)	(0.24)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate:

A) Current tax

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit/(loss) before tax	10.10	8.88
Tax Rate	34.944%	34.944%
Current Tax Expenses on Profit before tax at the enacted income tax rate in India	3.53	3.10
Adjustments		
Expenditure not deductible for Tax	0.06	0.14
Share based Payment Expense	(1.21)	(1.23)
Guarantee Commission Income	(1.55)	(1.55)
Non-recognition of deferred taxes due to absence of probable certainty of reversal in future	-	(0.62)
Other non deductible expense	(0.59)	0.16
Provision related to earlier years	-	1.44
At the effective income tax	0.24	1.44
Effective Income Tax Rate %	2.38%	16.19%

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 24 : Income tax (Contd.)
B) Deferred tax

Particulars	Standalone Balance Sheet	Statement of Standalone Profit & Loss and Other Comprehensive Income	Standalone Balance Sheet	Statement of Standalone Profit & Loss and Other Comprehensive Income
	As at March 31, 2023	Year Ended March 31, 2023	As at March 31, 2022	Year Ended March 31, 2022
Accelerated depreciation for tax purposes	7.79	(2.78)	5.01	-
Expenditure allowable on payment basis over the period	2.06	0.06	2.12	0.14
Expenses on Employee Stock Option	2.04	(1.17)	0.87	-
Allowance for Doubtful Receivables/Advances	0.31	2.23	2.54	-
Amortisation of Preliminary Expenses	-	-	-	(0.13)
Unused tax credit available for offsetting against future taxable income (MAT credit entitlement)	6.35	-	6.35	-
Unabsorbed Depreciation and Business Loss	(0.58)	3.04	2.46	-
Impact of Ind AS 116	1.39	(1.39)	-	-
Others	(0.01)	0.01	-	(0.01)
Net deferred tax assets/(liabilities)	**19.35**	**-**	**19.35**	**-**

Note :

(i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(ii) The Company has unused carried forward losses of Rs.35.68 Crores as at March 31, 2023 (March 31, 2022: Rs.41.78 Crores). Out of the same, tax credits on losses of Rs. 28.65 Crores (March 31, 2022: Rs. 34.75 Crores) have not been recognized on the basis that recovery is not probable in the foreseeable future. The Company has stopped recognizing additional deferred tax asset on all the components mentioned above, until it becomes probable that sufficient taxable profits will be available.

Reconciliation of deferred tax assets / (liabilities), net

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance as at April 1	**19.35**	19.35
Deferred Tax (Assets)/Liability transferred during the year as per Business Transfer	**-**	-
Deferred Tax income/(expense) during the period recognised in profit or loss	**(0.24)**	(0.24)
Deferred Tax income/(expense) during the period recognised in OCI	**0.24**	0.24
Closing balance as at March 31	**19.35**	19.35

Notes to the Standalone Financial Statements

Note 25 : Contingent liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent liabilities not provided for		.
b. Disputed demands in respect of (Refer Notes below)		
VAT/CST	**4.01**	1.48
Income Tax	**7.52**	7.52

Notes :

(a) It is not practical for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above Contingent liabilities.

(c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of the operations.

Note 26 : Capital commitment

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of Contracts remaining to be executed on capital account and not provided for	**0.04**	0.19

Note 27 : Foreign Exchange Exposures not hedged

Nature of exposure	In FC USD In Crores	₹ In Crores
Receivables		
As at March 31, 2023	0.06	4.94
As at March 31, 2022	0.06	4.31
Payable to creditors		
As at March 31, 2023	0.34	28.12
As at March 31, 2022	0.23	17.65

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 28 : Segment Reporting

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 company. The company's business activity falls within a single operating business segment of Branded Apparels (Garments and Accessories).

Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

Particulars	Year Ended / As at March 31, 2023	Year Ended / As at March 31, 2022
Segment Revenue*		
a) In India	**727.02**	502.59
b) Rest of the world	**13.55**	11.42
Total Sales	**740.57**	514.01
Carrying Cost of Segment Assets**		
a) In India	**2,695.56**	2,600.35
b) Rest of the world	**4.94**	4.31
Total	**2,700.50**	2,604.66
Carrying Cost of Segment Non Current Assets@**		
a) In India	**54.90**	55.37
b) Rest of the world	**-**	-
Total	**54.90**	55.37

* Based on location of Customers

** Based on location of Assets

@ Excluding Financial Assets and Deferred Tax Assets

Information about major customers (revenues from single external customer more than 10% of total revenue):

The Company has one customer contributing Rs.344.09 Crores (March 31, 2022 : Rs. 200.40 Crores) to the revenue of the Company

Note 29 : Disclosure pursuant to Employee benefits

A. Defined Contribution Plans

The following amounts are recognised as expense and included in Note 20

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Contribution to Provident Fund	**1.80**	1.84
Contribution to National Pension Scheme	**0.13**	0.17
Contribution to ESI	**0.02**	0.07
Contribution to Labour Welfare Fund	**(Rs.30,038/-)**	(Rs.25,999/-)
Total	**1.95**	2.08

Note

(a) Employees of the Company receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the company make monthly contributions to the provident fund plan equal to a specified percentage of the employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Company receive benefits from a government administered provident fund, which is a defined contribution plan. The Company has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

Notes to the Standalone Financial Statements

Note

B Defined Benefit Plans

The Company has following post employment benefits which are in the nature of defined benefit plans:

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan administered by the Company .

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Life Insurance Coporation - Insurance product.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

Notes to the Standalone Financial Statements

March 31,2023: Changes in defined benefit obligation and plan assets

(₹ in Crores)

2022-23	April 1, 2022	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Increase (decrease) due to effect of business combination/ transfer	Contributions by employer	March 31, 2023
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 20)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI			
Gratuity													
Defined benefit obligation	(3.21)	(0.39)	(0.16)	(0.55)	0.99	-	(0.09)	(0.22)	(0.40)	(0.71)	(0.01)	-	(3.49)
Fair value of plan assets	0.24	-	0.01	0.01	(0.99)	0.03	-	-	-	0.03	-	1.50	0.79
Total benefit liability	**(2.97)**	**(0.39)**	**(0.15)**	**(0.54)**	**-**	**0.03**	**(0.09)**	**(0.22)**	**(0.40)**	**(0.68)**	**(0.01)**	**1.50**	**(2.70)**

March 31,2022: Changes in defined benefit obligation and plan assets

2021-22	April 1, 2021	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Increase (decrease) due to effect of business combination/ transfer	Contributions by employer	March 31, 2022
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 20)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI			
Gratuity													
Defined benefit obligation	(3.11)	(0.40)	(0.16)	(0.56)	1.01	-	0.07	(0.21)	(0.52)	(0.67)	0.11	-	(3.21)
Fair value of plan assets	0.52	-	0.03	0.03	(1.01)	(0.01)	-	-	-	(0.01)	-	0.70	0.24
Total benefit liability	**(2.59)**	**(0.40)**	**(0.13)**	**(0.53)**	**-**	**(0.01)**	**0.07**	**(0.21)**	**(0.52)**	**(0.68)**	**0.11**	**0.70**	**(2.97)**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Others (Insurance company Products)	100%	100%
(%) of total plan assets	**100%**	**100%**

Notes to the Standalone Financial Statements

(₹ in Crores)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	**Year ended March31, 2023**	Year ended March31, 2022
Discount rate	7.30%	5.70%
Future salary increase	8.30% for Front End Employees. 12.73% for others	6.48% for Front End Employees. 8.33% for others
Expected rate of return on plan assets	7.30%	5.70%
Attrition rate	32.8% for Front End Employees. 25.50% for Others	41.10% for Front End Employees. 30.20% for Others
Morality rate during employment	Indian assured lives Mortality(2006-08) (modified) Ult	Indian assured lives Mortality(2006-08)

A Quantitative sensitivity analysis for significant assumptions is as shown below:

Particulars	**Sensitivity level**	**Increase / (decrease) in defined benefit obligation (Impact)**	
		Year ended March31, 2023	Year ended March31, 2022
Gratuity			
Discount rate	50 basis points increase	**(0.06)**	(0.04)
	50 basis points decrease	**0.06**	0.04
Salary increase	50 basis points increase	**0.05**	0.04
	50 basis points decrease	**(0.05)**	(0.03)
Attrition rate	50 basis points increase	**(0.02)**	(Rs. 85,317)
	50 basis points decrease	**0.02**	Rs. 86,884

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	**Year ended March31, 2023**	Year ended March31, 2022
Gratuity		
Within the next 12 months (next annual reporting period)	**0.74**	0.90
Between 2 and 5 years	**3.39**	2.72
Beyond 5 years	**2.69**	1.65
Total expected payments	**6.82**	5.27

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	**Year ended March31, 2023**	Year ended March31, 2022
Gratuity	**4 Years**	3 Years

C. Leave encashment

The Company has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Particulars	**Year ended March31, 2023**	Year ended March31, 2022
Leave encashment	**0.74**	0.57
	0.74	0.57

Notes to Standalone Financial Statements

Note 30 : Related Party Transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the company are as follows :

Name of Related Parties	Nature of Relationship
Arvind Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Lifestyle Brand Limited	Subsidiary Company
Arvind Beauty Brands Retail Private Limited	Subsidiary Company
PVH Arvind Fashion Private Limited (Previously known as Calvin Klein Arvind Fashion Pvt Ltd)	Subsidiary Company
Value Fashion Retail Limited	Subsidiary Company of Arvind Lifestyle Brands Limited
Arvind Youth Brands Private Limited	Subsidiary Company of Arvind Lifestyle Brands Limited
Arvind Sports Fashion Pvt. Ltd (Previously known as Arvind Ruf & Tuf Private Limited)	Enterprise on which Non-Executive Director exercise significant influence
Arvind Polymer Textiles Ltd (Previously known as Arvind True Blue Limited)	Enterprise on which Non-Executive Director exercise significant influence
Arvind Premium Retail Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Suit Manufacturing Pvt. LTD. (Previously known as Arvind Goodhill Suit Manufacturing Private Limited)	Enterprise on which Non-Executive Director exercise significant influence
Arvind Internet Limited	Enterprise on which Non-Executive Director exercise significant influence (up to June 30, 2022)
Arvind Smart Textile Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Envisol Limited	Enterprise on which Non-Executive Director exercise significant influence
Aura Securities Private Limited	Enterprise on which Non-Executive Director exercise significant influence
Multiples Private Equity Fund II LLP	Enterprise on which Non-Executive Director exercise significant influence
Suresh Jayaraman	Additional Director of the Company (up to August 22, 2021) and Non-executive director (w.e.f August 23, 2021)
Shailesh Shyam Chaturvedi	Key Management Personnel, Managing Director & CEO
Pramod Kumar Gupta, Chief Financial Officer	Key Management Personnel, (Up to February 11, 2022)
Vijay Kumar BS , Company Secretary	Key Management Personnel, (Up to March 31, 2022)
Piyush Gupta, Chief Financial Officer	Key Management Personnel, (w.e.f. February 12, 2022 upto January 5, 2023)
Girdhar Kumar Chitlangia, Chief Financial Officer	Key Management Personnel, (w.e.f. January 6, 2023)
Lipi Jha, Company Secretary	Key Management Personnel, (w.e.f. May 27, 2022)
Sanjaybhai S. Lalbhai	Non Executive Director and Chairman
Nithya Easwaran	Non Executive Director
Kulin S. Lalbhai	Non Executive Director and Vice-chairman
Punit S. Lalbhai	Non Executive Director
Nilesh D. Shah	Non Executive Director
Abanti Sankaranarayanan	Non Executive Director (upto March 10, 2023)
Vallabh R. Bhanshali	Non Executive Director
Nagesh D. Pinge	Non Executive Director
Achal A. Bakeri	Non Executive Director
Vani Kola	Non Executive Director (upto July 1, 2022)
Ananya Tripathi	Non Executive Director (w.e.f March 14, 2023)
Manoj Nakra	Non Executive Director, (w.e.f July 1, 2022)

Note: Related party relationship is as identified by the company and relied upon by the Auditors.

Notes to Standalone Financial Statements

(₹ in Crores)

a. Transactions with related parties for the years ended March 31, 2023 and years ended March 31, 2022.

Particulars	Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise on which Non-Executive Director exercise significant influence
Purchase of Goods and Materials			
March 31, 2023	93.99	-	-
March 31, 2022	11.07	-	31.00
Purchase of Property, Plant & Equipment and Intangible Assets			
March 31, 2023	0.25	-	-
March 31, 2022	-	-	-
Net Sales of Goods and Materials			
March 31, 2023	344.09	-	-
March 31, 2022	200.40	-	0.20
Reimbursement of Royalty			
March 31, 2023	8.31	-	-
March 31, 2022	4.17	-	-
Receiving of Services-Shared services			
March 31, 2023	1.16	-	0.77
March 31, 2022	0.73	-	0.45
Guarantee Commission Income/(Expenses)			
March 31, 2023	4.43	-	-
March 31, 2022	4.44	-	-
Rendering of Services-Shared service and Other Income			
March 31, 2023	14.55	-	-
March 31, 2022	11.77	-	-
Interest Income			
March 31, 2023	6.26	-	-
March 31, 2022	4.05	-	-
Remuneration			
March 31, 2023	-	11.09	-
March 31, 2022	-	10.85	-
Directors' Commission and Sitting Fees			
March 31, 2023	-	0.48	-
March 31, 2022	-	0.37	-
Loan Given			
March 31, 2023	77.50	-	-
March 31, 2022	42.70	-	-
Repayment of Loan Given			
March 31, 2023	16.00	-	-
March 31, 2022	42.18	-	-
Investments made including share application money			
March 31, 2023	5.88	-	-
March 31, 2022	253.44	-	-
Investments in NCD			
March 31, 2023	15.00	-	-
March 31, 2022	100.00	-	-

Notes to Standalone Financial Statements

(₹ in Crores)

b. Balances

Particulars	Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise on which Non-Executive Director exercise significant influence
Guarantee Given			
March 31, 2023	1,066.64	-	-
March 31, 2022	1,068.90	-	-
Trade and Other Receivable			
March 31, 2023	238.41	-	2.98
March 31, 2022	137.53	-	0.14
Trade and Other Payable			
March 31, 2023	0.08	-	0.02
March 31, 2022	16.43	-	0.69
Receivable in respect of Loans			
March 31, 2023	110.43	-	-
March 31, 2022	43.29	-	-
Investment			
March 31, 2023	2,129.12	-	-
March 31, 2022	2,108.26	-	-

c Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.
2) Loans given to related party carries interest rate of 8.20% to 8.50% (March 31, 2022 : 8.50%).

d Commitments with related parties

The Company has not provided any commitment to the related party (March 31, 2022: Rs. Nil).

e Transactions with key management personnel

Compensation of key management personnel of the company

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Short-term employee benefits	**8.57**	7.94
Termination benefits	**-**	-
Share based payments	**2.52**	2.91
Total compensation paid to key management personnel	**11.09**	10.85

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

The amount recognised as an expense during the year for share based payment in respect of key managerial personnel is Rs 2.52 Crores (March 31, 2022 Rs. 2.96 Crores).

Notes to Standalone Financial Statements

(₹ in Crores)

f Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186 (4) of the Companies Act, 2013

Loans and Advances in the nature of loans

Name of Related Party	Purpose	Balance as at March 31, 2023	Balance as at March 31, 2022	Maximum Outstanding during March 31, 2023	Maximum Outstanding during March 31, 2022
Loans and Advances					
Arvind Lifestyle Brands Limited	General Business	36.60	43.29	43.29	43.29
Arvind Beauty Brands Retail Private Limited	General Business	73.83	-	77.50	41.36
Arvind Youth Fashions Private Limited	General Business	-	-	-	0.19
Corporate Guarantee given on behalf of					
Arvind Lifestyle Brands Limited	Facilitate Trade Finance	845.14	802.40	848.09	984.26
Arvind Youth Fashions Private Limited	Facilitate Trade Finance	52.50	97.50	97.50	97.50
Arvind Beauty Brands Retail Private Limited	Facilitate Trade Finance	30.00	30.00	30.00	30.00
PVH Arvind Fashion Private Limited	Facilitate Trade Finance	139.00	139.00	139.00	139.00

Note 31 : Earnings per share - EPS (Basic and Diluted)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
Profit/(Loss) for the year		**9.86**	7.44
Adjusted Profit for the year for EPS Calculation		**9.86**	7.44
Total no. of equity shares at the end of the year		**13,28,25,660**	13,24,61,813
Weighted average number of equity shares			
For basic EPS	No.	**13,26,93,378**	12,20,97,731
For diluted EPS	No.	**13,30,39,031**	12,25,66,776
Nominal value of equity shares	Rs.	**4**	4
Basic earnings per share	Rs.	**0.74**	0.61
Diluted earnings per share	Rs.	**0.74**	0.61
Weighted average number of equity shares			
Weighted average number of equity shares for basic EPS		**13,26,93,378**	12,20,97,731
Effect of dilution: Share options		**3,45,653**	4,69,045
Weighted average number of equity shares adjusted for the effect of dilution		**13,30,39,031**	12,25,66,776

Pursuant to IND AS 33 - Earnings Per Share, basic and diluted earnings per share for the previous year have been restated for the bonus element in respect of Right Issue.

Note : All numbers are Rs. in crore except weighted average number of equity shares, nominal value of Shares and Basic and Diluted EPS

Notes to Standalone Financial Statements

(₹ in Crores)

Note 32 : Share based payments

The Company has instituted Employee Stock Option Scheme 2016 ("ESOP 2016") and Employee Stock Option Scheme 2018 ("ESOP 2018"), Employee Stock Option Scheme 2022 ("ESOP 2022") pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016 and on May 12, 2018, September 26, 2022 respectively. Up to March 31, 2023, the Company has granted 42,63,049 options under ESOP 2016, 3,15,200 options under ESOS 2018 in lieu of demerger under the Scheme and 1,15,000 options under Employee Stock Option Scheme 2022 ("ESOP 2022") convertible into equal number of Equity Shares of face value of Rs. 4 each. The following table sets forth the particulars of the options granted during the year ended 31st March 2023 under ESOS 2016 and ESOS 2022.

The following table sets forth the particulars of ESOP 2016 & ESOP 2022:

Scheme	March 31, 2023			March 31, 2022	
	ESOP 2016		ESOP 2022	ESOP 2016	
Date of grant	10-Aug-22	05-Jan-23	14-Feb-23	03-Jun-21	05-Oct-21
Number of options granted	2,30,000	85,000	1,15,000	2,50,000	4,50,000
Exercise price per option	Rs. 293.50	Rs. 349.75	306.10	Rs. 148.20	Rs. 286.70
Vesting period	Up to 5 years from the date of grant		Up to 5 years from the date of grant	Up to 5 years from the date of grant	
Vesting requirements	Time based vesting	Time based vesting	Time based vesting	Time based vesting	Time based vesting
Exercise period	5 years from the date of vesting		3 years from the date of vesting	5 years from the date of vesting	
Method of settlement	Equity	Equity	Equity	Equity	Equity

The following tables set forth a summary of the activity of options:

Particulars	ESOP 2016			
	March 31, 2023	Weighted average exercise price per option (Rs.) #	March 31, 2022	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year	18,69,274	302.64	19,85,522	302.64
Vested but not exercised at the beginning of the year	-	-	-	-
Granted during the year	3,15,000	308.68	7,00,000	237.17
Forfeited during the year	(73,700)	284.35	(1,48,546)	137.50
Exercised during the year	(3,63,847)	143.93	(6,67,702)	123.93
Reduction in options due to consolidation of shares	-	-	-	-
Outstanding at the end of the year	17,46,727	333.30	18,69,274	302.64
Exercisable at the end of the year	9,15,377	468.43	7,44,674	466.01

Price adjusted due to Right Issue bonus factor of Rs. 56.73 per option outstanding.

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 32 : Share based payments (Contd.)

Particulars	ESOP 2018			
	March 31, 2023	Weighted average exercise price per option (Rs.) #	March 31, 2022	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year	3,15,200	834.13	3,15,200	834.13
Vested but not exercised at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	(3,15,200)	834.13	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	3,15,200	834.13
Exercisable at the end of the year	-	-	3,15,200	834.13

Price adjusted due to Right Issue bonus factor of Rs. 56.73 per option outstanding

Particulars	ESOP 2022			
	March 31, 2023	Weighted average exercise price per option (Rs.)	March 31, 2022	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year	-	-	-	-
Vested but not exercised at the beginning of the year	-	-	-	-
Granted during the year	1,15,000	306.10	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	1,15,000	306.10	-	-
Exercisable at the end of the year	-	-	-	-

Share Options Exercised Year ending March 31, 2023

Option Series	No. of Options	Exercise Date	Weighted Average Share Price
ESOS 2016	1,00,000	21-Apr-22	153.17
ESOS 2016	15,000	14-Jun-22	153.17
ESOS 2016	21,000	14-Jun-22	137.32
ESOS 2016	52,500	04-Aug-22	136.02
ESOS 2016	52,500	04-Aug-22	137.32
ESOS 2016	7,500	04-Aug-22	148.20
ESOS 2016	7,500	17-Aug-22	46.02
ESOS 2016	21,700	17-Aug-22	148.20
ESOS 2016	35,000	20-Sep-22	148.20
ESOS 2016	15,000	07-Oct-22	39.29
ESOS 2016	8,500	28-Nov-22	286.70
ESOS 2016	9,000	28-Nov-22	148.20
ESOS 2016	1,075	28-Nov-22	44.87
ESOS 2016	2,558	28-Nov-22	117.19
ESOS 2016	520	28-Nov-22	128.93
ESOS 2016	6,000	10-Feb-23	286.70
ESOS 2016	3,600	10-Feb-23	148.20
ESOS 2016	4,894	10-Feb-23	128.93

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 32 : Share based payments (Contd.)

Share Options Exercised Year ending March 31, 2022

Option Series	No. of Options	Exercise Date	Weighted Average Share Price
ESOS 2016	18,000	26-Oct-21	39.29
ESOS 2016	1,279	26-Oct-21	128.93
ESOS 2016	1,279	26-Oct-21	128.93
ESOS 2016	1,279	26-Oct-21	128.93
ESOS 2016	78,750	26-Oct-21	137.32
ESOS 2016	8,000	26-Oct-21	137.32
ESOS 2016	20,000	30-Sep-21	39.29
ESOS 2016	11,250	30-Sep-21	46.02
ESOS 2016	2,82,348	30-Sep-21	128.93
ESOS 2016	90,632	30-Sep-21	128.93
ESOS 2016	35,165	30-Sep-21	128.93
ESOS 2016	1,279	30-Sep-21	128.93
ESOS 2016	78,750	30-Sep-21	136.02
ESOS 2016	30,000	30-Sep-21	137.32
ESOS 2016	6,000	09-Feb-22	39.29
ESOS 2016	3,691	09-Feb-22	128.93

The share options outstanding at the end of the year under ESOP 2016 have a weighted average remaining contractual life of 5.99 years (March 31, 2022: 6.68 years). The range of exercise price is from Rs. 39.29 to Rs. 1320.37

The share options outstanding at the end of the period under ESOP 2018 have a weighted average remaining contractual life of Nil years (March 31, 2022: 0.26 years). The range of exercise price is from Rs. 608.80 to Rs. 996.40

The share options outstanding at the end of the year under ESOP 2022 have a weighted average remaining contractual life of 5.88 years. The exercise price is Rs. 306.10

Particulars	ESOP 2016	ESOP 2018	ESOP 2022
Share price as at measurement date	Rs. 320.57	No grants made during the period	294.60
Expected volatility	48.65%		48.59%
Expected life (years)	1.72 years		2.59 years
Dividend yield	0.00%		0.00%
Risk-free interest rate (%)	6.56%		7.23%

Expense arising from share- based payment transactions

Total expenses arising from share- based payment transactions recognised in profit or loss as part of employee benefit expense were as follows :

Particulars	**Year Ended March 31, 2023**	Year Ended March 31, 2022
Employee option plan	**3.34**	4.16
Total employee share based payment expense	**3.34**	4.16

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 33 : Leases

A. The Company has adopted modified retrospective approach as per para C8 (C) (i) of Ind-AS 116 "Leases" to its leases.

B. The Company has taken office building and warehouse on lease period of 2 to 6 years with option of renewal. Disclosures as per Ind AS 116 - Leases are as follows:

C. Changes in the carrying value of right of use assets

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Balance at the beginning of the year	-	-
Additions	22.31	-
Depreciation (charged to statement of profit and loss)	(3.77)	-
Balance at the end of the year	**18.54**	-

D. Movement in lease liabilities

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Balance at the beginning of the year	-	-
Additions	22.31	-
Finance cost accrued during the year (charged to statement of profit and loss)	1.71	-
Payment of lease liabilities	(4.43)	-
Balance at the end of the year	**19.59**	-

E. Contractual maturities of lease liabilities

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Less than one year	3.74	-
One to five years	14.30	-
More than five years	1.55	-
Total	**19.59**	-

F. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

G. The amount recognised in the statement of profit or loss are as follows:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Other Expense		
Rent expense - short-term lease and leases of low value assets	2.03	4.79
Total	**2.03**	4.79

Notes to the Standalone Financial Statements

Note 34 : Corporate Social Responsibility (CSR) Activities

(₹ in Crores)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Gross amount required to be spent by the Company during the year	-	0.43
b) Amount spent during the year on,		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.16	0.43
c) Amount unspent during the year	-	-
d) Total of previous years shortfall	-	-
e) Reasons for shortfall	-	-
f) Details of related party transactions		
Name	-	-
Relationship	-	-
Amount	-	-
g) Movement of CSR Provision		
Balance as per last financial statements	-	-
Add: Provision made during the year	-	-
(Less): Utilised during the year	-	-
Balance at the end of the year	-	-

Note 35 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	As at March 31,2023	As at March 31,2022
Financial assets		
Investment in Perpetual Non Convertible Debentures measured at Cost		
Carrying Amount	**115.00**	100.00
Fair Value	**115.00**	100.00
Financial liabilities		
Borrowings		
Carrying Amount	**132.06**	91.67
Fair Value	**132.06**	91.67

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

Note 36 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the company's assets and liabilities.

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair Value					
Financial Guarantee Contract	March 31, 2023	0.13	-	-	0.13
	March 31, 2022	0.33	-	-	0.33

Notes to the Standalone Financial Statements

(₹ in Crores)

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Note 37 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations. The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at respective year end including the effect of hedge accounting.

Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2023, approximately 0.5% of the Company's Borrowings are at fixed rate of interest (March 31, 2022: 1%)

Notes to the Standalone Financial Statements

(₹ in Crores)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Effect on profit before tax
March 31, 2023	
Increase in 50 basis points	**(0.66)**
Decrease in 50 basis points	**0.66**
March 31, 2022	**(0.42)**
Increase in 50 basis points	**0.42**
Decrease in 50 basis points	

Exclusion from this analysis are as follows:

- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis
- The effect of interest rate changes on future cash flows is excluded from this analysis.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. The Company may use forward contracts or foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate.

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Company given in Note 27.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates to the functional currency of entity, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2023	+2%	(0.47)
	-2%	0.47
March 31, 2022	+2%	(0.27)
	-2%	0.27

Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

(b) Credit risk

Credit risk is the risk that a 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. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Notes to the Standalone Financial Statements

(₹ in Crores)

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7(b). The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 37.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2023				
Interest bearing borrowings	110.90	26.39	-	137.29
Trade payables	194.77	-	-	194.77
Other financial liabilities#	12.55	2.31	-	14.86
Lease liability	5.60	19.02	-	24.62
	323.82	**47.72**	**-**	**371.54**
March 31, 2022				
Interest bearing borrowings	58.10	42.56	-	100.66
Trade payables	171.28	-	-	171.28
Other financial liabilities#	12.83	2.32	-	15.15
Lease liability	-	-	-	-
	242.21	**44.88**	**-**	**287.09**

Other financial liabilities includes interest accrued but not due of Rs.2.26 Crores (March 31, 2022 : Rs. 2.34 Crores)

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 Company's performance to developments affecting a particular industry.

Notes to the Standalone Financial Statements

(₹ in Crores)

Note 38 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Particulars	As at March 31, 2023	As at March 31, 2022
Interest-bearing loans and borrowings (Note 13)	**132.06**	91.67
Less: Cash and Bank Balances (including other bank balance) (Note 7(b) and 7(d))	**(1.21)**	(2.22)
Net debt	**130.85**	89.45
Equity share capital (Note 11)	**53.13**	52.97
Other equity (Note 12)	**2,268.96**	2,249.30
Total capital	**2,322.09**	2,302.27
Capital and net debt	**2,452.94**	2,391.72
Gearing ratio	**5.33%**	3.74%

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 that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest. There have been no breaches in the financial covenants of any long-term borrowing in the current period except for one loan as of March 31, 2023. The Company has obtained letter from the lender before the date of adoption of financial statements for not charging penal interest from the balance sheet date subject to regularisation of the breach by end of March 31, 2024. Accordingly, the management has not created provision for penal interest.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Note 39 : Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013

(i) The Company does not have any benami property held in their name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) Utilisation of borrowed funds and share premium

I. 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 Parent Company (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: 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 to or on behalf of the ultimate beneficiaries except as mentioned below.

Transactions during the year ended March 31, 2023: NIL

Transaction during the year ended March 31, 2022:

a. The Company (Intermediary) has received a sum of Rs. 100 Crore by way of final call on the rights issue on May 11, 2021 and the Company (Intermediary) in turn, had invested Rs. 48 Crore on June 21, 2021 towards subscription to equity share capital in Arvind Lifestyle Brands Limited (100% subsidiary). The Company had complied with the relevant provisions of Foreign Exchange Management Act 1999 (42 of 1999), to the extent applicable, the Companies Act 2013 for such transaction and this transaction is not violative of provisions of the Prevention of Money Laundering Act 2002 (15 of 2002).

Notes to the Standalone Financial Statements

b. The Company (Intermediary) has received a sum of Rs. 400 Crore by way of private placement of equity shares on September 30, 2021 and the Company (Intermediary) in turn, had invested Rs. 200 Crore on October 01, 2021 towards subscription to equity share capital in Arvind Lifestyle Brands Limited (100% subsidiary) and Rs. 100 Crore on March 29, 2022 towards subscription to Non-convertible debentures in Arvind Lifestyle Brands Limited (100% subsidiary). The Company had complied with the relevant provisions of Foreign Exchange Management Act 1999 (42 of 1999), to the extent applicable, the Companies Act 2013 for such transaction and this transaction is not violative of provisions of the Prevention of Money Laundering Act 2002 (15 of 2002).

Name of the entity	Registered Address	Relationship with the Company
Arvind Lifestyle Brands Limited	Arvind Mills Premises Naroda Road Ahmedabad Gujarat - 380025	Wholly Owned Subsidiary

(v) The Company has not invested or traded in Crypto Currency or Virtual Currency during the year.

(vi) The Company has no income surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(vii) The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

Note 40 : Code of Social Security, 2020

The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contribution by the Company towards Provident Fund, Gratuity and ESIC. The Code have been published in the Gazette of India. However effective date has yet not been notified. The Company will assess the impact of the Code and will record related impact in the period it becomes effective.

Note 41 : New Accounting Pronouncements to be adopted after March 31, 2023

The Ministry of Corporate Affairs (MCA) notifyies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Note 42 : Regrouped, Recast, Reclassified

Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification.

Note 43 : Events occurring after the reporting period

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. The Board of Directors recommended a final dividend of ₹ 1 per equity share of face value of ₹ 4 each, for the financial year ended March 31, 2023, subject to the approval of shareholders in the ensuing Annual General Meeting.

Notes to the Standalone Financial Statements

Note 44 : Ratio Analysis

Sl No	Particulars	Numerator	Denominator	For the year ended 31st March, 2023	For the year ended 31st March, 2022	% Variance	Reason for Variance
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.50	1.60	-7%	Not Applicable
2	Debt-Equity Ratio (In times)	Total Debt	Total Equity	0.06	0.04	43%	Note (a) below
3	Debt Service Coverage Ratio (In times)	Earnings before Interest, Tax, Depreciation and amortisation	Debt Service	1.10	0.86	28%	Note (b) below
4	Return on Equity Ratio (%)	Net Profit after Tax	Total Equity	0.43%	0.36%	18%	Not Applicable
5	Inventory turnover Ratio (In times)	Sale of product	Average Inventories	21.63	6.84	216%	Note (c) below
6	Trade Receivables turnover Ratio (In times)	Revenue from Operations	Average Trade Receivables	2.88	2.63	10%	Not Applicable
7	Trade Payables turnover Ratio (In times)	Purchase of Goods	Average Trade Payables	2.85	1.66	71%	Note (d) below
8	Net capital turnover Ratio (In times)	Revenue from Operations	Working Capital	4.49	3.28	37%	Note (e) below
9	Net profit Ratio (%)	Net Profit after Tax	Revenue from Operations	1.33%	1.36%	-2%	Not Applicable
10	Return on Capital employed (%)	Profit before Interest, Exceptional Items and Tax	Total Capital Employed	1.05%	0.88%	20%	Not Applicable
11	Return on investment (%)	Refer (f) below		-1.33%	138%	-101%	Note (g) below

Notes to the Standalone Financial Statements

Note 44 : Ratio Analysis (Contd.)

Notes

(a) Increase in Debt for the year compared to previous year

(b) Reduction in principal repayments compared to previous year

(c) Increase in sales of product and decrease in average inventory compared to previous year

(d) Increase in purchases in line with increase in Revenue from Operations compared to previous year

(e) Incrase in revenue from operation compared to previous year

(f) Return on Investment compared to previous year

$$\frac{(MV(T1)-MV(To)-Sum[C(t)])}{(MV(To)+Sum[W(t)*C(t)])}$$

Where,

T1 = End of time period

To = Begning of time period

t = Specific date falling between T1 and To

MV(T1) = Market Value at T1

MV(To) = Market Value at To

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cashflow (i.e. either net inflow or net outflow) on day 't', calculated as (T1-t)/T1

(g) The impact is due to market dynamics and price movements.

For and on behalf of the board of directors of
Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
(DIN: 00008329)

Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director &CEO
(DIN - 03023079)

Place: Bengaluru
Date: May 30, 2023

Girdhar Chitlangia
Chief Financial Officer

Place: Bengaluru
Date: May 30, 2023

Lipi Jha
Company Secretary

Place: Bengaluru
Date: May 30, 2023

Independent Auditor's Report

To The Members of Arvind Fashions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Arvind Fashions Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries referred to in the Other Matters section below, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
1	**Revenue Recognition: [Assertion- Cut off and Occurrence] and provision for sales return** Revenue recognition involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point of time and provision for sales return. Cut-off and Occurrence is the key assertion in so far as revenue recognition is concerned. There is a risk that revenue is recognized on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers". Additionally, there is risk that revenue recorded at point of sale did not occur and due to this revenue is overstated in the books. Also, Group has contracts with customers which entitles them to right of return. At year end, amount of expected returns that have not yet been settled with the customers are estimated and accrued. Estimating the amount of such accrual at year end is considered a key audit matter due to assumptions and judgments required to be made by management.	**Principal Audit Procedures Performed:** The details of audit procedure performed by us and Component auditors , are as follows: • Selected a sample and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • We obtained an understanding of process and evaluated the design and operating effectiveness of key controls over timing of revenue recognition, control over occurrence of revenue and calculating, reviewing and approving sales returns. • Selected samples and performed the following procedures: - Read, analyzed and identified the distinct performance obligations in these contracts and compared these performance obligations with that identified and recorded by the Group. - For the selected samples, tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues with comparative period. - Analyzed historical trends for returns and held discussions with management to understand changes in provisioning norms/additional provisions

Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
		made based on management's assessment of market conditions and based on that, we have tested the estimates of returns related accruals with underlying documentation such as management approved norms, customer agreements, sales data and customer reconciliations, as applicable. • At the year end, we have performed early and late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales. • Performed substantive testing of samples for sales bookings from different stores and understanding the terms of contract for transfer of risk and rewards and verification of collection matching the collections.
2	**Recoverability of deferred tax assets** 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 utilized. The Component's ability to recover recognised deferred tax asset as well as previously un-recognised deferred tax assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the applicable tax laws. The recognition and measurement of deferred tax assets is a key audit matter as its recoverability within the allowed time frame involves estimate of financial projections, availability of sufficient taxable income in the future and judgments in the interpretation of tax regulations and tax positions adopted by the Group.	**Principal Audit Procedures Performed:** Audit procedures performed by us, are as follows: • Assessed the Group accounting policy with respect to recognition of deferred taxes in accordance with Ind AS 12 "Income Taxes". • Analyzed the performance of the component and assessed the reasonableness of assumptions used in forecast of future taxable profits, examined the consistency of projections used for assessing DTA and component's expected utilization of the unabsorbed business losses and unabsorbed depreciation, including understanding of management's estimate of business impact based on current market and economic conditions. • Assessed the disclosures in Note 24 (B) of the Consolidated Ind AS financial statements in accordance with the requirements of Ind AS 12 "Income Taxes". As informed to us by respective component auditors, following procedures are performed by them:- • Assessed the accounting policy with respect to recognition of deferred taxes in accordance with Ind AS 12 "Income Taxes". • Analyzed the performance of the component and assessed the reasonableness of assumptions used in forecast of future taxable profits, examined the consistency of projections used for assessing DTA and component's expected utilization of the unabsorbed business losses and unabsorbed depreciation, including understanding of management's estimate of business impact based on current market and economic conditions.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexures thereof, but does not include the consolidated financial statements, standalone financial statements and our auditor's report 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, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

- 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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- 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.
- 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 or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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.

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.

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.

Other Matters

(a) We did not audit the financial statements of 4 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 1,340.48 crores as at March 31, 2023, total revenues of Rs. 1,852.76 crores and net cash inflows amounting to Rs. 89.41 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

(b) The comparative financial information of the Group for the year ended March 31, 2022, were audited by the joint auditors including us, who had expressed an unmodified opinion thereon as per their reports dated August 18, 2022. Our report on the statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of the subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   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, as amended 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 of pending litigations on the consolidated financial position of the Group – Refer Note 25 to the consolidated financial statements.

      ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 40(iv)(I) 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 Parent or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the Parent or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (iv) (a) and (b) above, contain any material misstatement.

v) As stated in note 47 to the consolidated financial statements, the Board of Directors of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiaries at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Arvind Youth Brands Private Limited	U52100GJ2020 PTC112995	Subsidiary	Clause (xiv), (xvii)

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No.106189)
(UDIN: 23106189BGVORY9420)

Place : Ahmedabad
Date : May 30, 2023

Annexure "A" To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Arvind Fashions Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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 consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls With reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, 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, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 4 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No.106189)
(UDIN: 23106189BGVORY9420)

Place : Ahmedabad
Date : May 30, 2023

Consolidated Balance Sheet as at March 31, 2023

(₹ in Crores)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
I. Non-current assets			
(a) Property, Plant and Equipment	5	**105.04**	113.30
(b) Capital work-in-progress	5 (a)	**1.80**	-
(c) Right-of-Use Asset	33	**608.04**	387.90
(d) Goodwill on consolidation	6	**111.23**	111.23
(e) Other Intangible assets	6	**40.63**	48.90
(f) Intangible assets under development	6 (a)	**0.30**	-
(g) Financial assets			
(i) Loans	7 (b)	**0.14**	0.80
(ii) Other financial assets	7 (e)	**62.16**	61.85
(h) Deferred tax assets (net)	24	**412.00**	410.97
(i) Non-Current tax assets (net)	10	**33.63**	32.58
(j) Other non-current assets	8	**19.99**	63.12
Total non-current assets		**1,394.96**	1,230.65
II. Current assets			
(a) Inventories	9	**981.90**	830.81
(b) Financial assets			
(i) Trade receivables	7 (a)	**559.51**	571.71
(ii) Cash and cash equivalents	7 (c)	**177.77**	86.67
(iii) Bank balances other than (ii) above	7 (d)	**22.54**	18.29
(iv) Loans	7 (b)	**1.63**	4.29
(v) Others financial assets	7 (e)	**43.89**	113.67
(c) Other current assets	8	**489.82**	405.51
(d) Assets Held for Sale	41	**-**	5.00
Total current assets		**2,277.06**	2,035.95
Total Assets		**3,672.02**	3,266.60
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	**53.13**	52.97
(b) Other equity	12	**856.51**	697.28
Equity attributable to Equity holders of the Parent		**909.64**	750.25
Non controlling Interest		**182.59**	100.16
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	**30.59**	71.71
(ii) Lease Liabilities	33	**508.86**	335.39
(iii) Other financial liabilities	13 (c)	**121.95**	238.10
(b) Long-term provisions	14	**15.18**	14.37
(c) Other non current liabilities	15	**0.50**	0.48
Total non-current liabilities		**677.08**	660.05
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	**567.06**	430.02
(ii) Lease Liabilities	33	**158.52**	120.74
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	13 (b)	**54.75**	74.01
- Total outstanding dues of creditors other than micro enterprises and small enterprises	13 (b)	**964.75**	973.86
(iv) Other financial liabilities	13 (c)	**45.77**	67.57
(b) Other current liabilities	15 (a)	**102.19**	71.07
(c) Currrent tax liabilities	15 (b)	**2.63**	3.73
(d) Short-term provisions	14	**7.04**	10.14
(e) Liabilities directly associated with Assets classified as held for sale	41	**-**	5.00
Total current liabilities		**1,902.71**	1,756.14
Total Equity and Liabilities		**3,672.02**	3,266.60
Significant Accounting Policies	3		

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 30, 2023

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru
Date: May 30, 2023

Girdhar Chitlangia
Chief Financial Officer
Place: Bengaluru
Date: May 30, 2023

Lipi Jha
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Consolidated Statement of profit and loss for the year ended March 31, 2023

(₹ in Crores)

	Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
I	**Income**			
	Revenue from operations			
	Sale of Products	16	**4,369.83**	3,025.30
	Sale of Services	16	**46.03**	27.10
	Operating Income	16	**5.22**	3.64
	Revenue from operations		**4,421.08**	3,056.04
	Other income	17	**52.50**	66.88
	Total income (I)		**4,473.58**	3,122.92
II.	**Expenses**			
	Purchases of stock-in-trade	18	**2,442.78**	1,764.09
	Changes in inventories of stock-in-trade	19	**(151.09)**	(54.28)
	Employee benefits expense	20	**268.16**	236.76
	Finance costs	21	**138.38**	123.92
	Depreciation and amortisation expense	22	**238.73**	233.00
	Other expenses	23	**1,408.59**	929.31
	Total expenses (II)		**4,345.55**	3,232.80
III.	**Profit/(Loss) before tax (I-II)**		**128.03**	(109.88)
IV.	**Tax expense**	24		
	Current tax		**39.68**	11.27
	(Excess)/short provision related to earlier years		**0.99**	2.06
	Deferred Tax charge / (credit)		**(0.56)**	(19.13)
	Total tax expense		**40.11**	(5.80)
V.	**Profit/(Loss) for the year from Continuing Operations (III-IV)**		**87.92**	(104.08)
	Discontinued Operations			
	A. Profit/(Loss) before tax for the year from Discontinued Operations	41	**(0.96)**	(132.62)
	B. Tax expense/(Credit) on Discontinued Operations			
VI.	**Profit/(Loss) for the year from Discontinued Operations (A-B)**		**(0.96)**	(132.62)
VII.	**Profit/(Loss) for the year from Continuing and Discontinued Operations (V+VI)**		**86.96**	(236.70)
VIII.	**Other comprehensive income**			
	A. Items that will not to be reclassified to profit or loss:			
	Re-measurement gains / (losses) on defined benefit plans	29	**(2.03)**	(0.98)
	Income tax effect on above	24	**0.67**	0.25
	Net other comprehensive income/(loss) not to be reclassified to profit or loss (A)		**(1.36)**	(0.73)
	B. Items that will be reclassified to profit or loss:			
	Net gains / (loss) on hedging instruments in a cash flow hedge		**0.80**	0.39
	Income tax effect on above		**(0.20)**	(0.09)
	Net other comprehensive income/(loss) that will be reclassified to profit or loss (B)		**0.60**	0.30
	Total other comprehensive income/(loss) for the year, net of tax (A+B)		**(0.76)**	(0.43)
IX.	**Total comprehensive income for the year, net of tax (VII+VIII)**		**86.20**	(237.12)
	Profit / (Loss) for the year attributable to:			
	Equity holders of the parent		**36.71**	(267.40)
	Non-controlling interest-P		**50.25**	30.70
			86.96	(236.70)
	Other Comprehensive Income/(Loss) for the year attributable to:			
	Equity holders of the parent		**(1.01)**	(0.47)
	Non-controlling interest		**0.25**	0.04
			(0.76)	(0.43)
X.	**Total comprehensive income/(loss) attributable to:**			
	Equity holders of the parent		**35.70**	(267.87)
	Non-controlling interest		**50.50**	30.74
			86.20	(237.13)
XI.	**Earnings per equity share**	31		
	Nominal Value per share - Rs. 4 (Previous Year Rs. 4)			
	Continuing Operations			
	-Basic Rs.		**2.84**	(11.04)
	-Diluted Rs		**2.83**	(11.04)
	Discontinued Operations			
	-Basic Rs.		**(0.07)**	(10.86)
	-Diluted Rs		**(0.07)**	(10.86)
	Continuing and Discontinued Operations			
	-Basic Rs.		**2.77**	(21.90)
	-Diluted Rs		**2.76**	(21.90)
	Significant Accounting Policies	3		

The accompanying notes are an integral part of these Consolidated Financial Statements
As per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 30, 2023

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru
Date: May 30, 2023

Girdhar Chitlangia
Chief Financial Officer
Place: Bengaluru
Date: May 30, 2023

Lipi Jha
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Consolidated Statement of cash flows for the year ended March 31, 2023

(₹ in Crores)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**Operating activities**		
	Profit/(Loss) Before taxation from		
	Continuing Operations	**87.92**	(104.08)
	Discontinued Operations	**(0.96)**	(132.62)
	Net Profit/(Loss) for the period from Continuing Operations and Discontinued Operations	**86.96**	**(236.70)**
	Adjustments to reconcile profit after tax to net cash flows:		
	Depreciation and Amortisation	**238.73**	260.92
	Interest Income	**(15.69)**	(6.99)
	Tax Expenses	**40.11**	(5.80)
	Finance Cost	**138.38**	136.93
	Allowance of doubtful deposits and advances	**0.25**	2.32
	Allowance of doubtful debts	**18.48**	6.37
	Unclaimed liability written back	**(9.07)**	(4.08)
	Provisions of doubtful debts written back	**(6.18)**	(6.30)
	Alowance for other receivables	**0.22**	0.27
	Gain on reassessment of lease and Lease Concessions	**(13.59)**	(110.72)
	Adjustment on Consolidation	**-**	1.07
	Stamp Duty on Demerger	**-**	(5.50)
	Property, Plant & Equipment written off	**-**	1.08
	(Profit)/Loss on Sale of Property, Plant & Equipment (Net)	**2.89**	(5.05)
	Share based payment expense	**4.98**	5.97
	Provision for Non-moving Inventory and Returnable assets	**(30.39)**	34.64
	Operating Profit before Working Capital Changes	**456.08**	68.43
	Adjustment for Changes in Working Capital :		
	(Increase) / Decrease in Inventories	**(115.71)**	9.13
	(Increase) / Decrease in Trade receivables	**(6.77)**	81.17
	(Increase) / Decrease in Other assets	**(66.79)**	(0.65)
	(Increase) / Decrease in Other financial assets	**86.78**	46.82
	Increase / (Decrease) in Trade payables	**(33.37)**	97.17
	Increase / (Decrease) in Other liabilities	**31.13**	8.54
	Increase / (Decrease) in Other financial liabilities	**12.73**	4.37
	Increase / (Decrease) in Provisions	**(3.52)**	(3.04)
	Net Changes in Working Capital	**(95.52)**	243.51
	Cash Generated from Operations	**360.56**	311.94
	Direct Taxes paid (Net of Income Tax refund)	**(43.29)**	(11.82)
	Net Cash flow received/ (used in)Operating Activities (A)	**317.27**	300.12
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant & Equipment and Intangible assets	**(63.24)**	16.60
	Proceeds from disposal of Property, Plant & Equipment	**1.96**	-
	Changes in Capital Advances	**25.24**	(25.56)
	Changes in other bank balances not considered as cash and cash equivalents	**(4.25)**	(6.32)
	Loans (given)/ received back (net)	**3.33**	(0.28)
	Interest Received	**8.47**	7.05
	Net Cash flow received/ (used in) Investing Activities (B)	**(28.49)**	(8.51)
C	**Cash Flow from Financing Activities**		
	Proceeds from issue of share capital	**5.42**	494.82
	(Repayment) of long term borrowings	**(41.12)**	(85.55)
	Proceeds/(repayment) from short term borrowings (net)	**137.04**	(355.75)
	Repayment towards lease liabilities	**(212.89)**	(175.13)
	Finance Cost Paid	**(86.12)**	(87.60)
	Payment for Unpaid Fractional Shares	**(0.01)**	-
	Net Cash flow received/ (used in) Financing Activities (C)	**(197.68)**	(209.21)
	Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)	**91.10**	82.40
	Cash & Cash equivalent at the beginning of the year	**86.67**	4.27
	Cash & Cash equivalent at the end of the year	**177.77**	86.67
	Figures in brackets indicate outflows.		

Consolidated Statement of cash flows for the year ended March 31, 2023

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash and cash equivalents comprise of:		
Cash on Hand	**0.17**	0.01
Balances with Banks	**177.60**	86.66
Cash and cash equivalents	**177.77**	86.67

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2022	Net cash flows	Non Cash Changes		As at March 31, 2023
				Impact of IND AS 116	Other changes *	
As at March 31, 2023						
Borrowings:						
Long term borrowings	13 (a)	71.71	(41.12)	-	-	30.59
Short term borrowings	13 (a)	430.02	137.04	-	-	567.06
Lease Liability	35	456.12	(212.89)	424.15	-	667.38
Interest accrued on borrowings	13 (c)	11.62	(11.62)	-	8.05	8.05
Total		**969.47**	**(128.58)**	**424.15**	**8.05**	**1,273.08**

* The same relates to amount charged/offered in statement of profit and loss accounts.

Notes:

1) The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) "Statement of cash flows.

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: May 30, 2023

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru
Date: May 30, 2023

Girdhar Chitlangia
Chief Financial Officer
Place: Bengaluru
Date: May 30, 2023

Lipi Jha
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Consolidated Statement of changes in equity for the year ended March 31, 2023

₹ in Crores

Consolidated Statement of Changes in Equity

A. Equity share capital

Balance	Amount Note 11
As at April 1, 2021	**42.43**
Add: Issue of fully paid up shares (Refer Note 11.5)	7.32
Add: Issue of partly paid up shares (Refer Note 11.6)	2.95
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32)	0.27
As at March 31, 2022	**52.97**
Add: Issue of partly paid up shares (Refer Note 11.6)	0.01
Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32)	0.15
As at March 31, 2023	**53.13**

B. Other equity

Particulars	Attributable to the equity holders of Parent: Reserves and Surplus					Items of Other Comprehensive income		Total Other Equity (A)	Non Controlling interest (B)	Total equity
	Share based payment reserve	Securities premium	Retained Earnings	Capital Reserve	Capital Reserve on Con-solidation	Cash Flow hedge Reserve	Net gain / (loss) on FVOCI equity inst-ruments			
	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12			
Balance as at April 1, 2021	**11.23**	**1,651.88**	**(1,081.81)**	**45.39**	**(237.08)**	**(0.22)**	**90.16**	**479.55**	**69.42**	**548.97**
Profit/ (Loss) for the year	-	-	(267.40)	-	-	-	-	(267.40)	30.70	(236.70)
Other comprehensive income for the year	-	-	(0.56)	-	-	-	-	(0.56)	0.04	(0.52)
Total Comprehensive income for the year	**11.23**	**1,651.88**	**(1,349.77)**	**45.39**	**(237.08)**	**(0.22)**	**90.16**	**211.59**	**100.16**	**311.75**
Addition during the year	5.95	493.62	-	-	-	0.28	-	499.85	-	499.85
Utilised during the year	-	-	-	(5.50)	-	-	-	(5.50)	-	(5.50)
Share of Non Controlling Interest	-	-	-	-	-	(0.19)	-	(0.19)	-	(0.19)
Adjustment on Consolidation	-	-	0.86	-	-	-	-	0.86	-	0.86
Equity Issue expenses adjusted during the year (Refer Note 11.6)	-	(9.33)	-	-	-	-	-	(9.33)	-	(9.33)
Transfer to securities premium	(4.36)	-	-	-	-	-	-	(4.36)	-	(4.36)
Transfer from share based payment reserve	-	4.36	-	-	-	-	-	4.36	-	4.36
Balance as at March 31, 2022	**12.82**	**2,140.53**	**(1,348.91)**	**39.89**	**(237.08)**	**(0.13)**	**90.16**	**697.28**	**100.16**	**797.44**
Balance as at April 1, 2022	**12.82**	**2,140.53**	**(1,348.91)**	**39.89**	**(237.08)**	**(0.13)**	**90.16**	**697.28**	**100.16**	**797.44**
Profit/ (Loss) for the year	-	-	36.71	-	-	-	-	36.71	50.25	86.96
Other comprehensive income for the year	-	-	(1.31)	-	-	-	-	(1.31)	0.25	(1.06)
Total Comprehensive income for the year	**12.82**	**2,140.53**	**(1,313.51)**	**39.89**	**(237.08)**	**(0.13)**	**90.16**	**732.68**	**150.66**	**883.34**
Addition during the year	4.97	5.26	-	-	-	0.60	-	10.83	-	10.83
Reclassification of Compulsorily Convertible Preference Shares. (Refer Note 13 (c))	-	-	-	-	-	-	-	-	145.23	145.23
Movement between Non-Controling Interest and Equity holders of the parent (Refer Note 13 (c))			113.30					113.30	-113.30	-
Share of Non Controlling Interest	-	-	-	-	-	(0.30)	-	(0.30)	-	(0.30)
Transfer to securities premium	(1.66)	-	-	-	-	-	-	(1.66)	-	(1.66)
Transfer from share based payment reserve	-	1.66	-	-	-	-	-	1.66	-	1.66
Balance as at March 31, 2023	**16.13**	**2,147.45**	**(1,200.21)**	**39.89**	**(237.08)**	**0.17**	**90.16**	**856.51**	**182.59**	**1,039.10**

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner
Place: Ahmedabad
Date: May 30, 2023

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director & CEO
DIN :03023079
Place: Bengaluru
Date: May 30, 2023

Girdhar Chitlangia
Chief Financial Officer
Place: Bengaluru
Date: May 30, 2023

Lipi Jha
Company Secretary
Place: Bengaluru
Date: May 30, 2023

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2023

1. Corporate Information

Arvind Fashions Limited ("the Company" or "the Parent Company") is a public limited company incorporated in India under the provisions of the Companies Act, 2013 and has its registered office at Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 having CIN L52399GJ2016PLC085595. The Company has its primary listings on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("the Stock Exchanges").

Arvind Fashions Limited together with its consolidated Subsidiaries is herein referred to as "the Group".

The Group is operating in branded apparels, beauty and accessories. The Group is having a portfolio of owned and licensed international brands including US Polo, Arrow, Flying Machine, Tommy Hilfiger, Calvin Klein, Sephora and others.

The Group has diversified business by brands (power, emerging and specialty retail), gender (menswear, womenswear and kidswear), categories (denims, topwear, trousers, innerwear, footwear, beauty etc.) and sales channels (retail, distribution, departmental stores and online).

The Group's Consolidated Financial Statements have been approved by Board of Directors in the meeting held on May 30, 2023.

2. Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation and Presentation and Statement of Compliance

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 consolidated financial statements have been prepared on accrual basis under the historical cost convention except certain assets and liabilities, which have been measured at fair value as required by the relevant Ind AS.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated Financial Statements comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows as at March 31, 2023 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III of the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to Consolidated Financial Statement.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Previous year numbers are regrouped or reclassified, where necessary to comply with the amendment. The Group has evaluated the effect of the amendments on its financial statements and complied with the same.

2.2 Historical Cost Convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;

2.3 Rounding off

The Consolidated Financials Statement are prepared in Indian Rupees (INR) and all the values are rounded to nearest crores as per the requirement of Schedule III, except when otherwise indicated. Figures less than Rs.50,000 which are required to be shown separately, have been shown in actual brackets.

2.4 Principles of Consolidation of Subsidiaries

The Group consolidates entities which it owns or controls. The Consolidated Financial Statement comprise the financial statements of the Group and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and 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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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.

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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its Consolidated Financial Statements consistently to all the periods presented:

3.1 Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the 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 equivalent 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 current when:

- It is expected to be settled in the 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.

The Group classifies all other liabilities as non-current.

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

Operating cycle

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. For the purpose of current/non-current classification of assets, the Group has ascertained its normal operating cycle as twelve months.

3.2 Non-Current Assets classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts are recoverable principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

Discontinued operation

A discontinued operation is a business of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

3.3 Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.4 Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Group after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

3.5 Foreign currencies

The Group's financial statements are presented in INR, which is also the Group's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. 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.

3.6 Fair value measurement

The Group measures financial instruments such as derivatives at fair value at the end of each reporting period.

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:

- In the principal market for the asset or liability

Or

- 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 economic best 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 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- 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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Financial instruments (including those carried at amortised cost)

3.7 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for following assets category as shown in Table below.

Asset	Estimated Useful Life
Buildings	30 Years
Plant & Machinery	6 to 15 Years
Office Equipment	6 to 8 Years
Furniture & Fixture	6 to 9 Years
Motor Cars	4 Years

However, Leasehold Improvements have been depreciated considering the lease term or useful life whichever is lower.

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013. Any change in useful life are being applied prospectively in accordance with Ind AS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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.

3.8 Leases

The Group’s lease asset classes primarily consist of leases for buildings. The group assesses whether a contract contains a lease, at inception of a contract. 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 assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Covid-19-Related Rent Concessions

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. “Covid-19- Related Rent Concessions” effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient upto June 30, 2022.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.

(ii) There is no substantive change to other terms and conditions of the lease

Pursuant to the above amendment, the Group has applied the practical expedient with effect from April 01, 2020. The Group has accounted the unconditional rent concessions in “Other Income” in the Consolidated Statement of Profit and Loss.

3.9 Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 or sale are capitalised as part of the cost of the respective asset.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the year. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

3.10 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives 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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives 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 derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets under development comprises cost of development cost and other operating cost incurred during development phase and ready for their intended use at the balance sheet date..

Amortisation

Job Workers' Network Value, Vendors' Network Value and Distribution Network Value have been amortized on Straight Line basis over the period of 5 years.

Value of License Brands/License fees acquired under demerger scheme has been amortized on Straight Line basis over the period of 10 years (in Calvin Klein Arvind Fashion Private Limited – the value of License Brands/License Fees has been amortised over the remaining term of license period or 15 years whichever is less).

Technical Process Development has been amortized on Straight Line basis over the period of 6 years and Product Development has been amortized on Straight Line basis over the period of 3-5 years.

Software and Website are depreciated over management estimate of its useful life of 5 years (over a term of 3-5 years in Tommy Hilfiger Arvind Fashion Private Limited).

3.11 Inventories

Trims and Accessories, Stock-in-trade and Packing Materials are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Trims and Accessories: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Stock in Trade: 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 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.

3.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.13 Revenue Recognition

The Group derives revenues primarily from sale of traded goods and related services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements except for the agency services because it typically controls the goods before transferring them to the customer and sales under sale or return basis arrangements.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

i. Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

ii. Discounts

Discounts are offset against amounts payable by the customer. To estimate the variable consideration for the expected future discounts, the Group applies the expected value method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

b) Contract balances

i. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii. Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (3.14) Financial instruments – initial recognition and subsequent measurement.

iii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

c) Assets and liabilities arising from returns

i. Returnable Asset

Returnable asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decrease in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

ii. Refundable liabilities

A refundable liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refundable liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

d) Sale of goods – customer loyalty programme (deferred revenue)

The Group operates a loyalty point programme which allows customers to accumulate points when they purchase the products. The points can be redeemed for free products, subject to a minimum number of points being obtained. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

e) Rendering of services

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted/ displayed. Facility management fees are recognised pro-rata over the period of the contract.

Revenue from other services are recognised based on the services rendered in accordance with the terms of contacts on the basis of work performed.

f) Gift Vouchers

The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) when redeemed or to revenue (sale of services) on expiry

g) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

h) Profit or loss on sale of Investments

Profit or Loss on sale of investments is recorded on transfer of title from the Group and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

i) Insurance claims

Claims receivable on account of Insurance are accounted for to the extent the Group is reasonably certain of their ultimate collection.

j) Export Incentive

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.

3.14 Financial instruments – initial recognition and subsequent measurement

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.

a) Financial assets

(i) Initial recognition and measurement of financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- **Financial assets at amortised cost:**

A financial asset is measured at amortised cost if:

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

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Financial assets at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

- **Financial assets at fair value through profit or loss**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

b) Equity instruments:

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L

(iii) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(iv) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(v) Impairment of financial assets

a) Financial Assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 109 and Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and Ind AS 115, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and Ind AS 115 that contain a significant financing component, if the Group applies practical expedient to ignore separation of time value of money, and
- Right Of Use Assets resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL 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 EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and ROU Assets: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate 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 profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.15 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

3.16 Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current 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.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method 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 liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of

the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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 recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.17 Employee Benefit

a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) Post-Employment Benefits

(i) Defined contribution plan

The Group's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Group has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

c) Other long term employment benefits:

The employee's long term compensated absences are Group's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

d) Termination Benefits :

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

3.18 Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.19 Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3.20 Provisions and Contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

Contingent assets are not recognised but disclosed in the Consolidated Financial Statements when an inflow of economic benefits is probable.

3.21 Non-current assets held for sale/ distribution to owners and discontinued operations

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts are recoverable principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in Consolidated Statement of Profit and Loss.

3.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.23 Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

3.24 Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

Critical accounting Judgements and key source of estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the most significant effect on the amount recognised in the financial statements and / or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

The Group assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Group has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Group has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

Customer loyalty program reward points

Customer loyalty program reward points having a predetermined life are granted to customers when they make purchases. The fair value of the consideration on sale of goods resulting in such award credits is allocated between the goods supplied and the reward point credits granted. The consideration allocated to the reward point credits is measured by reference to fair value from the standpoint of the holder and revenue is deferred. The Group at the end of each reporting period estimates the number of points redeemed and that it expects will be further redeemed, based on empirical data of redemption / lapses, and revenue is accordingly recognised.

Provision for discount and sales return

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

Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

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

Further details about defined benefit obligations are provided in Note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 35 for further disclosures.

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The expenses recognised for share-based payment transactions are disclosed in Note 32.

Taxes

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

The Group has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Group has determined that it can recognise deferred tax assets on the tax credits carried forward and unused losses carried forward.

Further details on taxes are disclosed in Note 24.

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete / slow-moving inventory items.

Useful lives of Property, Plant and Equipment and Intangible assets

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended March 31, 2023, there were no changes in useful lives of property plant and equipment and intangible assets other than (a) useful lives of leasehold improvements which have been considered lower of the lease term or useful life and (b) those resulting from store closures / shifting of premises.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the 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 of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and 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.

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Group has capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group.

Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the Consolidated Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 14 and 25).

Lease Term

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.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 5 : Property, plant and equipment

Particulars	Buildings	Plant & machinery	Furniture & fixture	Vehicles	Leasehold Improve-ments	Office Equipment	Computer, server & network	Total
Gross Carrying Value								
As at April 1, 2021	**6.94**	**111.51**	**238.49**	**5.58**	**295.36**	**41.47**	**64.49**	**763.84**
Additions	-	1.62	10.35	1.16	14.16	0.57	5.15	33.01
Deductions	-	77.42	86.54	-	105.36	20.95	11.30	301.57
Deductions due to Discontinued Operation (Refer Note 41)	-	6.12	16.21	2.19	30.05	4.25	31.74	90.56
As at March 31, 2022	**6.94**	**29.59**	**146.09**	**4.55**	**174.11**	**16.84**	**26.60**	**404.72**
Additions	-	2.76	17.62	1.32	22.73	1.88	6.81	53.12
Deductions	-	2.08	6.03	1.52	20.69	2.61	0.75	33.68
As at March 31, 2023	**6.94**	**30.27**	**157.68**	**4.35**	**176.15**	**16.11**	**32.66**	**424.16**
Accumulated Depreciation								
As at April 1, 2021	**0.47**	**93.39**	**176.54**	**2.71**	**207.83**	**33.21**	**50.43**	**564.58**
Depreciation for the year	0.21	4.04	13.22	1.09	28.58	2.67	7.59	57.40
Depreciation for the year Discontinued Operation (Refer Note 41)	-	1.77	10.37	-	5.80	0.48	0.36	18.78
Deductions	-	5.87	15.42	1.26	28.63	4.15	31.65	86.98
Deductions due to Discontinued Operation (Refer Note 41)	-	69.04	77.82	-	86.34	18.85	10.31	262.36
As at March 31, 2022	**0.68**	**24.29**	**106.89**	**2.54**	**127.24**	**13.36**	**16.42**	**291.42**
Depreciation for the year	0.22	3.11	19.10	0.86	25.09	1.80	6.34	56.52
Deductions	-	1.62	4.39	1.39	18.48	2.24	0.70	28.82
As at March 31, 2023	**0.90**	**25.78**	**121.60**	**2.01**	**133.85**	**12.92**	**22.06**	**319.12**
Net Carrying Value								
As at March 31, 2023	**6.04**	**4.49**	**36.08**	**2.34**	**42.30**	**3.20**	**10.60**	**105.04**
As at March 31, 2022	**6.26**	**5.30**	**39.20**	**2.01**	**46.87**	**3.48**	**10.18**	**113.30**

Notes:

1) No Borrowing costs are capitalised on property plant and equipment during the year
2) For Properties pledge as security Refer Note 13(a).
3) Refer Note 26 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 5 (a) : Capital work-in-progress ageing schedule:

As at March 31, 2023

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	1.80	-	-	-	-
Total	**1.80**	**-**	**-**	**-**	**-**

As at March 31, 2022

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 6: Intangible assets

Particulars	Computer Software	Brand Value & License Brands	Distribution Network	Technical Process development	Product Devel-opment	Trademark License Fee	Website	Total Intangible Assets	Goodwill on Conso-lidation
Gross Carrying Value									
As at April 1, 2021	**73.70**	**20.75**	**2.09**	**40.21**	**18.60**	**36.89**	**2.46**	**194.70**	**111.23**
Additions	6.68	-	-	-	-		-	6.68	-
Deductions	33.89	-	-	8.00	7.75		-	49.64	-
Deductions due to Discontinued Brand (Refer Note 41)	0.82	-	2.09	-	1.27		-	4.18	-
As at March 31, 2022	**45.67**	**20.75**	**-**	**32.21**	**9.58**	**36.89**	**2.46**	**147.56**	**111.23**
Additions	5.74	-	-	2.32	-			8.06	-
Deductions	-	-	-	-	-			-	-
As at March 31, 2023	**51.41**	**20.75**	**-**	**34.53**	**9.58**	**36.89**	**2.46**	**155.62**	**111.23**
Amortisation									
As at April 1, 2021	**45.03**	**20.75**	**2.09**	**31.26**	**6.61**	**17.06**	**2.06**	**124.86**	**-**
Amortisation for the Year	12.07	-	-	5.24	6.72	3.08	0.40	27.51	-
Deductions	33.89	-		8.00	7.75	-	-	49.64	-
Deductions due to Discontinued Brand (Refer Note 41)	1.22	-	2.09	-	0.76	-	-	4.07	-
As at March 31, 2022	**21.99**	**20.75**	**-**	**28.50**	**4.82**	**20.14**	**2.46**	**98.66**	**-**
Amortisation for the Year	10.45	-	-	1.36	1.44	3.08	-	16.33	-
Deductions	-	-	-	-	-		-	-	-
As at March 31, 2023	**32.44**	**20.75**	**-**	**29.86**	**6.26**	**23.22**	**2.46**	**114.99**	**-**
Net Carrying Value									
As at March 31, 2023	**18.97**	**-**	**-**	**4.67**	**3.32**	**13.67**	**-**	**40.63**	**111.23**
As at March 31, 2022	**23.68**	**-**	**-**	**3.71**	**4.76**	**16.75**	**-**	**48.90**	**111.23**

Note:

1) On March 23, 2018, one of the Group Company has entered into an addendum to the license agreements dated December 1, 2015 and March 19, 2014 with Calvin Klein Inc., to add certain product categories to licensed products for a consideration of Rs. 7.14 Crores (equivalent to USD 1.1 Million), which has been capitalised as an intangible asset, in accordance with Ind AS 38, ""Intangible Assets"".

   The initial term of license shall end on December 31, 2023. However, the same can be renewed for a further period of 10 years without any additional consideration, subject to compliance with certain terms and conditions under the aforesaid agreement. Management has determined that it is virtually certain that the Group would renew the license agreement for a further period of 10 years. Accordingly, the Group is amortising the trademark license fee over remaining term of license agreement (including renewal period) till December 31, 2033.

2) On September 7, 2011, one of the Group Company has entered into a License Agreement with Tommy Hilfiger Europe BV and obtained an exclusive and assignable license to use the Trademark Tommy Hilfiger, in connection with the manufacture, import, distribution, promotion, advertising and sale of Tommy Hilfiger products in India for a consideration of Rs. 37.80 Crores (equivalent to USD 7.5 Million), which has been capitalised as an intangible asset, in accordance with Ind AS 38, "Intangible Assets". The ownership of aforesaid Trademark rests with Tommy Hilfiger Europe BV.

   Under the aforesaid agreement, that Company must achieve certain minimum sales level with respect to the licensed products and pay royalty on higher of the actual and minimum sales value of license products. As per the agreements entered by the Company with sub-franchisees, certain minimum sales level with respect to the licensed products must be achieved by the sub-franchisees and royalty is earned on the higher of the actual and minimum sales value of the licensed products.

   The initial term of license is for a period of 10 years. However, the same can be renewed for a further period of 5 years without any additional consideration, subject to compliance with certain terms and conditions under the aforesaid agreement. Management has determined that it is virtually certain that the Company would renew the license agreement for a further period of 5 years. Accordingly, the Company has amortised the trademark over a period of 15 years.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 6(a) : Intangible assets under development

As on 31st March, 2023

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	0.30	-	-	-	0.30
Total	**0.30**	**-**	**-**	**-**	**0.30**

As on 31st March, 2022

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Note 7 : Financial assets

7 (a) Trade receivables - Current

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	**983.48**	917.50
Credit Impaired	**62.85**	52.14
Less : Allowance for doubtful debts	**(62.85)**	(52.14)
	983.48	917.50
Less: Refundable Liability - (Refer Note 3 below)	**(423.97)**	(345.79)
Total Trade receivables	**559.51**	571.71

Note :

1) No trade receivables are due from directors or other officers of the Group either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.
2) Trade receivables are given as security for borrowings as disclosed under Note 13(a).
3) Refundable Liability are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.

Allowance for doubtful debts

The Group has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix.

Movement in allowance for doubtful debt :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**52.14**	52.07
Add : Allowance for the year (Refer Note 23)	**18.48**	6.37
Less : Utilised during the year	**(1.59)**	-
Less : Provision for doubtful debts written back (Refer Note 17)	**(6.18)**	(6.30)
Balance at the end of the year	**62.85**	52.14

Notes to the Consolidated Financial Statements

(₹ in Crores)

Trade Receivables Ageing Schedule:
As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade receivables - Considered Good	623.50	337.51	24.52	0.81	0.33	-	986.67
Undisputed Trade receivables - Credit impaired	-	-	30.89	5.79	3.93	7.52	48.13
Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade receivables - Credit impaired	-	-	0.12	0.76	6.09	4.56	11.53
Gross Trade Receivables	**623.50**	**337.51**	**55.23**	**7.36**	**10.35**	**12.08**	**1,046.33**
Less: Allowance for doubtful debts							(62.85)
Less: Refundable Liability							(423.97)
Net Trade Receivables							**559.51**

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade receivables - Considered Good	665.74	230.33	18.17	3.23	0.03	-	917.50
Undisputed Trade receivables - Credit impaired	0.90	1.17	3.47	20.70	5.86	13.79	45.89
Disputed Trade receivables - Credit impaired	-	-	-	3.53	2.53	0.19	6.25
Gross Trade Receivables	**666.64**	**231.50**	**21.64**	**27.46**	**8.42**	**13.98**	**969.64**
Less: Allowance for doubtful debts							(52.14)
Less: Refundable Liability							(345.79)
Net Trade Receivables							**571.71**

7 (b) Loans

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Non-current		
Loans to employees	**0.14**	0.80
	0.14	0.80
Current		
Loans to employees	**1.63**	4.29
	1.63	4.29
Total Loans	**1.77**	5.09

Note : 1) No loans are due from directors or promoters of the Group either severally or jointly with any person.

Notes to the Consolidated Financial Statements

(₹ in Crores)

7 (c) Cash and cash equivalent

Particulars	**As at March 31, 2023**	As at March 31, 2022
Cash on hand	**0.17**	0.01
Balances with Bank		
In Current accounts and debit balance in cash credit accounts	**29.10**	31.66
In Fixed Deposits - with maturity of less than 3 months #	**148.50**	55.00
Total cash and cash equivalents	**177.77**	86.67

- Deposits with banks earn interest at fixed bank deposit rates. Short-term deposits are made for a period of 91 days depending on the immediate cash requirement of the Company, and earn interest at the respective

7 (d) Other bank balance

Particulars	**As at March 31, 2023**	As at March 31, 2022
In Deposit Account		
Held as Margin Money*	**20.20**	17.22
Deposits with original maturity of more than three months but less than 12 months	**1.30**	0.02
Earmarked Balance - Unpaid Fractional Shares and Rights Issue	**1.04**	1.05
Total other bank balances	**22.54**	18.29

* Under lien with bank as Security for Guarantee Facility given by the bankers.

7 (e) Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	**As at March 31, 2023**	As at March 31, 2022
Non-current		
Security deposits	**59.69**	61.15
Doubtful	**0.62**	0.62
Less: Allowance for Doubtful Deposits	**(0.62)**	(0.62)
	59.69	61.15
Bank deposits with maturity of more than 12 months	**2.47**	0.70
	62.16	61.85
Current		
Security deposits- Current	**27.64**	60.59
Security deposits - considered doubtful	**2.16**	2.01
Less: Allowance for doubtful deposits	**(2.16)**	(2.01)
	27.64	60.59
Income receivable	**2.25**	0.81
Accrued Interest	**1.67**	0.45
Insurance claim receivable	**0.34**	0.31
Foreign Exchange Forward contracts (Cash flow hedge)	**0.84**	-
Other Receivables		
- Considered Good	**11.15**	51.51
- Considered Doubtful	**0.60**	0.27
Less : Allowance for Doubtful receivables	**(0.60)**	(0.27)
	43.89	113.67
Total other financial assets	**106.05**	175.52

Other current financial assets are given as security for borrowings as disclosed under Note 13(a).

Notes to the Consolidated Financial Statements

(₹ in Crores)

Allowance for doubtful deposits

Movement in allowance for doubtful deposits :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**2.63**	0.55
Add : Allowance for the year (Refer note 23)	**0.15**	2.08
Less : Write off (Net of recovery)	**-**	-
Balance at the end of the year	**2.78**	2.63

Allowance for Doubtful Other Receivables

Movement in allowance for doubtful Other Receivables :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**0.27**	-
Add : Allowance for the year (Refer note 23)	**0.33**	0.27
Less : Write off (Net of recovery)	**-**	-
Balance at the end of the year	**0.60**	0.27

7 (f) Financial assets by category

Particulars	FVTPL	FVOCI	Amortised cost
March 31, 2023			
Trade Receivables	-	-	559.51
Loans	-	-	1.77
Cash & Bank balance	-	-	200.31
Foreign Exchange Forward contracts (Cash flow hedge)		0.84	-
Other financial assets	-	-	106.05
Total Financial Assets	**-**	**0.84**	**867.64**
March 31, 2022			
Trade Receivables	-	-	571.71
Loans	-	-	5.09
Cash & Bank balance	-		104.96
Other financial assets	-	-	175.52
Total Financial Assets	**-**	**-**	**857.28**

Notes :

Financial instruments risk management objectives and policies, refer Note 37

2) Fair value disclosure for financial assets and liabilities, refer note 35 and for fair value hierarchy disclosures refer note 36.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 8 : Other current

(Unsecured, consiered good unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Capital advances	**0.70**	25.94
Doubtful Capital Advances	**0.33**	0.33
Less : Provision for doubtful Capital advances	**(0.33)**	(0.33)
	0.70	25.94
Sales tax paid under protest	**16.06**	34.74
GST/Sales tax / VAT / service tax receivable (net)	**2.56**	1.98
Other Advances	**0.08**	-
Prepaid expenses-non current	**0.59**	0.46
	19.99	63.12
Current		
Advance to suppliers		
Considered good	**46.65**	33.16
Considered doubtful	**2.20**	2.20
Less : Provision for doubtful advances	**(2.20)**	(2.20)
	46.65	33.16
Balance with Government Authorities (Refer Note 1 below)	**210.68**	166.54
Export incentive receivable	**0.73**	0.70
Returnable Asset (Refer Note 3 below)	**148.97**	134.31
Prepaid expenses	**9.26**	8.68
Foreign Exchange Forward contracts (Cash flow hedge)	**-**	0.36
Advance to employee	**0.59**	-
Other Current Assets	**72.94**	61.76
	489.82	405.51
Total	**509.81**	468.63

Note

1. Balance with Government Authorities mainly consist of input credit availed.
2. Other current assets are given as security for borrowings as disclosed under Note 13(a).
3. Returnable Asset are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.
4. Advance to directors or to firm/private company where director is interested.
5. Returnable Asset are accounted, considering the nature of inventory expected to be received, ageing and net realisable value and Rs. 28.31 Crores (March 31, 2022 Rs. 19.36 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement.
6. Other current assets includes Goods and Service Tax paid on primary sales / stock transfer of traded goods amounting Rs 70.15 Crores (March 31, 2022 Rs. 61.46 crores) on "Sale or Return basis" and tax on refund liability component. Balance outstanding as at year end will be adjusted against secondary sale of traded goods and actual credit note issued for sales returns.

Note 9 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Stock-in-trade (Garments, Cosmetics and Accessories)	**981.90**	830.81
Total	**981.90**	830.81

1) Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for Rs. 129.66 Crores (March 31, 2022 Rs. 174.91 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss.
2) Inventories are given as security for borrowings as disclosed under Note 13(a).

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 10 : Current Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax Paid in Advance (Net of Provision)	33.63	32.58
Total	**33.63**	32.58

Note 11 : Equity share capital:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital Equity shares of Rs. 4 each (March 31, 2022: Rs. 4 each)	18,75,00,000	75.00	18,75,00,000	75.00
Issued and subscribed share capital Equity shares of Rs. 4 each (March 31, 2022: Rs. 4 each)	13,28,25,660	53.13	13,24,61,813	52.97
Subscribed and fully paid up Equity shares of Rs. 4 each (March 31, 2022: Rs. 4 each)	13,28,00,971	53.12	13,24,10,948	52.96
Subscribed and Partly paid up Equity shares of Rs. 2 each (March 31, 2022: Rs. 2 each)	24,689	(Rs.49,378/-)	50,865	0.01
Total	13,28,25,660	53.13	13,24,61,813	52.97

11.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the period	13,24,61,813	52.97	11,34,87,487	42.43
Add: Amount received towards partly paid shares (Refer Note 11.6)	-	0.01	-	2.95
Add: Issue of fully paid up shares (Refer Note 11.5)	-	-	1,83,06,624	7.32
Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 34)	3,63,847.00	0.15	6,67,702	0.27
Outstanding at the end of the year	13,28,25,660	53.13	13,24,61,813	52.97

11.2. Rights, Preferences and Restrictions attached to the equity shares:

The Company has one class of shares referred to as equity shares having a par value of Rs. 4 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Consolidated Financial Statements

(₹ in Crores)

11.3. Number of Shares held by each shareholder holding more than 5% Shares in the Parent:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of share holding	No. of shares	% of shareholding
Aura Securities Private Limited	4,36,18,605	32.84%	4,36,18,605	32.93%
ICICI Prudential Mutual fund - Through its various mutual fund schemes	1,00,23,233	7.55%	97,83,459	7.39%
Plenty Private Equity Fund I Limited	75,10,649	5.65%	75,10,649	5.67%
Akash Bhanshali	73,17,553	5.51%	80,09,153	6.05%

11.4. Shareholding of Promoters

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of shares	'% change during the year	No. of shares	% of shares	% change during the year
Aura Securities Private Limited	4,36,18,605	32.84%	0%	4,36,18,605	32.93%	1%
Aura Merchandise Private Limited	18,30,701	1.38%	0%	18,30,701	1.38%	4817534%
Atul Limited	15,96,105	1.20%	0%	15,96,105	1.20%	0%
Aura Business Ventures LLP	10,36,706	0.78%	0%	10,36,706	0.78%	231%
Aagam Holdings Private Limited	7,25,553	0.55%	0%	7,25,553	0.55%	0%
Anusandhan Investments Limited	44,470	0.03%	0%	44,470	0.03%	0%
Aayojan Resources Private Limited	35,190	0.03%	0%	35,190	0.03%	0%
Adhinami Investment Private Limited	7,153	0.01%	0%	7,153	0.01%	0%
Swati S Lalbhai	3,754	0.00%	0%	3,754	0.00%	0%
Hansa Niranjanbhai	2,279	0.00%	0%	2,279	0.00%	0%
Sunil Siddharth Lalbhai	2,101	0.00%	0%	2,101	0.00%	0%
Badlani Manini Rajiv	-	0.00%	-100%	1,644	0.00%	0%
Vimla S Lalbhai	1,593	0.00%	0%	1,593	0.00%	0%
Taral S Lalbhai	1,573	0.00%	0%	1,573	0.00%	0%
Punit Sanjaybhai Lalbhai	1,544	0.00%	0%	1,544	0.00%	0%
Sanjaybhai Shrenikbhai Lalbhai	641	0.00%	0%	641	0.00%	-1%
Astha Lalbhai	385	0.00%	0%	385	0.00%	0%
Vandana Gupta	-	0.00%	-100%	302	0.00%	0%
Jayshreeben Sanjaybhai Lalbhai	152	0.00%	0%	152	0.00%	0%
Utkarsh Bhikoobhai Shah	-	0.00%	-100%	96	0.00%	0%
Akshita Holdings Private Limited	51	0.00%	0%	51	0.00%	0%
Amit Gupta	-	0.00%	-100%	40	0.00%	-87%
Aura Business Enterprise Private Limited	38	0.00%	0%	38	0.00%	0%
Aura Securities Private Limited	38	0.00%	0%	38	0.00%	0%
Kalpanaben Shripalbhai Morakhia	3	0.00%	0%	3	0.00%	0%
Sunil Siddharth HUF	3	0.00%	0%	3	0.00%	0%
Total	**4,89,08,638**	**36.82%**		4,89,10,720	36.92%	

Notes to the Consolidated Financial Statements

11.5. Issue of Equity Shares on preferential basis

On 21st August 2021, the Board of Directors approved issuance of equity shares on a preferential basis to various investors. The Company received the approval of shareholders in the extra ordinary general meeting held on 16th September 2021. The Board of Directors approved allotment of 1,83,06,624 fully paid equity shares to various investors at Rs. 218.50 per equity share (of which Rs. 4/- is towards face value and Rs. 214.50 towards premium) on receipt of consideration. There has been no deviation in the use of proceeds of the Preferential Issue, from the Objects stated in the Offer Letter.

11.6. Issue of Shares under Right Issue

On June 21, 2020, the Board of Directors of the Company had approved the revised size of Rights Issue of 3,99,79,347 shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 100 per Rights Equity Shares (including premium of Rs. 96 per Rights Equity Share) in the ratio of 62:91, i.e. 62 Rights Equity Shares for every 91 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. March 18, 2020. On July 24, 2020, the Company has approved the allotment of 3,99,79,347 equity shares of face value Rs. 4/- each to the eligible equity shareholders as fully paid up.

On February 03, 2021, the Board of Directors of the Company and subsequently on February 18, 2021, the Committee of Directors had approved the Rights Issue of 1,48,02,856 equity shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 135 per Rights Equity Shares (including premium of Rs. 131 per Rights Equity Share) in the ratio of 3:20, i.e. 3 Rights Equity Shares for every 20 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. February 24, 2021. On March 25, 2021, the Company has approved the allotment of 1,48,01,776 equity shares of face value Rs. 4/- each to the eligible equity shareholders as partly paid up for an amount of Rs. 70/- per Rights Issue Share received on application (of which Rs. 2/- was towards face value and Rs. 68/- towards premium). The allotment of 1,080 Rights Equity Shares has been kept in abeyance pending regulatory/other clearance. The third reminder to pay first and final call of Rs. 65/- was made in the month of August 2022 and the company has received Rs. 17,01,440/- against 26,176 equity shares (of which Rs. 2/- was towards face value and Rs. 63/- towards premium). As on date the First and Final call payment for 24,689 shares amounting to Rs.0.16 Crores is yet to be received.

Equity Issue expenses of Rs. Nil (March 31, 2022 - Rs. 9.33 Crores) has been adjusted against Securities Premium.

11.7. Shares allotted as fully paid up without payment being received in cash during the period of five years immediately preceding the reporting date:

1) The Company has allotted 5,17,23,414 Equity Shares pursuant to the scheme of arrangement during the year 2018-19.

11.8. Shares reserved for issue under options and contracts

Refer Note 32 for details of shares to be issued under Employee Stock Option Schemes (ESOPs).

11.9. Objective, policy and procedure of capital management,

Refer Note 38.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 12 : Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Note 12.1 Reserves & Surplus		
Capital reserve on Consolidation		
Balance as per last financial statements	**(237.08)**	(237.08)
Balance at the end of the year	**(237.08)**	(237.08)
Capital reserve		
Balance as per last financial statements	**39.89**	45.39
Less: Utilised during the year (refer note b)	**-**	(5.50)
Balance at the end of the year	**39.89**	39.89
Securities premium		
Balance as per last financial statements	**2,140.53**	1,651.88
Add: Addition during the year	**5.26**	493.62
Add: Transfer from share based payment reserve	**1.66**	4.36
Less: Equity issue expenses adjusted during the year	**-**	(9.33)
Balance at the end of the year	**2,147.45**	2,140.53
Share based payment reserve (Refer Note 32)		
Balance as per last financial statements	**12.82**	11.23
Add: Addition during the year	**4.97**	5.95
Less: Transfer to Securities Premium Account	**(1.66)**	(4.36)
Balance at the end of the year	**16.13**	12.82
Surplus in statement of profit and loss		
Balance as per last financial statements	**(1,348.91)**	(1,081.81)
Add: Profit/ (Loss) for the year	**36.71**	(267.40)
Add: Adjustment on consolidation	**-**	0.86
Add: Movement between Non-Controling Interest and Equity holders of the parent	**113.30**	-
Add / (Less): OCI for the year	**(1.31)**	(0.56)
	(1,200.21)	(1,348.91)
Total Reserves & Surplus	**766.18**	607.25
Note 12.2 Other comprehensive income		
Net Gain/(Loss) on FVOCI Equity Instruments		
Balance as per last financial statements	**90.16**	90.16
Balance at the end of the year	**90.16**	90.16
Cash Flow Hedge reserve		
Balance as per last financial statements	**(0.13)**	(0.22)
Add: Gain /(Loss) for the year	**0.80**	0.39
Add/(Less): Tax impact	**(0.20)**	(0.11)
Less: Share of Non Controlling Interest	**(0.30)**	(0.19)
Balance at the end of the year	**0.17**	(0.13)
Total Other comprehensive income	**90.33**	90.03
Total Other equity	**856.51**	697.28

Notes to the Consolidated Financial Statements

Note :

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

a Capital reserve on consolidation

Gain on purchase, i.e. excess of fair value of net assets acquired over the fair value of consideration in a business combination or on acquisition of interest in subsidiary is recognised as capital reserve on Consolidation.

b Capital reserve

Capital reserve represents capital reserve on amalgamation/business combination. This reserve arose pursuant to scheme of arrangement and shall not be considered to be reserve created by the Group. Utilisation during the previous year represents the stamp duty paid which is accounted as per the Composite scheme of arrangement for demerger of branded apparel undertaking.

c Securities premium

Securities premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies, Act.

d Share based payment reserve

This reserve relates to share options granted by the Group to its and erstwhile Holding Company's employee share option plan. Further information about share-based payments to employees is set out in Note 32.

e Net Gain/(Loss) on FVOCI Equity Instruments

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

f Cash Flow Hedge Reserve

The hedge reserve represents the cumulative effect portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when he hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Note 13 : Financial liabilities

13 (a) Borrowings

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term Borrowings (Refer Note 1(a) below)		
Secured (At amortised cost)		
Term loan from Banks	**30.59**	71.71
Total long-term borrowings	**30.59**	71.71
Short-term Borrowings		
Secured (At amortised cost)		
Current maturities of Long-Term borrowings (Refer Note 1(a) below)	**40.77**	40.47
Working Capital Loans repayable on demand from Banks (Refer Note 1(b) below)	**526.29**	389.55
Total short-term borrowings	**567.06**	430.02
Total borrowings	**597.65**	501.73

Notes to the Consolidated Financial Statements

Note 13 (a) : Borrowings (Contd.)

(₹ in Crores)

I Secured Borrowings

a Long term including current maturities

Particulars	Rate of interest	As at March 31, 2023	As at March 31, 2022	Security	Terms of repayment
Rupee Loans	9.15%	10.88	14.69	Secured against first pari passu charge over the entire fixed assets of the Company both present and future, and second charge is created over the entire stock, receivables and other current assets of the Company both present and future.	Repayable in 22 quarterly installments beginning from September 2019
Rupee Loans	9.25% to 9.50%	25.79	34.38	1. Guaranteed By National Credit Guarantee Trustee Company Ltd. 2. Second Charge on all current assets of borrower both present and future 3. Extension of second ranking charge over existing primary and collateral securities created in favour of the bank including but not limited to hypothecation on present and future stock, book debts and movable fixed assets of the company and assets of the borrower created out of this Facility.	Repayable in 48 Monthly installments beginning from April 2022
Rupee Loans	10.50%	12.49	25.26	1. First charge over the entire fixed assets of the Company both present and future and second charge is created over the entire stock, receivables and other current assets of the Company. 2. Corporate Guarantee given by Arvind Fashions Limited	Repayable in 22 instalments in 5 years beginning from December, 2019
Rupee Loans	8.95%	20.94	35.71		Repayable in 17 quarterly installments starting from March 31,2020.
Hire Purchase loans	7.70% to 8.10%	1.27	2.14	Secured by hypothecation of related vehicles	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans

(b) Short term

Particulars	Rate of interest	As at March 31, 2023	As at March 31, 2022	Security	Pledge of shares
Working Capital loans	8.20%	37.60	26.62	First pari passu charge on entire Stock and Receivables of the Company both present and future.	1. Secured against Pledge 1,75,82,539 shares of Arvind Youth Brands Private Limited owned by Holding Company.
Working Capital loans	7.85%	28.00	15.00		No equity shares pledged
Working Capital loans	9.35%	29.15	-		1. Secured against Pledge of 43,75,000 shares of Arvind Lifestyle Brands Limited owned by Holding Company. 2. Secured against Pledge of 81,15,018 shares of Arvind Youth Brands Private Limited owned by Holding Company.

Notes to the Consolidated Financial Statements

Note 13 : Financial liabilities (Contd.)

(b) Short term

Particulars	Rate of interest	As at March 31, 2023	As at March 31, 2022	Security	Pledge of shares
Working Capital loans	8.2% to 8.56%	60.33	10.06	1. First and pari passu charge by way of Hypothecation of current assets of the borrowing Company to be shared with other lenders. 2. First and pari passu charge on all intangible fixed assets of the borrower to be shared with other lenders. 3. Joint Corporate Guarantee given by Arvind Fashions Limited and Arvind Lifestyle Brands Ltd upto the extent of total sanction limits of Rs. 105 Crores.	No equity shares pledged
Working Capital loans	8.37% - 9.85%	78.40	33.54	1. First and charge over entire stocks, receivables and other current assets and Second Charge over the entire fixed assets of the company both present and future of the Borrowing Company.	Secured agaist pledge of 1,09,60,183 equity shares of Arvind Youth Brands Private Limited owned by Borrowing Company.
Working Capital loans	7.94%	156.05	175.73	2. Corporate Guarantee given by Holding Company	1) Secured agaist pledge of 3,25,57,884 equity shares of Arvind Youth Brands Private Limited owned by Borrowing Company. 2) Secured agaist pledge of 4,63,51,265 equity shares of Arvind Lifestyle Brands Limited owned by Holding Company.
Working Capital loans	7.95%	48.00	40.00		Secured agaist pledge of 43,84,074 equity shares of Arvind Youth Brands Private Limited owned by Borrowing Company.
Working Capital loans	0.00%	-	22.00		Secured agaist pledge of 61,37,703 equity shares of Arvind Youth Brands Private Limited
Working Capital loans	9.55%	50.76	36.60		No equity shares pledged
Working Capital loans	7.85%	10.00	5.00	Corporate Guarantee given by Holding Company.	No equity shares pledged
Working Capital loans	8.95%	28.00	25.00	1. First charge on entire current assets of Borrowing Company. 2. Corporate guarantee by Holding Company.	No equity shares pledged

Notes to the Consolidated Financial Statements

Note 13 : Financial liabilities (Contd.)

(b) Short term

2. All necessary charges or satisfaction are registered with ROC within the statutory period.

3. The Group has Fund based and Non-fund based limits of working capital from Banks and Financial Institutions. For the said facility, the revised submissions made by the group to its lead bankers based on closure of book of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed, except for one of the subsidary. Below tables show the current assets as per the statements filed with the banks by one of the subsidary and as per books of account of that subsidiary, along with summary of reconciliation and reasons of material discrepancies, if any.

Details of current assets as per the statements filed with the banks for the year ended March 31, 2022

Name of Bank(s)	Quarter ended	Particulars of securities provided	Amount as per statement filed by one of the subsidary	Amount as per books of account of one of the subsidary	Variance	Reasons of material discrepancies
HSBC and HDFC Bank	March 31, 2022	Trade receivables	67.50	67.50	-	
		Inventory	150.04	150.04	-	
HSBC and HDFC Bank	December 31, 2021	Trade receivables	234.94	114.78	120.16	Refer note a
		Inventory	118.97	136.29	(17.32)	Refer note b
HSBC and HDFC Bank	September 30, 2021	Trade receivables	307.12	147.02	160.10	Refer note a
		Inventory	108.61	157.81	(49.20)	Refer note b
HSBC and HDFC Bank	June 30, 2021	Trade receivables	238.34	151.39	86.95	Refer note a
		Inventory	128.58	151.40	(22.82)	Refer note b

(a) The trade receivable as per statements submitted to bank is:

i) over-stated due to inclusion of sale or return ("SOR") receivable and return provision;

ii) understated due to exclusion of sublicencing fees and exclusion of receivable from certain online customers."

(b) The inventory as per statement submitted with bank is understated due to exclusion of inventory lying with third party and overstated due to exclusion of inventory provisions on account of net realisable value ("NRV").

13 (b) Trade payable

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Acceptances	**193.62**	177.73
Other Trade Payables		
-Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	**54.75**	74.01
-Total outstanding dues other than micro enterprises and small enterprises	**771.13**	796.13
Total	**1,019.50**	1,047.87

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2023. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Notes to the Consolidated Financial Statements

Note 13 : Financial liabilities (Contd.) (₹ in Crores)

(b) Short term

Particulars	As at March 31, 2023	As at March 31, 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
i) Principal	**40.44**	57.32
ii) Interest	**14.32**	16.69
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**1.29**	5.41
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	**14.32**	16.69
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	**14.32**	16.69
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	**14.32**	16.69

Trade Payables Ageing Schedule:

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Micro, Small and Medium Enterprises	54.75	-	-		-	54.75
Others	878.96	65.52	4.84	4.45	10.98	964.75
Total	**933.71**	**65.52**	**4.84**	**4.45**	**10.98**	**1,019.50**

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Micro, Small and Medium Enterprises	39.99	34.02	-	-	-	74.01
Others	590.43	343.08	14.01	13.24	13.10	973.86
Total	**630.42**	**377.10**	**14.01**	**13.24**	**13.10**	**1,047.87**

Notes to the Consolidated Financial Statements

13 (c) Other financial liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Compulsory Convertible Preference Shares classified as debt Refer Note 2 below)	**-**	145.23
Payable to employees	**7.50**	-
Security Deposit	**114.45**	92.87
	121.95	238.10
Current		
Security Deposit	**1.38**	2.94
Interest accrued and due on others	**1.99**	3.89
Interest accrued but not due on borrowings	**8.05**	11.62
Payable to employees	**22.29**	40.27
Payable for capital goods	**10.30**	7.74
Deposits from customers and others	**0.72**	0.06
Others (Refer Note 3 below)	**1.04**	1.05
	45.77	67.57
Total	**167.72**	305.67

Note 1: There is no amount due and outstanding to be transfer to the Investor Education and Protection Fund (IEPF).

Note 2: **Terms of Conversion of Compulsory Convertible Preference Shares (CCPS):**

During the year 2020-21, Arvind Youth Brands Private Limited (AYBPL), one of the Subsidiary Company issued 58,95,852 Compulsorily Convertible Non-Cumulative Preference Shares ("CCPS") of Rs. 100 each fully paid-up The CCPS shall be entitled to a preferential right to dividend at the rate of 0.001% per annum which shall accrue but shall be payable annually. The CCPS shall carry all voting rights as are permitted under applicable law.

In terms of Shareholders agreement dated July 9, 2020, during the year the Shareholders of the AYBPL approved the change in the conversion terms of CCPS whereby each CCPS shall be convertible to following number and class of shares on a fully diluted basis : a) 4,22,10,569 Equity shares and b) 90,12,593 Class A equity shares. Except Class A equity shares remaining equity share will carry the voting rights as permitted under applicable law. The above mentioned conversion has been fixed based on the adjusted EBITDA of the AYBPL as on March 31, 2022. The board resolution to this effect was passed on March 30, 2023 and on the reporting date, the CCPS has been classified as entirely equity in nature by AYBPPL and this has no longer in the nature of Financial liability.

In Consolidated Financial Statement, Non-controlling Interest Is recognized based on eventual exercise or rights to returns post conversion of the CCPS.

Note 3: This includes Unpaid Fractional Shares Amount of Rs.1.04 Crores (previous year Rs.1.04 Crores) and due for refund for the excess money received on Right Issue of Rs.(14,400) (previous year Rs.0.01 Crores)

13 (d) Financial liabilities by category

Particulars	FVOCI	FVTPL	Amortised cost
March 31, 2023			
Borrowings	-	-	597.65
Trade payables	-	-	1,019.50
Compulsory Convertible Preference Shares classified as debt	-	-	-
Security Deposits	-	-	115.83
Payable to employees	-	-	29.79
Interest accrued but not due	-	-	8.05
Interest accrued and due	-	-	1.99
Payable in respect of Capital goods	-	-	10.30
Lease Liabilities	-	-	667.38
Deposits from customers and others	-	-	0.72
Others	-	-	1.04
Total Financial liabilities	**-**	**-**	**2,452.25**

Notes to the Consolidated Financial Statements

(₹ in Crores)

Particulars	FVOCI	FVTPL	Amortised cost
March 31, 2022			
Borrowings	-	-	501.73
Trade payables	-	-	1,047.87
Compulsory Convertible Preference Shares classified as debt	-	145.23	-
Security Deposits	-	-	95.81
Payable to employees	-	-	40.27
Interest accrued but not due	-	-	11.62
Interest accrued and due	-	-	3.89
Payable in respect of Capital goods	-	-	7.74
Lease Liabilities	-	-	456.13
Foreign Exchange Forward contracts (Cash flow hedge)	0.06	-	-
Others	-	-	1.05
Total Financial liabilities	**0.06**	**145.23**	**2,166.11**

1) Financial instruments risk management objectives and policies, refer Note 37

2) Fair value disclosure for financial assets and liabilities, refer note 35 and for fair value hierarchy disclosures refer note 36.

Note 14: Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term		
Provision for employee benefits (Refer Note 29)		
Provision for leave encashment	**4.15**	4.64
Provision for Gratuity	**11.03**	9.73
	15.18	14.37
Short-term		
Provision for employee benefits (Refer Note 29)		
Provision for leave encashment	**4.51**	4.31
Provision for Gratuity	**0.47**	4.04
Others		
Short term provision for litigation/disputed matters (Refer Note a below)	**2.06**	1.79
	7.04	10.14
Total	**22.22**	24.51

a. Provision for litigation/ disputed matters

The group has made provisions for pending disputed matters in respect of Indirect taxes like GST, Sales tax, Excise duty and Customs duty, the liability which may arise in the future, the quantum whereof will be determined as and when the matters are disposed off.

The movement in the provision account is as under :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as per last financial statements	**1.79**	2.12
Less: Adjusted during the year	**0.27**	(0.33)
Balance as at the end of the year	**2.06**	1.79

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 15 (a) : Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Fair valuation of security deposits from customers	**0.50**	0.48
	0.50	0.48
Current		
Advance from customers	**69.61**	37.56
Statutory dues including provident fund and tax deducted at source etc	**23.67**	28.75
Fair valuation of security deposits from customers	**0.25**	0.24
Unaccrued Sale	**3.37**	1.31
Unaccrued Income On MEIS Certificate	**-**	0.01
Deferred income of loyalty program reward points (Refer note (a) below)	**4.65**	3.20
Deferred income on Gift voucher issued	**0.64**	-
	102.19	71.07
Total	**102.68**	71.55

(a) Deferred income of Loyalty Program Reward Points

The Group has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as per last financial statements	**3.20**	2.69
Add : Provision Made during the year (Net of expiry) (Refer Note 16)	**3.52**	5.31
Less: Redemption made during the year	**(2.07)**	(4.80)
Balance at the end of the year	**4.65**	3.20

(b) Deferred income of Gift vouchers issued

The Group has deferred the revenue related to the gift voucher issued. The movement in deferred revenue for those gift vouchers are given below :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as per last financial statements	**-**	-
Add : Provision Made during the year (Net of expiry) (Refer Note 16)	**0.64**	-
Less : Redemption made during the year (Net)	**-**	-
Balance at the end of the year	**0.64**	-

Note 15 (b) : Current Tax liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Provision For Income Tax (Net of Advance Tax)	**2.63**	3.73
Total	**2.63**	3.73

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 16 : Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	4,369.83	3,025.30
Sale of services	46.03	27.10
	4,415.86	3,052.40
Operating income		
Export incentives	0.34	0.14
Foreign Exchange fluctuation on Vendors and Customers (Net)	3.21	2.68
Royalty	-	0.17
Miscellaneous receipts	1.67	0.65
	5.22	3.64
Total	4,421.08	3,056.04

I. Disaggregation of revenue from contracts with customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Revenue based on Geography		
i. Domestic	4,396.40	3,033.47
ii. Export	24.68	22.57
	4,421.08	3,056.04
B. Revenue based on Business Segment		
Branded Apparels and Accessories	4,421.08	3,056.04

II. Reconciliation of Revenue from Operation with Contract Price

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract Price	5,323.66	4,084.02
Less:		
Sales Return	588.79	745.06
Schemes and Discounts	310.27	277.61
Customer Loyalty Program (Refer Note 15)	3.52	5.31
Total Revenue from Operations	4,421.08	3,056.04

Note 17 : Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on financial assets recognised at amortised cost	9.69	1.52
Interest Income on fair value of security deposit	6.00	5.46
Gain on Reassessment of Lease (Refer Note 33)	13.59	5.20
Income due to Rent Waivers (Refer Note 33)	-	38.20
Profit on sale of Property, Plant & Equipment (Net)	-	5.05
Provision for doubtful debts written back	6.18	6.30
Provision no longer required	9.07	4.08
Miscellaneous income	7.97	1.06
Total	52.50	66.88

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 18 : Purchases of stock-in-trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Branded Apparels and Accessories	**2,442.78**	1,764.09
Total	**2,442.78**	1,764.09

Note 19 : Changes in inventories of stock-in-trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Stock at the end of the year		
Stock-in-trade	**981.90**	830.81
Stock at the beginning of the year		
Stock-in-trade	**830.81**	776.53
Total	**(151.09)**	(54.28)

Note 20 : Employee benefits expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 29)	**233.58**	205.86
Contribution to provident and other funds (Refer Note 29)	**10.47**	11.41
Welfare and training expenses	**19.13**	13.52
Share based payment to employees (Refer Note 32)	**4.98**	5.97
Total	**268.16**	236.76

Note 21 : Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expenses on financial liabilities measured at amortised cost		
Loans	**23.70**	45.56
Lease Liabilities (Refer Note 33)	**57.70**	43.09
Others	**36.71**	19.52
Change in Fair Value of Financial liability of CCPS	**-**	2.28
Exchange differences regarded as adjustment to borrowing cost	**-**	0.50
Other borrowing cost	**20.27**	12.97
Total	**138.38**	123.92

Note 22 : Depreciation and amortization expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of Property, Plant & Equipment (Refer Note 5)	**56.52**	57.40
Amortization of Intangible assets (Refer Note 6)	**16.31**	148.00
Depreciation of right-of-use-assets (Refer Note 33)	**165.90**	27.60
Total	**238.73**	233.00

Notes to the Consolidated Financial Statements

Note 23 : Other expenses

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel	**14.78**	10.59
Insurance	**4.24**	5.15
Processing charges	**4.80**	4.29
Printing, stationery & communication	**8.28**	6.18
Rent :		
Short Term leases and leases of low-value assets (Refer Note 33)	**20.46**	29.14
Commission & Brokerage	**512.33**	238.71
Rates and taxes	**13.34**	11.45
Repairs :		
To Building	**9.92**	5.44
To Others	**29.10**	28.86
Royalty on Sales*	**195.34**	139.56
Freight, insurance & clearing charge	**80.40**	70.56
Legal & Professional charges	**37.89**	26.63
Housekeeping Charges	**3.75**	2.29
Security Charges	**3.54**	3.76
Computer Expenses	**16.54**	12.63
Conveyance & Travelling expense	**30.52**	11.22
Advertisement and Publicity	**136.74**	107.03
Packing Materials Expenses	**18.08**	14.09
Outsourced Sevices	**167.33**	141.09
Sales Promotion	**0.82**	0.35
Allowance for doubtful debts (Refer Note 7a)	**18.48**	6.37
Allowance for Doubtful Deposits (Refer Note 7e)	**0.26**	2.08
Provision for Doubtful Receivables (Refer Note 7e)	**0.22**	0.27
Unreconciled balances written off	**2.84**	-
Sampling and Testing Expenses	**9.44**	3.24
Director's Fee and Commission	**0.49**	0.03
Auditor's remuneration (Refer Note a below)	**1.31**	2.43
Business Conducting Fees	**6.34**	0.14
Bank charges	**16.54**	10.61
Warehouse Charges	**30.09**	12.68
Spend on CSR activities (Refer Note 34)	**0.34**	0.46
Sale or Discard of Property, Plant & Equipment	**2.89**	1.08
Donation towards Electoral Bonds	**3.00**	-
Miscellaneous expenses	**8.15**	20.90
Total	**1,408.59**	929.31

*Royalty on Sales includes termination fees amounting to Rs. 7.93 Crores for one of the brands.

Notes to the Consolidated Financial Statements

Note 23 : Other expenses (Contd.)

(₹ in Crores)

Note 23(a): Breakup of Auditor's remuneration

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Payment to Auditors as :		
Statutory Auditor Fees	**1.25**	1.25
Taxation Matters	**-**	0.46
Corporate law matters	**-**	0.34
Certification Fee	**0.02**	0.32
For reimbursement of expenses	**0.04**	0.06
Total	**1.31**	2.43

Note 24 : Income tax

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Income Tax Expenses recognised in Statement of Profit & Loss from Continuing Operation		
Current tax		
Current tax	**39.68**	11.27
(Excess)/ Short provision related to earlier years	**0.99**	2.06
Deferred Tax		
Deferred tax Charge/(Credit)	**(0.56)**	(19.13)
Income tax expense reported in the statement of consolidated profit & loss	**40.11**	(5.80)

OCI section

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Statement to Other comprehensive income (OCI)		
Deferred tax Charge/(Credit)	**(0.47)**	(0.17)
Deferred tax charged to OCI	**(0.47)**	(0.17)

Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate:

A) Current tax

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Accounting profit/(loss) before tax from Continuing and discontinuing operations	**127.07**	**(242.50)**
Tax Rate	**34.944%**	34.944%
Current Tax Expenses on Profit before tax at the enacted income tax rate in India	**44.40**	(84.74)
Adjustments		
Difference in Tax Rates for certain entities of the Group	**(10.70)**	12.47
Expenditure not deductible for Tax	**(2.85)**	-
Share based payment expense	**-**	0.37
Deferred tax assets not recognised as realisation is not probable	**3.52**	62.31
Others	**5.72**	3.79
At the effective income tax	**40.09**	(5.80)
Effective Income Tax Rate %	**31.55%**	2.39%

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 24 : Income tax (Contd.)

B) Deferred tax

Particulars	Consolidated Balance Sheet As at March 31, 2023	Consolidated Statement of Profit & Loss and Other Comprehensive Income Year Ended March 31, 2023	Adjustment on Consolidation Year Ended March 31, 2023	Consolidated Balance Sheet As at March 31, 2022	Consolidated Statement of Profit & Loss and Other Comprehensive Income Year Ended March 31, 2022
Accelerated depreciation for tax purposes	134.52	(1.06)	-	135.58	9.47
Expenditure allowable on payment basis/ over the period	11.41	(0.78)	-	12.19	(0.10)
Expenses on Employee Stock Option	2.04	(0.14)	-	2.18	1.31
Unused losses available for offsetting against future taxable income	176.17	0.03	-	176.14	20.39
Allowance for Doubtful Receivables/Advances	2.31	(2.43)	-	4.74	2.20
Unused tax credit available for offsetting against future taxable income (MAT credit entitlement)	12.68	(3.11)	-	15.79	-
Deferred Tax on unrealised profit	26.90	(4.05)	-	30.95	7.86
Impact on adoption of Ind AS 116	30.52	4.49	-	26.03	(21.63)
Others	15.45	8.07	-	7.37	(0.21)
Net deferred tax assets/(liabilities)	**412.00**	**1.02**	**-**	**410.97**	**19.29**

Note :

(i) Some of the group companies have stopped recognizing additional deferred tax asset until it becomes probable that sufficient taxable profits will be available.

(ii) The Group has unused carried forward losses of Rs. 1456.62 Crores as at March 31, 2023 (March 31, 2022: Rs. 1303.86 Crores). Out of the same, tax credits on losses of Rs. 998.82 Crores (March 31, 2022: Rs. 852.44 Crores) have not been recognized on the basis that recovery is not probable in the foreseeable future. The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(iii) Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that earnings of the subsidiary will not be distributed in the foreseeable future and the Parent controls the timing of reversal of this temporary differences.

Reconciliation of deferred tax assets / (liabilities), net

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance as at April 1	**410.97**	391.90
Adjustment on Consolidation	**(4.04)**	(0.22)
Deferred Tax income/(expense) during the period recognised in profit or loss for Continuing Operations	**4.60**	19.13
Deferred Tax income/(expense) during the period recognised in OCI	**0.47**	0.16
Closing balance as at March 31	**412.00**	410.97

Notes to the Consolidated Financial Statements

Note 25 : Contingent liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent liabilities not provided for		
a. Claims against the Group not acknowledged as debts	**1.40**	5.63
b. Disputed demands in respect of		
Excise/Customs duty (Refer Note d below)	**38.98**	38.98
Sales tax/ GST (Refer Note e below)	**34.10**	58.39
Income tax	**40.73**	34.00
Labour regulation	**0.22**	0.22
c. Guarantee given by bank on behalf of the group	**0.40**	1.41

Notes :

(a) It is not practical for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Group does not expect any reimbursements in respect of the above Contingent liabilities.

(c) The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect on is considered necessary for the same.

(d) Two of the Group companies had received demand cum show cause notice under section 28(4) read with section 124 of the Customs Act, 1962 from the Directorate of Revenue Intelligence ('DRI'), for short payment of duty due to non-inclusion of certain payments to vendors for determining assessable value for payment of Custom Duty. The Group is confident that it's position will likely be upheld in the appellate process against the above demand. However, the Group had deposited Rs.1.69 Crores under protest.

(e) Disputed demand for Sales Tax and VAT includes demand raised mainly due to non-submission of various statutory forms to appropriate authority. Subsequent to the demand, the company has collected forms covering substantial amount of demand. The company is in the process of collecting balance forms and hence no provision is considered necessary for the same.

Note 26 : Capital commitment

Particulars	As at March 31, 2023	As at March 31, 2022
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for	**10.39**	0.19

Note 27 : Foreign Exchange Derivatives and Exposures not hedged

A. Foreign Exchange Derivatives

Nature of Instrument	Average Exchange rate (in equivalent Rs.)	In FC USD In Crores	Rs. in Crores
Forward contracts - Purchase			
As at March 31, 2023	82.17	2.10	172.76
As at March 31, 2022	75.92	0.86	65.29

All derivative contracts stated above are for the purpose of hedging the underlying foreign currency exposure.

B. Exposure Not Hedged

Nature of Instrument	In FC USD In Crores	Rs. in Crores	In FC EURO In Crores	Rs. in Crores	In FC SEK In Crores	Rs. in Crores	In FC AED In Crores	Rs. in Crores
Receivables								
As at March 31, 2023	0.09	7.15	-	-	-	-	-	-
As at March 31, 2022	0.11	7.90	-	-	-	-	-	-
Payable to creditors								
As at March 31, 2023	1.21	99.83	0.01	1.16	0.06	0.44	0.00	0.08
As at March 31, 2022	1.24	94.69	0.05	4.11	0.05	0.44	-	0.10

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 28 : Segment Reporting

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, Cosmetics and Accessories) through Retail and Departmental Store facilities.

Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

Particulars	Year Ended / As at March 31, 2023	Year Ended / As at March 31, 2022
Segment Revenue from continuing operation*		
a) In India	**4,396.40**	3,033.47
b) Rest of the world	**24.68**	22.57
Total Sales	**4,421.08**	3,056.04
Segment Revenue from discontinued operation*		
a) In India	**4.04**	189.33
b) Rest of the world	**-**	-
Total Sales	**4.04**	189.33
Carrying Cost of Segment Assets from continuing operation**		
a) In India	**3,664.86**	3,254.97
b) Rest of the world	**7.15**	7.90
Total	**3,672.01**	3,266.60
Carrying Cost of Segment Assets from discontinued operation**		
a) In India	**-**	-
b) Rest of the world	**-**	-
Total	**-**	-
Carrying Cost of Segment Non Current Assets from continued operation@**		
a) In India	**920.66**	757.03
b) Rest of the world	**-**	-
Total	**920.66**	757.03
Carrying Cost of Segment Non Current Assets from continued operation@**		
a) In India	**-**	-
b) Rest of the world	**-**	-
Total	**-**	-

* Based on location of Customers

** Based on location of Assets

**@ Excluding Financial Assets and Deferred Tax Assets

Information about major customers (revenues from single external customer more than 10% of total revenue):

Considering the nature of business of the Group in which it operates, the group deals with various customers including multiple geographics. Consequently, none of the customer contribute materially to the revenue of the group.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 29 : Disclosure pursuant to Employee benefits

A. Defined Contribution Plans

The following amounts are recognised as expense and included in Note 21 "Employee benefit expenses"

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Contribution to Provident Fund	**10.05**	10.59
Contribution to National Pension Scheme	**0.26**	0.26
Contribution to ESI	**0.14**	0.55
Contribution to Labour Welfare Fund	**0.02**	0.02
	10.47	11.42

Note

(a) Employees of the Group receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Group receive benefits from a government administered provident fund, which is a defined contribution plan. The Group has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

(b) Defined Benefit Plans

The Group has following post employment benefits which are in the nature of defined benefit plans:

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Group make annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

Notes to the Consolidated Financial Statements

March 31,2023: Changes in defined benefit obligation and plan assets

(₹ in Crores)

Particulars	April 1, 2022	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Increase (decrease) due to effect of business combination/ transfer	Contributions by employer	March 31, 2023
		Service cost	Net interest expense	Sub-total included in statement of profit and loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI			
Gratuity													
Defined benefit obligation	(16.51)	(2.14)	(0.80)	(2.94)	5.50	-	(0.18)	(0.44)	(1.55)	(2.17)	-	-	(16.13)
Fair value of plan assets	2.75	-	0.18	0.18	(5.50)	0.16	(0.02)	-	-	0.14	-	7.06	4.64
Total benefit liability	**(13.76)**	**(2.14)**	**(0.62)**	**(2.76)**	**-**	**0.16**	**(0.20)**	**(0.44)**	**(1.55)**	**(2.03)**	**-**	**7.06**	**(11.49)**

March 31,2022: Changes in defined benefit obligation and plan assets

Particulars	April 1, 2021	Cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Increase (decrease) due to effect of business combination/ transfer	Contributions by employer	March 31, 2022
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 20)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI			
Gratuity													
Defined benefit obligation	(19.43)	(2.61)	(0.93)	(3.53)	6.85	-	(0.19)	(0.84)	0.13	(0.90)	0.50	-	(16.51)
Fair value of plan assets	5.96	-	0.34	0.34	(6.77)	(0.08)	-	-	-	(0.08)	-	3.30	2.75
Total benefit liability	**(13.47)**	**(2.61)**	**(0.59)**	**(3.19)**	**0.08**	**(0.08)**	**(0.19)**	**(0.84)**	**0.13**	**(0.98)**	**0.50**	**3.30**	**(13.76)**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	**Year ended March 31, 2023**	Year ended March 31, 2022
Others (Insurance company Products)	100%	100%
(%) of total plan assets	**100%**	**100%**

Notes to the Consolidated Financial Statements

(₹ in Crores)

The principal assumptions used in determining above defined benefit obligations for the Group's plans are shown below:

Particulars	Year ended March31, 2023	Year ended March31, 2022
Discount rate	7.40%	5.2% to 7.1%
Future salary increase	8.3% to 12%	4.32% to 12%
Expected rate of return on plan assets	7.30%	5.2% to 5.7%
Attrition rate	18% to 54%	13% to 48.6%
Mortality rate during employment	Indian assured lives Mortality(2006-08)	Indian assured lives Mortality(2006-08)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

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

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (Impact)	
		Year ended March 31, 2023	Year ended March 31, 2022
Gratuity			
Discount rate	50 basis points increase	**(0.07)**	(0.18)
	50 basis points decrease	**0.07**	0.15
Salary increase	50 basis points increase	**0.04**	0.12
	50 basis points decrease	**(0.05)**	(0.13)
Attrition rate	50 basis points increase	**(0.01)**	(0.04)
	50 basis points decrease	**0.01**	0.01

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March31, 2023	Year ended March31, 2022
Gratuity		
Within the next 12 months (next annual reporting period)	**4.16**	4.90
Between 2 and 5 years	**13.50**	12.95
Beyond 5 years	**10.78**	7.73
Total expected payments	**28.45**	25.58

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended March31, 2023	Year ended March31, 2022
Gratuity	**2 years to 7 years**	2 years to 7 years

Notes to the Consolidated Financial Statements

(₹ in Crores)

C. Leave encashment

The Group has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. The liability of leave encashment is funded through Life Insurance Corporation.

Particulars	Year ended March31, 2023	Year ended March31, 2022
Leave encashment	**4.74**	3.34
	4.74	3.34

Notes to the Consolidated Financial Statements

Note 30 : Related Party Transactions

a As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Group are as follows :

Name of Related Parties	Nature of Relationship
Arvind Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Sprots Fashion Private Limited (Earlier known as Arvind Ruf & Tuf Private Limited)	Enterprise on which Non-Executive Director exercise significant influence
Arvind Polymer Textiles Limited (Previously known as Arvind True Blue Limited)	Enterprise on which Non-Executive Director exercise significant influence
Arvind Premium Retail Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Suit Manufacturing Private Limited (Previously known as Arvind Goodhill Suit Manufacturing Private Limited)	Enterprise on which Non-Executive Director exercise significant influence
Arvind Internet Limited	Enterprise on which Non-Executive Director exercise significant influence (up to June 30, 2022)
Arvind Smart Textile Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Envisol Limited	Enterprise on which Non-Executive Director exercise significant influence
Aura Securities Private Limited	Enterprise on which Non-Executive Director exercise significant influence
Multiples Private Equity Fund II LLP	Enterprise on which Non-Executive Director exercise significant influence
J Suresh Consults	Enterprise on which Non-Executive Director exercise significant influence
Suresh Jayaraman	Additional Director of the Company up to August 22, 2021 and Non-executive director w.e.f August 23, 2021.
Shailesh Shyam Chaturvedi	Key Management Personnel, Managing Director & CEO
Pramod Kumar Gupta, Chielf Financial Officer	Key Management Personnel, (Up to February 11, 2022)
Piyush Gupta, Chief Financial Officer	Key Management Personnel, (w.e.f. February 12, 2022 to January 5, 2023)
Girdhar Chitlangia, Chief Financial Officer	Key Management Personnel, (w.e.f. January 6, 2023)
Vijay Kumar B S, Company Secretary	Key Management Personnel, (Up to March 31, 2022)
Lipi Jha, Company Secretary	Key Management Personnel, (w.e.f. May 27, 2022)
Sanjaybhai S. Lalbhai, Chairman	Non Executive Director
Nithya Easwaran	Non Executive Director
Kulin S. Lalbhai, Vice Chairman	Non Executive Director
Punit S. Lalbhai	Non Executive Director
Nilesh D. Shah	Non Executive Director
Abanti Sankaranrayanan	Non Executive Director (up to March 10, 2023)
Ananya Tripati	Non Executive Director (w.e.f March 14, 2023)
Vallabh R. Bhanshali	Non Executive Director
Nagesh D. Pinge	Non Executive Director
Achal A. Bakeri	Non Executive Director
Vani Kola	Non Executive Director (Upto July 1, 2022)
Manoj Nakra	Non Executive Director, (w.e.f July 1, 2022)

Note: Related party relationship is as identified by the Group and relied upon by the Auditors.

Notes to the Consolidated Financial Statements

(₹ in Crores)

b Transactions with related parties for the year ended March 31, 2023 and years ended March 31, 2022

Particulars	Key Managerial Personnel and Non Executive Directors	Enterprise on which Non-Executive Director exercise significant influence
Purchase of Goods and Materials (Net)		
March 31, 2023	-	30.20
March 31, 2022	-	61.24
Purchase of Property, Plant & Equipment and Intangible Assets		
March 31, 2023	-	-
March 31, 2022	-	-
Sales of Goods and Materials		
March 31, 2023	-	0.08
March 31, 2022	-	(0.12)
Receipt of Services-Shared services and Others		
March 31, 2023	-	9.02
March 31, 2022	-	17.59
Rendering of Services-Shared service		
March 31, 2023	-	2.09
March 31, 2022	-	1.85

c Transactions with related parties for the year ended March 31, 2023 and years ended March 31, 2022.

Particulars	Key Managerial Personnel and Non Executive Directors	Enterprise on which Non-Executive Director exercise significant influence
Remuneration		
March 31, 2023	1.50	-
March 31, 2022	13.82	-
Directors' Sitting Fees and Commission		
March 31, 2023	0.49	-
March 31, 2022	0.38	-
Consultancy charges		
March 31, 2023	-	1.50
March 31, 2022	-	-

Notes to the Consolidated Financial Statements

(₹ in Crores)

d Balances

Particulars	Key Managerial Personnel and Non Executive Directors	Enterprise on which Non-Executive Director exercise significant influence
Trade and Other Receivable		
March 31, 2023	-	5.97
March 31, 2022	-	2.54
Trade and Other Payable		-
March 31, 2023	-	21.85
March 31, 2022	-	11.99
Payable in respect of Loans		
March 31, 2023	-	-
March 31, 2022	-	-
Payable in respect of advance from customers		
March 31, 2023	-	-
March 31, 2022	-	0.10

e Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.

f Commitments with related parties

The Group has not provided any commitment to the related party (March 31, 2022: Rs. Nil)

g Transactions with key management personnel

Compensation of key management personnel of the Group

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	**8.57**	9.17
Termination benefits	**-**	0.09
Share based payments	**2.52**	6.25
Total compensation paid to key management personnel	**11.09**	15.51

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The amount recognised as an expense during the year for share based payment in respect of Key Management Personnel is Rs 2.52 Crores (March 31, 2022 Rs. 2.96 Crores)

Notes to the Consolidated Financial Statements

Note 31 : Earnings per share - EPS (Basic and Diluted)

(₹ in Crores) #

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total no. of equity shares at the end of the year	**13,28,25,660**	13,24,61,813
Nominal value of equity shares	**4**	4
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	**13,26,93,378**	12,20,97,731
Effect of dilution: Share options	**3,45,653**	4,69,045
Weighted average number of equity shares adjusted for the effect of dilution	**13,30,39,031**	12,25,66,776
A. EPS - Continuing Operations		
Profit/ (Loss) attributable to ordinary equity holders	**36.71**	(267.40)
Add/Less: (Profit)/ Loss before tax from Discountinued Operations	**0.96**	132.62
Adjusted Profit/ (Loss) for the year for EPS Calculation	**37.67**	(134.78)
Weighted average number of equity shares		
For basic EPS	**13,26,93,378**	12,20,97,731
For diluted EPS	**13,30,39,031**	12,25,66,776
Basic earnings per share	**2.84**	(11.04)
Diluted earnings per share	**2.83**	(11.04)
B. EPS - Discountinued Operations		
Profit/(Loss) before tax for the year from Discountinued Operations	**(0.96)**	(132.62)
Weighted average number of equity shares		
For basic EPS	**13,26,93,378**	12,20,97,731
For diluted EPS	**13,30,39,031**	12,25,66,776
Basic earnings per share	**(0.07)**	(10.86)
Diluted earnings per share	**(0.07)**	(10.86)
C. EPS - Continuing and Discountinued Operations		
Total Profit/(Loss) attributable to ordinary equity holders	**36.71**	(267.40)
Adjusted Profit/ (Loss) for the year for EPS Calculation	**36.71**	(267.40)
Weighted average number of equity shares		
For basic EPS	**13,26,93,378**	12,20,97,731
For diluted EPS	**13,30,39,031**	12,25,66,776
Basic earnings per share	**2.77**	(21.90)
Diluted earnings per share	**2.76**	(21.90)

Pursuant to Ind AS 33 - Earnings Per Share, basic and diluted earnings per share for the previous year have been restated for the bonus element in respect of right issue.

#All numbers are in Rs. Crores except weighted average number of equity shares, nominal value of Shares and Basic and Diluted EPS.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 32 : Share based payments

Arvind Fashions Limited (AFL)

The Company has instituted Employee Stock Option Scheme 2016 ("ESOP 2016") and Employee Stock Option Scheme 2018 ("ESOP 2018"), Employee Stock Option Scheme 2022 ("ESOP 2022") pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016 and on May 12, 2018, September 26, 2022 respectively. Up to March 31, 2023, the Company has granted 42,63,049 options under ESOP 2016, 3,15,200 options under ESOS 2018 in lieu of demerger under the Scheme and 1,15,000 options under Employee Stock Option Scheme 2022 ("ESOP 2022") convertible into equal number of Equity Shares of face value of Rs. 4 each. The following table sets forth the particulars of the options granted during the year ended 31st March 2023 under ESOS 2016 and ESOS 2022.

The following table sets forth the particulars of ESOP 2016 & ESOP 2022:

Scheme	March 31, 2023			March 31, 2022	
	ESOP 2016		ESOP 2022	ESOP 2016	
Date of grant	10-Aug-22	05-Jan-23	14-Feb-23	03-Jun-21	05-Oct-21
Number of options granted	2,30,000	85,000	1,15,000	2,50,000	4,50,000
Exercise price per option	Rs. 293.50	Rs. 349.75	306.10	Rs. 148.20	Rs. 286.70
Vesting period	Up to 5 years from the date of grant		Up to 5 years from the date of grant	Up to 5 years from the date of grant	
Vesting requirements	Time based vesting	Time based vesting	Time based vesting	Time based vesting	Time based vesting
Exercise period	5 years from the date of vesting		3 years from the date of vesting	5 years from the date of vesting	
Method of settlement	Equity		Equity	Equity	

The following tables set forth a summary of the activity of options:

Particulars	ESOP 2016			
	March 31, 2023	Weighted average exercise price per option (Rs.) #	March 31, 2022	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year	18,69,274	302.64	19,85,522	302.64
Granted during the year	3,15,000	308.68	7,00,000	237.17
Forfeited during the year	(73,700)	284.35	(1,48,546)	137.50
Exercised during the year	(3,63,847)	143.93	(6,67,702)	123.93
Outstanding at the end of the year	17,46,727	333.30	18,69,274	302.64
Exercisable at the end of the year	9,15,377	468.43	7,44,674	466.01

Price adjusted due to Right Issue bonus factor of Rs. 56.73 per option outstanding

Notes to the Consolidated Financial Statements

Note 32 : Share based payments (Contd.)

(₹ in Crores)

Particulars	ESOP 2018			
	March 31, 2023	Weighted average exercise price per option (Rs.) #	March 31, 2022	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year	3,15,200	834.13	3,15,200	834.13
Vested but not exercised at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	(3,15,200)	834.13	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	3,15,200	834.13
Exercisable at the end of the year	-	-	3,15,200	834.13

Price adjusted due to Right Issue bonus factor of Rs. 56.73 per option outstanding

Particulars	ESOP 2022			
	March 31, 2023	Weighted average exercise price per option (Rs.)	March 31, 2022	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year		-	-	- -
Vested but not exercised at the beginning of the year		-	-	- -
Granted during the year		1,15,000	306.10	- -
Forfeited during the year		-	-	- -
Exercised during the year		-	-	- -
Outstanding at the end of the year		1,15,000	306.10	- -
Exercisable at the end of the year		-	-	- -

Share Options Exercised Year ending March 31, 2023

Option Series	No. of Options	Exercise Date	Exercise Price
ESOS 2016	1,00,000	21-Apr-22	153.17
ESOS 2016	15,000	14-Jun-22	153.17
ESOS 2016	21,000	14-Jun-22	137.32
ESOS 2016	52,500	04-Aug-22	136.02
ESOS 2016	52,500	04-Aug-22	137.32
ESOS 2016	7,500	04-Aug-22	148.20
ESOS 2016	7,500	17-Aug-22	46.02
ESOS 2016	21,700	17-Aug-22	148.20
ESOS 2016	35,000	20-Sep-22	148.20
ESOS 2016	15,000	07-Oct-22	39.29
ESOS 2016	8,500	28-Nov-22	286.70
ESOS 2016	9,000	28-Nov-22	148.20
ESOS 2016	1,075	28-Nov-22	44.87
ESOS 2016	2,558	28-Nov-22	117.19
ESOS 2016	520	28-Nov-22	128.93
ESOS 2016	6,000	10-Feb-23	286.70
ESOS 2016	3,600	10-Feb-23	148.20
ESOS 2016	4,894	10-Feb-23	128.93

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 32 : Share based payments (Contd.)

Share Options Exercised Year ending March 31, 2022

Option Series	No. of Options	Exercise Date	Exercise Price
ESOS 2016	18,000	26-Oct-21	39.29
ESOS 2016	1,279	26-Oct-21	128.93
ESOS 2016	1,279	26-Oct-21	128.93
ESOS 2016	1,279	26-Oct-21	128.93
ESOS 2016	78,750	26-Oct-21	137.32
ESOS 2016	8,000	26-Oct-21	137.32
ESOS 2016	20,000	30-Sep-21	39.29
ESOS 2016	11,250	30-Sep-21	46.02
ESOS 2016	2,82,348	30-Sep-21	128.93
ESOS 2016	90,632	30-Sep-21	128.93
ESOS 2016	35,165	30-Sep-21	128.93
ESOS 2016	1,279	30-Sep-21	128.93
ESOS 2016	78,750	30-Sep-21	136.02
ESOS 2016	30,000	30-Sep-21	137.32
ESOS 2016	6,000	09-Feb-22	39.29
ESOS 2016	3,691	09-Feb-22	128.93

The share options outstanding at the end of the year under ESOP 2016 have a weighted average remaining contractual life of 5.99 years (March 31, 2022: 6.68 years). The range of exercise price is from Rs. 39.29 to Rs. 1320.37.

The share options outstanding at the end of the period under ESOP 2018 have a weighted average remaining contractual life of Nil years (March 31, 2022: 0.26 years). The range of exercise price is from Rs. 608.80 to Rs. 996.40.

The share options outstanding at the end of the year under ESOP 2022 have a weighted average remaining contractual life of 5.88 years. The exercise price is Rs. 306.10.

Particulars	ESOP 2016	ESOP 2018	ESOP 2022
Share price as at measurement date	Rs. 320.76	No grants made during the period	Rs. 294.60
Expected volatility	48.65%		48.59%
Expected life (years)	1.72 years		2.59 years
Dividend yield	0.00%		0.00%
Risk-free interest rate (%)	6.56%		7.23%

Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Employee option plan	**4.98**	5.97
Total employee share based payment expense	**4.98**	5.97

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 33 : Leases

A. The Group has taken Showrooms, warehouses and other facilities on lease period of 1 to 9 years with option of renewal. Disclosures as per Ind AS 116 - Leases are as follows:

B. Changes in the carrying value of right of use assets (Showrooms, warehouses and Other Facilities)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Balance at the beginning of the year	**387.90**	664.54
Additions	**485.26**	134.09
Deletions	**(99.22)**	(253.58)
Depreciation	**(165.90)**	(148.01)
Depreciation - Discontinued Operations	**-**	(9.14)
Balance at the end of the year	**608.04**	387.90

C. Movement in lease liabilities

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Balance at the beginning of the year	**456.12**	811.88
Additions	**474.69**	115.63
Deletions	**(112.82)**	(317.68)
Adjustment due to Rent Waivers (Refer Note a below)	**-**	(38.20)
Adjustment due to Rent Waivers - Discontinued Operations	**-**	(8.42)
Finance cost accrued during the year	**57.70**	43.09
Finance cost accrued during the year - Discontinued Operations	**-**	6.50
Payment of lease labilities	**(208.31)**	(156.68)
Balance at the end of the year	**667.38**	456.12

Note a: The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116-Leases, by inserting a practical expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient up to June 30, 2022. Pursuant to the above amendment, the Group has applied the practical expedient by accounting the unconditional rent concessions in "Other Income" The details are as under:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Rent concessions accounted in the period	**-**	38.20
Rent concessions pertaining to periods after reporting period	**-**	-
Total	**-**	38.20

D. Contractual maturities of lease liabilities on discounted basis are as follows:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Less than one year	**158.52**	120.74
One to five years	**383.32**	245.01
More than five years	**125.54**	90.38
Total	**667.38**	456.12

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 33 : Leases (Contd.)

F. The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

G. The amount recognised in the statement of profit or loss apart form above are as follows:

Particulars	**Year Ended March 31, 2023**	Year Ended March 31, 2022
Gain on Reassessment of Lease	**13.59**	5.20
Depreciation expense of right-of-use assets	**165.90**	148.01
Interest expense on lease liabilities	**57.70**	43.09
Rent expense - short-term lease and leases of low value assets	**20.46**	29.14

Note 34 : Corporate Social Responsibility (CSR) Activities

Particulars	**Year Ended March 31, 2023**	Year Ended March 31, 2022
a) Gross amount required to be spent by the Company during the year	**0.18**	0.46
b) Amount spent during the year (in cash) on,		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**0.34**	0.46
c) Amount unspent during the year	**-**	-
d) Total of previous years shortfall	**-**	-
e) Reasons for shortfall	**-**	-
f) Details of related party transactions	**-**	-
Name		- -
Relationship	**-**	-
Amount	**-**	-
g) Movement of CSR Provision	**-**	-
Balance as per last financial statements	**-**	-
Add: Provision made during the year	**-**	-
(Less): Utilised during the year	**-**	-
Balance at the end of the year	**-**	-

Note 35 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	**As at March 31,2023**	As at March 31,2022
Financial liabilities		
Borrowings		
Carrying Amount	**597.65**	501.73
Fair Value	**597.65**	501.73
Compulsory Convertible Preference Shares classified as debt		
Carrying Amount	**-**	145.23
Fair Value	**-**	145.23

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 35 : Fair value disclosures for financial assets and financial liabilities (Contd.)

The fair value of borrowings is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

The fair value of Composability Convertible Preference Shares is calculated considering Monte Carlo Simulation to arrive at conversion ratio and discounted cashflow method to arrive at Equity Value.

Note 36 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value					
Fair value through Other Comprehensive Income					
Foreign Exchange Forward Contracts (Cash Flow Hedge)	March 31, 2023	0.84	-	0.84	-
	March 31, 2022	-	-	-	-
Fair value through Statement of Profit and Loss					
Compulsory Convertible Preference Shares classified as debt	March 31, 2023	-	-	-	-
	March 31, 2022	145.23	-	-	145.23

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022 are as shown below:

Particulars	Significant unobservable inputs	As at 31st March 2023 Sensitivity Level	Increase / (Decrease)	As at 31st March 2022 Sensitivity Level	Increase / (Decrease)
	WACC Sensitivity	-	-	**0.50%**	(12.38)
Compulsory Convertible Preference Shares		-	-	**-0.50%**	13.87
	EBIDTA Margin	-	-	**0.50%**	12.48
		-	-	**-0.50%**	(12.87)

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 37 : Financial instruments risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations. The Group's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Group's risk management is carried out by a Treasury department under policies approved by the Board of directors. Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Group has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at respective period/year end including the effect of hedge accounting.

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, 2023, approximately 0.50% of the Group's Borrowings are at fixed rate of interest (March 31, 2022: 0.50%)

Interest rate sensitivity

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

Particulars	Effect on profit before tax
March 31, 2023	
Increase in 50 basis points	**(2.98)**
Decrease in 50 basis points	**2.98**
March 31, 2022	**(2.51)**
Increase in 50 basis points	**2.51**
Decrease in 50 basis points	

Notes to the Consolidated Financial Statements

(₹ in Crores)

Exclusion from this analysis are as follows:

- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis
- The effect of interest rate changes on future cash flows is excluded from this analysis.

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 transacts business in local currency and in foreign currency, primarily in USD. The Group has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. The Group may use forward contracts or foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Group given in Note 27.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of foreign currency monetary items designated as cash flow hedge.

Particulars	Change in USD rate	Effect on profit before tax	Change in EUR rate	Effect on profit before tax
March 31, 2023	+2%	(1.85)	+2%	(0.02)
	-2%	1.85	-2%	0.02
March 31, 2022	+2%	1.74	+2%	(0.08)
	-2%	(1.74)	-2%	0.08

Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

(b) Credit risk

Credit risk is the risk that a 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. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

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. Trade receivables are non-interest bearing and are generally on 30 days to 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7a. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

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 who meets the minimum threshold requirements under the counterparty risk assessment process. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 35.

Notes to the Consolidated Financial Statements

(₹ in Crores)

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2023				
Interest bearing borrowings	572.46	33.06	-	605.52
Lease Liabilities	172.92	491.44	30.82	695.18
Trade payables	1,019.50	-	-	1,019.50
Security deposits from customers	1.38	114.45	-	115.83
Other financial liabilities#	44.39	-	-	44.39
	1,810.65	**638.95**	**30.82**	**2,480.42**
As at March 31, 2022				
Interest bearing borrowings	439.49	79.58		519.07
Lease Liabilities	166.54	617.51	53.07	837.12
Trade payables	1,047.87	-	-	1,047.87
Security deposits from customers	2.94	92.87	-	95.81
Compulsory Convertible Preference Shares classified as debt	-	-	145.23	145.23
Other financial liabilities#	64.63	-	-	64.63
	1,721.46	**789.96**	**198.30**	**2,709.72**

Other financial liabilities includes interest accrued but not due of Rs. 8.05 Crores (March 31, 2022: Rs. 11.62 Crores)

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 Company's performance to developments affecting a particular industry.

Note 38 : Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Notes to the Consolidated Financial Statements

Note 38 : Capital management (Contd.)

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest-bearing loans and borrowings (Note 13)	**597.65**	501.73
Less: Cash and Cash equivalent (including other bank balance and Book Overdraft) (Refer Note 7(c), 7(d) and 13(c))	**(202.78)**	(105.66)
Net debt	**394.86**	396.08
Equity share capital (Note 11)	**53.13**	52.97
Other equity (Note 12)	**856.51**	697.28
Total capital	**909.64**	750.25
Capital and net debt	**1,304.50**	1,146.33
Gearing ratio	**30.27%**	34.55%

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 that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest. The Company has obtained letter from the lender before the date of adoption of financial statements for not charging penal interest from the balance sheet date subject to regularisation of the breach by end of March 31, 2024. Accordingly, the management has not created provision for penal interest.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Note 39 : Derivatives designated as hedging instruments

Cash Flow Hedges

Foreign exchange forward contracts entered in the current year are designated as hedging instruments in cash flow hedges of forecast purchases in USD. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the Dollar offset method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments -
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

Particulars	Maturity				
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	Total
March 31, 2023					
Foreign exchange forward contracts for highly probable forecast purchases					
Notional amount (in INR)	22.14	41.06	66.31	43.82	173.32
Notional amount (in USD)	0.27	0.50	0.81	0.53	2.10
Average forward rate (INR/USD)	82.60	82.11	82.37	82.67	82.42
March 31, 2022					
Foreign exchange forward contracts for highly probable forecast purchases					
Notional amount (in INR)	13.89	30.05	21.47	-	65.41
Notional amount (in USD)	0.19	0.40	0.28	-	0.86
Average forward rate (INR/USD)	75.09	76.06	76.69	-	76.06

Notes to the Consolidated Financial Statements

(₹ in Crores)

a. The impact of the hedging instruments on the balance sheet is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Cash flow hedge		
Foreign currency risk arising from	**Purchases**	Purchases
Nominal amount of hedging instruments	**173.32**	65.41
Carrying amount of hedging instruments		
Assets	**0.84**	0.32
Line item in balance sheet where hedging instrument is disclosed	**Foreign Exchange Forward contracts (Cash flow hedge) under Other financial assets**	Foreign Exchange Forward contracts (Cash flow hedge) under Other assets
Changes in fair value for calculating hedge ineffectiveness	**NA**	NA

b. The impact of the hedging item on the balance sheet is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Foreign currency risk arising from	**Purchases**	Purchases
Changes in fair value for calculating hedge ineffectiveness	**NA**	NA
Balances in Cash flow hedge reserve:		
For continuing hedge	**0.56**	(0.04)
For hedge no longer applied	**-**	-

c. The effect of the cash flow hedge in the Statement of profit and loss and other comprehensive income is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Foreign currency risk arising from	**Purchases**	Purchases
Hedged Gain/ (Loss) recognised in OCI	**0.60**	0.29
Hedge ineffectiveness recognised in profit and loss	**-**	-
Line item in Statement of profit and loss in which hedge ineffectiveness is recognised	**NA**	NA
Amount reclassified to Statement of profit and loss for which future cash flows are no longer expected to occur	**NA**	NA
Amount reclassified to Statement of profit and loss as hedged item has affected profit and loss	**0.01**	(0.26)
Line item in the Statement of profit and loss that includes reclassification adjustment	**Miscellaneous Expenses**	Miscellaneous Receipts

Note 40 : Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013

(i) The Parent and Indian subsidiaries does not have any benami property held in their name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Parent and Indian subsidiaries has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) The Parent and Indian subsidiaries has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) Utilisation of borrowed funds and share premium

I. The Group 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

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 40 : Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013 (Contd.)

identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

II. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: 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 to or on behalf of the ultimate beneficiaries except as mentioned below.

Transactions during the year ended March 31, 2023: NIL

Transaction during the year ended March 31, 2022:

a. The Group (Intermediary) has received a sum of Rs. 100 Crore by way of final call on the rights issue on May 11, 2021 and the Group (Intermediary) in turn, had invested Rs. 48 Crore on June 11, 2021 towards subscription to equity share capital in Arvind Lifestyle Brands Limited (100% subsidiary). The Company had complied with the relevant provisions of Foreign Exchange Management Act 1999 (42 of 1999), to the extent applicable, the Companies Act 2013 for such transaction and this transaction is not violative of provisions of the Prevention of Money Laundering Act 2002 (15 of 2002).

b. The Group (Intermediary) has received a sum of Rs. 400 Crore by way of private placement of equity shares on September 30, 2021 and the Group (Intermediary) in turn, had invested Rs. 200 Crore on October 01, 2021 towards subscription to equity share capital in Arvind Lifestyle Brands Limited (100% subsidiary) and Rs. 100 Crore on March 29, 2022 towards subscription to Non-convertible debentures in Arvind Lifestyle Brands Limited (100% subsidiary). The Company had complied with the relevant provisions of Foreign Exchange Management Act 1999 (42 of 1999), to the extent applicable, the Companies Act 2013 for such transaction and this transaction is not violative of provisions of the Prevention of Money Laundering Act 2002 (15 of 2002).

Name of the entity	Registered Address	Relationship with the Company
Arvind Lifestyle Brands Limited	Arvind Mills Premises Naroda Road Ahmedabad Gujarat - 380025	Wholly Owned Subsidiary

(v) The Parent and Indian subsidiaries has not invested or traded in Crypto Currency or Virtual Currency during the year.

(vi) The Parent and Indian subsidiaries has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) during the year

(vii) The Parent and Indian subsidiaries does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.

Note 41 : Discontinued Operations

The Management of Arvind Lifestyle Brands Limited (ALBL), a wholly owned subsidiary of the Company has decided to discontinue Brands like GAP, Hanes, New Port, The Children's Place and Ruf & Tuf. ALBL has entered into definitive agreements for strategic sale of assets of the Unlimited Retail Business, consisting of fixed assets, lease deposits, identified inventory and other current assets of Unlimited Retail stores and warehouse, along with Unlimited brand to V-Mart at its book values. Accordingly, the activities of these brands business that are considered as disposal group are presented as a discontinued operation in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations'. Consequently, Loss before tax and tax expenses relating to these brands business have been disclosed separately as discontinued operations as part of the above results.

Details of Assets and liabilities related to discontinued brands classified as Held for Sale:

Particulars	As at March 31, 2023	As at March 31, 2022
Assets:		
Property, plant and equipment	-	-
Other financial assets	-	-
Inventories	-	5.00
Trade receivables	-	-
Total assets	-	5.00
Liabilities		
Trade payables	-	5.00
Total liabilities	-	5.00

Notes to the Consolidated Financial Statements

(₹ in Crores)

Results of discontinued operations for the year are presented below:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from operations		
Sale of products	**4.04**	188.70
Other operating income	-	0.63
Total revenue from operations	**4.04**	189.33
Other income		67.32
Total income	**4.04**	256.65
Expenses		
Changes in inventories of stock-in-trade	**5.00**	163.78
Purchases of stock-in-trade	-	87.97
Employee benefits expense	-	23.16
Finance costs	-	13.01
Depreciation and Amortisation	-	27.92
Other expenses	-	73.43
Total expenses	**5.00**	389.27
Profit/(Loss) before exceptional items and tax	**(0.96)**	(132.62)
Exceptional items	-	
Profit before tax	**(0.96)**	(132.62)
Tax expense		
Deferred tax charge	-	-
Profit after tax	**(0.96)**	(132.62)

Details of Net Cash Flows of discontinued operations for the year are presented below:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Net cashflows from operating activities	**4.04**	(84.28)
Net cashflows from investing activities	-	-
Net cashflows from financing activities	-	(13.01)
Net cash inflow / (outflow) from discontinued operations	**4.04**	(97.29)

Note 42 : Interest in Other Entities

(1) The Consolidated Financial Statements present the consolidated accounts of Arvind Fashions Limited with its subsidiaries

Sl. No.	Name of Entities	Country of Incorporation	Activities	Proportion of ownership of interest March 31, 32023	Proportion of ownership of interest March 31, 2022
	Subsidiaries				
1	Arvind Lifestyle Brands Limited	India	Branded Garments	100%	100%
2	Arvind Beauty Brands Retail Private Limited	India	Beauty Products	100%	100%
3	Arvind Youth Brands Private Limited *	India	Branded Garments	68.75%	100%
4	Value Fashion Retail Limited **	India	Branded Garments	100%	100%
5	PVH Arvind Fashion Private Limited (previously known as Calvin Klein Arvind Fashion Private Limited)	India	Branded Garments	50%	50%

* Held by Arvind Lifestyle Brands Limited and Arvind Fashions Limited.
** Held by Arvind Lifestyle Brands Limited.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 43 : Disclosures Mandated by Schedule III of Companies Act 2013

Name of Entities	2022-23							
	Net Assets i.e. Total Assets minus Total Labilities		Share in Profit		Share in other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As a % of Consoli-dated net assets	Rs. In Crores	As a % of Consoli-dated Profit	Rs. In Crores	As a % of Consoli-dated OCI	Rs. In Crores	As a % of Consoli-dated TCI	Rs. In Crores
Parent :								
Arvind Fashions Limited	73%	2,322.09	11%	9.86	59%	(0.44)	11%	9.42
Subsidiaries :								
Arvind Beauty Brands Retail Private Limited	0%	10.59	-23%	(19.90)	17%	(0.13)	-23%	(20.03)
Arvind Lifestyle Brand Limited	15%	492.15	4%	3.60	80%	(0.59)	3%	3.01
PVH Arvind Fashion Private Limited	9%	301.32	114%	100.50	-67%	0.50	115%	101.00
Value Fashion Retail Limited	0%	(0.10)	0%	(0.43)	-1%	-	0%	(0.43)
Arvind Youth Brands Private Limited	3%	102.18	-6%	(5.30)	12%	(0.09)	-6%	(5.38)
Sub Total	**100%**	**3,228.23**	**100%**	**88.33**	**100%**	**(0.75)**	**100%**	**87.58**
Inter Company Eliminations and Consolidations Adjustment		(2,318.59)		(51.62)		(0.26)		(51.88)
Total		**909.64**		**36.71**		**(1.01)**		**35.70**
Non Controlling Interest in Subsidiaries		182.59		50.25		0.25		50.50
Grand Total		**1,092.23**		**86.96**		**(0.76)**		**86.20**

Name of Entities	2021-22							
	Net Assets i.e. Total Assets minus Total Labilities		Share in Profit		Share in other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As a % of Consoli-dated net assets	Rs. In Crores	As a % of Consoli-dated Profit	Rs. In Crores	As a % of Consoli-dated OCI	Rs. In Crores	As a % of Consoli-dated TCI	Rs. In Crores
Parent :								
Arvind Fashions Limited	77%	2,302.27	-3%	7.44	134%	(0.43)	-3%	7.01
Subsidiaries :								
Arvind Beauty Brands Retail Private Limited	1%	15.45	12%	(26.50)	31%	(0.10)	12%	(26.60)
Arvind Lifestyle Brand Limited	16%	488.26	129%	(286.60)	-121%	0.39	129%	(286.21)
PVH Arvind Fashion Private Limited (previously known as Calvin Klein Arvind Fashion Private Limited)	7%	200.32	-28%	61.40	-25%	0.08	-28%	61.48
Value Fashion Retail Limited	0%	(0.05)	-5%	11.67	0%	-	-5%	11.67
Arvind Youth Brands Private Limited	-1%	(37.87)	-5%	10.45	81%	(0.26)	-5%	10.19
Sub Total	**100%**	**2,968.38**	**100%**	**(222.14)**	**100%**	**(0.32)**	**100%**	**(222.46)**
Inter Company Eliminations and Consolidations Adjustment		2,218.13		45.26		0.15		45.41
Total		**750.25**		**(267.40)**		**(0.47)**		**(267.87)**
Non Controlling Interest in Subsidiaries		100.16		30.70		0.04		30.74
Grand Total		**850.41**		**(236.70)**		**(0.43)**		**(237.13)**

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 44 : Code of Social Security, 2020

The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contribution by the Group towards Provident Fund, Gratuity and ESIC. The Code have been published in the Gazette of India. However effective date has yet not been notified. The Group will access the impact of the Code and will record related impact in the period it becomes effective.

Note 45 : New Accounting Pronouncements to be adopted on March 31, 2023

The Ministry of Corporate Affairs (MCA) notifyies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements."

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statement.

Note 46 : Regrouped, Recast, Reclassified

Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from April 1, 2022.

Note 47 : Events occurring after the reporting period

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. The Board of Directors of Parent recommended a final dividend of ₹ 1 per equity share of face value of ₹ 4 each, for the financial year ended March 31, 2023, subject to the approval of shareholders in the ensuing Annual General Meeting.

Notes to the Consolidated Financial Statements

Note 48 : Ratio Analysis

Sl No	Particulars	Numerator	Denominator	For the year ended 31st March, 2023	For the year ended 31st March, 2022	% Variance	Reason for Variance
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.20	1.16	3%	Not required
2	Debt-Equity Ratio (In times)	Total Debt	Total Equity	0.66	0.67	-2%	Not required
3	Debt Service Coverage Ratio (In times)	Earnings before Depreciation Interest, Tax, and amortisation	Debt Service	1.99	0.87	130%	Note (a) below
4	Return on Equity Ratio (%)	Net Profit after Tax	Total Equity	9.67%	-13.87%	-170%	Note (b) below
5	Inventory turnover Ratio (In times)	Sale of Products	Average Inventories	4.82	3.69	31%	Note (c) below
6	Trade Receivables turnover Ratio (In times)	Revenue from Operations	Average Trade Receivables	7.82	5.10	53%	Note (c) below
7	Trade Payables turnover Ratio (In times)	Purchase of Goods	Average Trade Payables	2.22	1.74	27%	Note (c) below
8	Net capital turnover Ratio (In times)	Revenue from Operations	Working Capital	11.8	10.8	9%	Not required
9	Net profit Ratio (%)	Net Profit after Tax	Revenue from Operations	1.99%	-3.41%	-158%	Note (d) below
10	Return on Capital employed (%)	Profit before Interest, Exceptional Items and Tax	Capital Employed	20.85%	1.49%	1297%	Note (b) below
11	Return on investment (%)	Refer (e) below		-1.33%	138.44%	-101%	Note (d) below

Notes

(a) There was impact due to Covid during previous year which resulted in loss. However, business returned to normalcy during current year resulting in improved Debt Service Coverage Ratio.

(b) There was impact due to Covid during previous year which resulted in loss. However, business returned to normalcy during current year resulting in material change in the Return on Equity Ratio

(c) There was impact due to Covid during previous year which resulted in lower sales. However, business returned to normalcy during current year which lead to improved turnover.

(d) The impact is due to market dynamics and price movements.

Notes to the Consolidated Financial Statements

(e) Return on Investment

$$\frac{(MV(T1)-MV(To)-Sum[C(t)])}{(MV(To)+Sum[W(t)*C(t)])}$$

Where,

T1 = End of time period

To = Begning of time period

t = Specific date falling between T1 and To

MV(T1) = Market Value at T1

MV(To) = Market Value at To

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cashflow (i.e. either net inflow or net outflow) on day 't', calculated as (T1-t)/T1

For and on behalf of the board of directors of
Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
(DIN: 00008329)

Place: Ahmedabad
Date: May 30, 2023

Shailesh Chaturvedi
Managing Director &CEO
(DIN - 03023079)

Place: Bengaluru
Date: May 30, 2023

Girdhar Chitlangia
Chief Financial Officer

Place: Bengaluru
Date: May 30, 2023

Lipi Jha
Company Secretary

Place: Bengaluru
Date: May 30, 2023

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries and Controlled Entity

(₹ in Crores)

Sr. no.	Particulars	Name of the subsidiary				
		Arvind Lifestyle Brands Limited	Arvind Beauty Brands Retail Private Limited	PVH Arvind Fashion Private Limited (Controlled Entity Jointly Owned with PVH BV)	Arvind Youth Brands Private Limited	Value Fashion Retail Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No	No	No
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR
3.	Share capital	157.50	8.94	5.00	112.70	0.01
4.	Reserves & surplus	334.65	1.65	296.32	(10.52)	(0.11)
5.	Total assets	2108.99	292.79	766.83	434.00	0.02
6.	Total Liabilities	1616.84	282.20	465.51	331.82	0.12
7.	Investments	68.17	-	-	-	-
8.	Turnover (Total Income)	2240.06	338.87	1040.30	474.09	-
9.	Profit/(Loss) before taxation	8.35	(19.86)	134.11	(6.91)	(0.43)
10.	Provision for taxation Charge/(Credit)	3.78	0.05	33.61	(1.62)	-
11.	Profit/(Loss) after taxation	3.60	(19.90)	100.50	5.29	(0.43)
12.	Proposed Dividend and tax (including cess thereon)	-	-	-		
13.	% of shareholding	100%	100%	50%	27.23%	100%

*Reserves & Surplus includes following component as mentioned below:

ALBL - Rs. 100 Cr of non-convertible debentures where it is entirely equity in nature

ABBRPL- Rs. 15 Cr of non-convertible debentures where it is entirely equity in nature

AYBPL –Rs. 145.22 Cr of CCPS classified as other equity

1. Names of subsidiaries which are yet to commence operations: Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Part "B": Associates and Joint Ventures – Not Applicable

For and on behalf of Board of Directors

Sanjay S. Lalbhai
Director (DIN: 00008329)
Place : Ahmedabad
Date : 30.05.2023

Shailesh Chaturvedi
MD &CEO (DIN: 03023079)
Place : Bangalore

Girdhar Kumar Chitlangia
Chief Financial Officer
Place : Bangalore

Lipi Jha
Company Secretary
Place :Bangalore

Office Locations For The Year 2022-23

Office Locations

SOUTH	NORTH
Trinity Circle, 17, MG Road, Craig Park Layout, Bengaluru, Karnataka – 560001	106, Sewa Corporate Park, MG Road Sector 25, Phase – 2, Gurgaon - 122001
EAST	**WEST**
Unit-1002, 10th Floor, DN-51 Merlin Infinite, Sector - 5, Salt Lake, Kolkata, West Bengal– 700091	Unit No. - A/402, Everest Chambers, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra – 400059

Subsidiaries & Controlled Entities Corporate Office Locations

Arvind Lifestyle Brands Limited	Arvind Beauty Brands Retail Private Limited
Trinity Circle, 17, MG Road, Craig Park Layout, Ashok Nagar, Bengaluru, Karnataka - 560001	Trinity Circle, 17, MG Road, Craig Park Layout, Ashok Nagar, Bengaluru, Karnataka - 560001
PVH Arvind Fashion Private Limited	**Value Fashion Retail Limited**
No.4, 1st Cross, Brunton Road, Residency Road, Bengaluru, Karnataka - 560025, 9th Floor, Vayudooth Chambers, Trinity Circle, MG Road, Bangalore – 560001	Trinity Circle, 17, MG Road, Craig Park Layout, Ashok Nagar, Bengaluru, Karnataka - 560001
Arvind Youth Brands Private Limited	
Trinity Circle, 17, MG Road, Craig Park Layout, Ashok Nagar, Bengaluru, Karnataka - 560001	

Notes

Arvind Fashions

If undelivered, please return to :
Arvind Fashions Limited
Main Building, Arvind Limited Premises,
Naroda Road, Ahmedabad – 380 025