

Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report

To the Members of Aditya Birla Digital Fashion Ventures Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Aditya Birla Digital Fashion Ventures Limited ("the Company"), which comprise the Standalone Balance Sheet as at March, 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the period then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31, 2023, and total comprehensive loss (comprising of loss and other comprehensive loss), changes in equity and its cash flows for the period then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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

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

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

7. 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.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - a. Identify and assess the risks of material misstatement of the 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.
 - b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
 - e. 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.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - (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".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



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- i. The Company does not have any pending litigations which would impact its financial position in its 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended March 31, 2023.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 45 (vii) to the Standalone financial statements);

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

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the period.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.



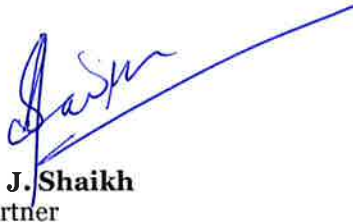
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12. Managerial remuneration of Rs. 187.14 Lakhs paid by the Company to its whole-time director is in excess of the limits specified in Section 197 read with Schedule V to the Act. The Company proposes to obtain requisite approvals from the shareholders at the ensuing Annual General Meeting with respect to excess managerial remuneration paid/ payable. (Refer Note 39 to the standalone financial statements)

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



A. J. Shaikh
Partner

Membership Number: 203637
UDIN: 23203637BGXOYS3567

Place: Bengaluru
Date: May 16, 2023

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to 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 standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.



Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the standalone financial statements for the period ended March 31, 2023
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Meaning of Internal Financial Controls with reference to Standalone financial statements

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

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

7. 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 controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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



A. J. Shaikh
Partner

Membership Number: 203637
UDIN: 23203637BGXOYS3567

Place: Bengaluru
Date: May 16, 2023

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Annexure B to Independent Auditors' Report

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

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- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the period and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 3 to the standalone financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the period and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- (b) During the period, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) The Company has made investments in four companies and one mutual fund scheme, granted unsecured loans to three companies. The aggregate amount during the period, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries are as per the table given below:



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(Amount In Rs. Lakhs)

	Guarantees	Security	Loans	Advances in nature of loans	Investment
Aggregate amount granted/ provided during the period					
- Subsidiaries	-	-	9,794.99	-	23,992.78
- Joint Ventures	-	-	-	-	-
- Associates	-	-	-	-	-
- Others	-	-	-	-	4,399.78
Balance outstanding as at balance sheet date in respect of the above case					
- Subsidiaries	-	-	770.00	-	23,992.78
- Joint Ventures	-	-	-	-	-
- Associates	-	-	-	-	-
- Others	-	-	-	-	856.16

(Also refer Note 10 to the standalone financial statements)

- (b) In respect of the aforesaid investments/loans the terms and conditions under which such loans were granted/investments were made are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans to subsidiaries, the schedule of repayment of principal and payment of interest have been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the aforesaid loans/advances in nature of loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans /advances in nature of loans which fell due during the period and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.



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- (f) Following loans were granted during the period, including to related parties under Section 2(76), where no schedule for repayment of principal has been stipulated by the Company.

(Amount in lakhs)

	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan	1,120.00	-	1,120.00
- Repayable on demand	-	-	-
- Agreement does not specify any terms or period of repayment	-	-	-
Percentage of loans/advances in nature of loan to the total loans	100%	-	100%

(Also refer Note 10 to the standalone financial statements)

- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185. Further in our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 186 of the Companies Act 2013 in respect of the investments made, loans provided and the Company has not provided any guarantees or security to parties covered under Section 186 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.
- vi. The Central Government of India has not specified the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, and professional taxes, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. In respect of a business undertaking acquired by the Company during the period, Management has applied for registration under the Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948. Management will initiate the payment



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of the amounts deducted towards the provident fund and employees' state insurance upon the completion of the registration process.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the period.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the period on the pledge of securities held in its subsidiaries.
- (x)(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.



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(b) The Company has made a preferential allotment of shares during the period, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised except as described below:

Nature of securities viz. Equity share / Preference shares / Convertible Debenture	Purpose for which funds raised	Total Amount Raised / Opening unutilized balance (Amount in Rs. Lakhs)	Amount utilized for the other purpose (Amount in Rs. Lakhs)	Un-utilized balance as at Balance sheet date (Amount in Rs. Lakhs)	Remarks
Equity shares	Capital requirements of the business	31,450.00	-	926.68	Refer note no. 15 (iii) to the standalone financial statements.

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

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

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

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

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. The Company is not mandated to have an internal audit system during the period.

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



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- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the period. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group has 8 CICs (registered and unregistered) as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has incurred cash losses of Rs. 5,297.69 Lakhs in the financial period.
- (xviii) There has been no resignation of the statutory auditors during the period and accordingly the reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 43 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.



Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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

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

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

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



A. J. Shaikh

Partner

Membership Number: 203637

UDIN: 23203637BGXOYS3567

Place: Bengaluru

Date: May 16, 2023

	Notes	As at March 31, 2023
ASSETS		
I Non-current assets		
(a) Property, plant and equipment	3	182.24
(b) Right-of-use assets	4a	596.15
(c) Goodwill	5	434.71
(d) Other intangible assets	5	1,278.88
(e) Financial assets		
(i) Investment in subsidiaries	6a	23,992.78
(ii) Other financial assets	7	65.18
(f) Deferred tax assets (net)	8	855.49
(g) Non-current tax assets (net)		12.51
Total - Non-current assets		27,417.94
II Current assets		
(a) Inventories	9	211.45
(b) Financial assets		
(i) Current investments	6b	856.16
(ii) Loans	10	770.00
(iii) Trade receivables	11	992.15
(iv) Cash and cash equivalents	12	70.52
(v) Other financial assets	13	18.06
(c) Other current assets	14	486.54
Total - Current assets		3,404.88
TOTAL - ASSETS		30,822.82
EQUITY AND LIABILITIES		
I Equity		
(a) Equity share capital	15	31,550.00
(b) Other equity	16	(4,497.64)
Total - Equity		27,052.36
II Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	17	*
(ii) Lease liabilities	4b	496.25
(iii) Other financial liabilities	18	34.74
(c) Provisions	19	273.41
Total - Non-current liabilities		804.40
III Current liabilities		
(a) Financial liabilities		
(i) Borrowings	20	
(ii) Lease liabilities	4b	112.40
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	21	63.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	1,114.13
(iv) Other financial liabilities	22	1,345.07
(b) Provisions	23	40.08
(c) Other current liabilities	24	291.20
Total - Current liabilities		2,566.06
Total - Liabilities		3,770.46
TOTAL - EQUITY AND LIABILITIES		30,822.82
Summary of significant accounting policies	2.3	

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 364026E/E-300009

A. J. SHAIKH

Partner

Membership No.: 203637

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

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

PAWAN KESARWANI
(Chief Financial Officer)

Place: Bengaluru
Date: May 16, 2023

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

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

Place: Bengaluru
Date: May 16, 2023

Place: Bengaluru
Date: May 16, 2023

Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

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

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 304026E/E-300009

A. J. SHAIKH

Partner

Membership No.: 203637

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

PRASHANTH ALURU

(Whole-time Director)

(DIN: 06923683)

Place: Bengaluru

Date : May 16, 2023

PAWAN KESARWANI

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Date : May 16, 2023

Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

a. Equity share capital

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

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

b. Other equity

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

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 304026E/E-300009

A. J. SHAIKH

Partner

Membership No.: 203637

PRASHANTH ALURU

(Whole-time

Director)

Place: Bengaluru

Date : May 16, 2023

ASHISH DIKSHIT

(Director)

(DIN: 01842066)

Place: Bengaluru

Date : May 16, 2023

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Place: Bengaluru
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Place: Bengaluru
Date : May 16, 2023

Aditya Birla Digital Fashion Ventures Limited
CIN - U74999MH2022PLC380326
Standalone Statement of Cash Flows for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

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



Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

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

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 304026P/E-300009

**A. J. SHAIKH**

Partner

Membership No.: 203637

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

Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

1. Corporate information

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

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

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

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

2.2 Functional and Presentation Currency:

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

2.3 Summary of significant accounting policies

(I) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or



Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

(II) Segment information

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

(III) Fair value measurements and hierarchy

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

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

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

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

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

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

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

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



Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

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

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

(IV) Foreign currencies

Transactions and balances:

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

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

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Statement of Profit and Loss are also reclassified in OCI or the Standalone Statement of Profit and Loss, respectively).

(V) Revenue from contracts with customers

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

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

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

Revenue from sale of products

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

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



Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

Interest income

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

(VI) Borrowing costs

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

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

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

(VII) Taxes

Current tax

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

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

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

Deferred tax

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

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

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



Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

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

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

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

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

(VIII) Property, plant and equipment

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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



Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

(b) Assets where useful life differ from Schedule II

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	5 years
Furniture and fittings (other than retail stores)	10 years	7 years
Office electrical equipment	5 years	4 years

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

Leasehold assets

Assets	Estimated useful life
Leasehold improvements other than stores	Shorter of useful life or lease term

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

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

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

(IX) Intangible assets

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

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

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

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

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



Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

Amortisation methods and periods

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

Intangible assets	Useful life	Amortisation method used
Computer software	3 years	Amortised on straight-line basis
Brands	10 years	Amortised on straight-line basis

(X) Business combination and goodwill

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

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

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

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

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

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

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

Impairment of non-financial assets

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



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

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

(XII) Leases

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

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

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

Where the Company is the lessee

Right-of-use assets

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

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



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Lease liabilities

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

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

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

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

Short-term leases and leases of low value assets

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

(XIII) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

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

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

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

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



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(a) Non-derivative financial assets

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

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

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

Effective Interest Rate (EIR) method:

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

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

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

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

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

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

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

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



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

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

(iv) Equity investments

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

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

Impairment of financial assets:

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

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

(b) Non derivative financial liabilities

(i) Classification as debt or equity

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



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(1) Equity instruments:

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

(2) Financial liabilities:

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

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

Financial liabilities at FVTPL:

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

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

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

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

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

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



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

Financial liabilities subsequently measured at amortised cost:

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

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

(ii) Loans and borrowings

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



(iii) Foreign exchange gains and losses

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

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



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

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

De-recognition of financial assets and financial liabilities

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

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

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

Offsetting financial instruments

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



(XIV)

Inventories

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

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



(XV) Provisions and contingent liabilities

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

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

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

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

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

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

(XVI) Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

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

(c) Defined benefit plan

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



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Statement of Profit and Loss. Re-measurement gains or losses (excluding amounts included in net Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Standalone Statement of Profit and Loss.

(d) Compensated absences

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

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

(XVII) **Share-based payment**

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

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

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

(XVIII) **Earnings per share**

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

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

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



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(XIX) Cash and cash equivalents

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

3. Standards issues but not yet effective:

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

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

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



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NOTE: 3

PROPERTY, PLANT AND EQUIPMENT

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

Net carrying value

As at March 31, 2023

Property, plant and equipment

182.24

Total

182.24

* Written off on account of loss due to floods



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

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

(b) Lease liabilities

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

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



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

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



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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 6

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

Notes:

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

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

	As at March 31, 2023
Security deposits	
Unsecured, considered good	65.18
Total	65.18



Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 8

DEFERRED TAX ASSETS (NET)

Reflected in the Standalone Balance Sheet as follows:

	As at March 31, 2023
Deferred tax assets	855.49
Total	855.49

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

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

Reconciliation of deferred tax assets :

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

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NOTE: 9
INVENTORIES

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

NOTE: 10
CURRENT FINANCIAL ASSETS - LOANS

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

Disclosure under Section 186 of the Companies Act, 2013:

Details of deposits given to Subsidiaries:

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

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

NOTE: 11
TRADE RECEIVABLES

	As at March 31, 2023
Trade receivables	992.15
Less: Loss Allowances	-
Total	992.15

Break-up for security details:

	As at March 31, 2023
Trade receivables	
Unsecured, considered good	992.15
	992.15

Ageing of Trade Receivables:

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

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



NOTE: 12
CASH AND CASH EQUIVALENTS

	As at March 31, 2023
Balances with banks	
Current accounts	70.52
Total	70.52

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

As at March 31, 2023

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

NOTE: 13
CURRENT FINANCIAL ASSETS - OTHERS

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

NOTE: 14
OTHER CURRENT ASSETS

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



Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 15

EQUITY SHARE CAPITAL

Authorised share capital

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

Issued equity share capital

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

Subscribed and paid-up equity share capital

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

(i) Shares held by Promoters :

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

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

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

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



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

(iii) Issue of Right Shares

Rights Issue - 2022-23 :

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

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

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

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

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

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

(v) Details of shares held by holding company

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

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

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

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

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



Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

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

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

Share options outstanding account

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

As at
March 31, 2023

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

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

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

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

(All amounts in ₹ Lakhs; unless otherwise stated)

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

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

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

1. Retained earnings

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

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

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

3. Share options outstanding account

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

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 17

NON-CURRENT BORROWINGS

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

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

NOTE: 18

NON-CURRENT FINANCIAL LIABILITIES - OTHERS

		As at March 31, 2023
Security deposit from franchisees		34.74
Total		34.74

NOTE: 19

NON-CURRENT PROVISIONS

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

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Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 20**CURRENT BORROWINGS**

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

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

NOTE: 21**TRADE PAYABLES**

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

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

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

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

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



Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

Ageing of Trade Payables:

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

NOTE: 22

CURRENT FINANCIAL LIABILITIES - OTHERS

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

NOTE: 23

CURRENT PROVISIONS

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

NOTE: 24

OTHER CURRENT LIABILITIES

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



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Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 25

REVENUE FROM OPERATIONS

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

(a) Contract balances:

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

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

NOTE: 26

OTHER INCOME

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



Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

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

Purchase of stock-in-trade	213.41
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Total	213.41
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(b) Changes in inventories of stock-in-trade

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

Less:

Closing inventories	
Stock-in-trade	211.45

Decrease in inventories	387.99
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NOTE: 28**EMPLOYEE BENEFITS EXPENSE****Period from
April 11, 2022 to
March 31, 2023**

Salaries, wages and bonus	2,580.83
Contribution to provident and other funds	43.36
Share-based payment to employees (Refer Note - 36)	128.72
Gratuity expense (Refer Note - 35)	35.18
Staff welfare expenses	49.20

Total	2,837.29
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Notes to the standalone financial statements for the period ended March 31, 2023

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 29

FINANCE COSTS

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

NOTE: 30

DEPRECIATION AND AMORTISATION EXPENSE

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

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Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 31

OTHER EXPENSES

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

Payment to auditors:

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

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Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 32

INCOME TAX EXPENSE

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

Standalone Statement of Profit and Loss:

Profit or loss section

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

OCI section

Deferred tax related to items recognised in OCI during the period

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

NOTE: 33

EARNINGS PER SHARE (EPS)

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

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

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

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

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



Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE - 34

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Taxes

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

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

(b) Leases

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

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

(c) Useful life of intangible assets

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

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Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE - 35

GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

Unfunded defined benefit plan

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

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

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

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



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

(All amounts in ₹ Lakhs; unless otherwise stated)

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

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

A quantitative sensitivity analysis for significant assumptions is as follows:

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

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

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

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

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

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

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

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

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



NOTE - 36

SHARE-BASED PAYMENT

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

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

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

i) Details of the grants under the Scheme 2022

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

ii) Vesting conditions:

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

iii) Movement of Options granted

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

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

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



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

(All amounts in ₹ Lakhs; unless otherwise stated)

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

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

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Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE - 37

COMMITMENTS AND CONTINGENCIES

a) Leases

Lease commitments as lessee

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

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

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

Contractual maturities of lease liabilities

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

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

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

b) Capital commitments

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

NOTE - 38

CONTINGENT LIABILITIES

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



Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

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

Aditya Birla Fashion and Retail Limited

Subsidiaries

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

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

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

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

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

Key Management Personnel ("KMP")

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

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

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

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

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

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

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

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

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

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



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

(All amounts in ₹ Lakhs; unless otherwise stated)

Balances outstanding

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

Terms and conditions of transactions with related parties

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

Compensation of KMP of the Company

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

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



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Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE - 40

BUSINESS COMBINATION

Acquisitions during the period ended March 31, 2023

Business acquisition of Nauti Nati

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

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

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

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

A. Accounting classification and fair values

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

As at March 31, 2023

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

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

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

Key inputs for level 1 fair valuation techniques

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



Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

B. Risk management objectives and policies

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

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

a) Market risk

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

i) Interest rate risk

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

ii) Foreign currency risk

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

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



Aditya Birla Digital Fashion Ventures Limited

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

(All amounts in ₹ Lakhs; unless otherwise stated)

b) Credit risk

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

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

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

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

c) Liquidity risk

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

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

As at March 31, 2023

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



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

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE - 42

CAPITAL MANAGEMENT

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

The capital structure and funding requirements of the Company are approved by the Board of Directors, and is monitored by various metrics.

The Company has funded the entire capital through equity.

NOTE - 43

RATIO DISCLOSURES

As at March 31, 2023

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

Ratios have been computed as follows:

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

2. Debt equity ratio = Debt / Equity

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE - 44

CORE INVESTMENT COMPANIES

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

NOTE - 45

ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) DETAILS OF BENAMI PROPERTY HELD

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

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

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



Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

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

(All amounts in ₹ Lakhs; unless otherwise stated)

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

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

(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS

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

(v) WILFUL DEFAULTER

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

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

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

(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

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

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

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

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

(viii) UNDISCLOSED INCOME

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

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

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

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

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

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

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 304026E/E-300009

A. J. SHAIKH

Partner

Membership No.: 203637

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

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

Place: Bengaluru
Date : May 16, 2023

PAWAN KESARWANI
(Chief Financial Officer)

Place: Bengaluru
Date : May 16, 2023

ASHISH DIKSHIT
(Director)
(DIN: 01842066)

Place: Bengaluru
Date : May 16, 2023

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

Place: Bengaluru
Date : May 16, 2023

Place: Bengaluru
Date : May 16, 2023

Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report

To the Members of Aditya Birla Digital Fashion Ventures Limited

Report on the Audit of the Financial statements

Opinion

1. We have audited the accompanying financial statements of Aditya Birla Digital Fashion Ventures Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income/ loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

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

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

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

We have nothing to report in this regard.



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

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INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Digital Fashion Ventures Limited
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Responsibilities of management and those charged with governance for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

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



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

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year and the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income/loss), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on April 1, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.



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- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract and derivative contracts as at March 31, 2024.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 45 (vii) of financial statements);
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 45 (vii) of financial statements); and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.



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- vi. Based on our examination, the Company has used accounting software, which is operated by a third party software service provider, for maintaining its books of account and in the absence adequate information in the service organisation's auditor's report, we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.
12. Managerial remuneration of Rs.831 Lakhs paid by the Company to its whole time director is in excess of the limits specified in Section 197 read with Schedule V to the Act. The Company has obtained a special resolution from the shareholders at the Annual General Meeting with respect to the excess managerial remuneration paid/ payable (Refer Note 39 to the financial statements).

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


A. J. Shaikh
Partner
Membership Number: 203637

UDIN: 24203637BKENLL9229
Bengaluru
May 21, 2024

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11 (g) of the Independent Auditor's Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the financial statements for the year ended March 31, 2024
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Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Aditya Birla Digital Fashion Ventures Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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



Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

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

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

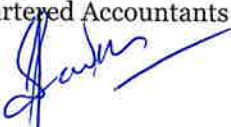
Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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



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

Bengaluru
May 21, 2024

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the financial statements as of and for the year ended March 31, 2024
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In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

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

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 3 to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from bank. on the basis of security of current assets. The Company has filed quarterly returns or statements with such bank, which are in agreement with the unaudited books of account.



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

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

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

- (b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.
- (c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the loans, there is no amount which is overdue for more than ninety days.



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

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

Also, refer Note 10 to the financial statements

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

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

Also, refer Note 10 to the financial statements.

- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185. Further in our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Companies Act 2013 in respect of the investments made, loans provided and the Company has not provided any advances in nature of loan, guarantees or security to parties covered under section 186 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.



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Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the financial statements for the year ended March 31, 2024
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- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally been regular in depositing the undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Professional Tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
(c) In our opinion, and according to the information and explanations given to us, the company has not obtained any term loans.
(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company did not have any joint ventures or associate companies during the year.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.



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

(Rs in Lakhs)					
Nature of securities viz. Equity share / Preference shares	Purpose for which funds raised	Total Amount Raised / Opening unutilized balance	Amount utilized for the other purpose	Un-utilized balance as at Balance sheet date	Remarks
Optionally Convertible Redeemable Preference Shares	Capital requirements of the business	15,000	-	-	Refer Note 15, 16 and 17 to the financial statements
Equity shares	Capital requirements of the business	927	-	-	Refer Note 15 to the financial statements
Equity shares	Capital requirements of the business	18,450	-	-	Refer Note 15 to the financial statements

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

- xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.



Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting standards 24' related party disclosure specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has eight CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has incurred cash losses of Rs.10,320 lakhs in the financial year and of Rs. 5,298 lakhs in the immediately preceding financial period.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.



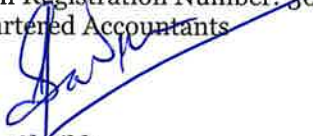
Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the financial statements for the year ended March 31, 2024
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- xix. According to the information and explanations given to us and on the basis of the financial ratios (Refer Note 43 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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


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

Bengaluru
May 21, 2024

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 304026E/E300009

A. J. SHAIKH

Partner

Membership No.: 203637

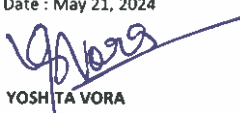
For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited


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


ASHISH DIKSHIT
(Director)
(DIN: 01842066)

Place: Bengaluru
Date : May 21, 2024

Place: Chennai
Date : May 21, 2024


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

Place: Bengaluru
Date : May 21, 2024

Place: Mumbai
Date : May 21, 2024

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

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

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

A. J. SHAIKH
Partner
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Place: Bengaluru
Date : May 21, 2024

Place: Mumbai
Date : May 21, 2024

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

a. Equity share capital

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

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

b. Other equity

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

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

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

A. J. SHAIKH
Partner
Membership No.: 203637

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

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(Director)
(DIN: 01842066)

Place: Bengaluru
Date : May 21, 2024

Place: Chennai
Date : May 21, 2024

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

Place: Mumbai
Date : May 21, 2024

Place: Bengaluru
Date : May 21, 2024

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

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



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

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

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

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

A. J. SHAIKH
Partner
Membership No.: 203637

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


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

Place: Bengaluru
Date : May 21, 2024


ASHISH DIKSHIT
(Director)
(DIN: 01842066)

Place: Chennai
Date : May 21, 2024


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

Place: Bengaluru
Date : May 21, 2024

Place: Mumbai
Date : May 21, 2024

1. Corporate information

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

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

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

2. Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

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

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

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

2.2 Functional and Presentation Currency

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

2.3 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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



2.4 New and amended standards adopted by the Company

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

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

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

2.5 Critical estimates and judgements

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

The areas involving critical estimates or judgements are:

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

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



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NOTE: 3
PROPERTY, PLANT AND EQUIPMENT

Accounting policy

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

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis upto the month preceding the month of deletions/ disposals. Additions of the value below INR 0.05 are fully depreciated in the same month of addition. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used. The Company has used the following rates to provide depreciation on its tangible fixed assets:

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

Assets	Estimated useful life
Other office equipment	5 years

(b) Assets where useful life differ from Schedule II

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

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

Leasehold assets:

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

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

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Aditya Birla Digital Fashion Ventures Limited

CIN - U74999MH2022PLC380326

Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in INR Lakhs unless otherwise stated)

NOTE: 4

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting policy

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

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

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

Where the Company is the lessee

Right-of-use assets

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

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

Lease liabilities

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

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

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

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



Aditya Birla Digital Fashion Ventures Limited**CIN - U74999MH2022PLC380326****Notes to the Financial Statements for the year ended March 31, 2024**

(All amounts in INR Lakhs unless otherwise stated)

Short-term leases and leases of low value assets

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

(a) Right-of-use assets

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

(b) Lease liabilities

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

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



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

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

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

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

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

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

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

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

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



NOTE: 6
INVESTMENTS

Accounting policy

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

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

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

Notes:

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

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

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

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

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



NOTE: 7

NON-CURRENT FINANCIAL ASSETS - OTHERS

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

NOTE: 8

DEFERRED TAX ASSETS (NET)

Reflected in the Balance Sheet as follows:

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

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

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

Reconciliation of deferred tax assets :

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

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

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NOTE: 9
INVENTORIES

Accounting policy

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

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

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

NOTE: 10
CURRENT FINANCIAL ASSETS - LOANS

Loan to related party (Refer Note - 39)

	770	770
Total	770	770
Break-up of security details		
Loans considered good – secured	-	-
Loans considered good – unsecured	770	770
Loans which have significant increase in credit risk	-	-
Loans – credit impaired	-	-
Total	770	770
Loss allowance	-	-
Total loans	770	770

Disclosure under Section 186 of the Companies Act, 2013:

Details of deposits given to Subsidiaries:

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

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

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

NOTE: 11
TRADE RECEIVABLES

Accounting policy

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

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

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



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

Ageing of Trade Receivables:

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

Ageing of Trade Receivables:

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

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

Reconciliation of loss allowance provision of trade receivables

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



NOTE: 12
CASH AND CASH EQUIVALENTS

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

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

As at March 31, 2024

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

As at March 31, 2023

Particulars	As at April 1, 2022	Adjustments	Cash flows (net)	Non-cash changes		As at March 31, 2023
				Fair value adjustments	Others	
Investing activities						
Purchase of current investments	-	-	4,435	19	35	4,490
Proceeds from sale/ maturity of current investments	-	-	(3,633)	-	-	(3,633)
Total	-	-	802	19	35	857
Financing activities						
Lease liabilities	-	-	(105)	-	714	609
Total	-	-	(105)	-	714	609

NOTE: 13
CURRENT FINANCIAL ASSETS - OTHERS

Interest accrued on deposits (Refer Note - 39)	7	18
Other receivables*	22	-
Total	29	18

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

NOTE: 14
OTHER CURRENT ASSETS

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

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NOTE: 15
EQUITY SHARE CAPITAL

Authorised share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each				
As at the beginning of the year/period	1,00,00,00,000	1,00,000	10,00,000	100
Add : Increase during the year/period	-	-	99,90,00,000	99,900
As at the end of the year/period	1,00,00,00,000	1,00,000	1,00,00,00,000	1,00,000

Optionally Convertible Redeemable Preference Shares ('OCRPS') of INR 10 each

As at the beginning of the year/period	-	-	-	-
Add : Increase during the year/period	25,00,00,000	25,000	-	-
As at the end of the year/period	25,00,00,000	25,000	-	-

Issued equity share capital

Equity shares of INR 10 each

As at the beginning of the year/period	36,55,00,000	36,550	10,00,000	100
Add : Equity shares under Rights Issue	13,45,00,000	13,450	36,45,00,000	36,450
As at the end of the year/period	50,00,00,000	50,000	36,55,00,000	36,550

Subscribed and paid-up equity share capital

Equity shares of INR 10 each

As at the beginning of the year/period	31,55,00,000	31,550	10,00,000	100
Add : Equity shares under Rights Issue	18,45,00,000	18,450	31,45,00,000	31,450
As at the end of the year/period	50,00,00,000	50,000	31,55,00,000	31,550

(i) Shares held by Promoters :

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

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

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

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

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Aditya Birla Digital Fashion Ventures Limited
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Notes to the Financial Statements for the year ended March 31, 2024
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(iii) Issue of Right Shares

Rights Issue - 2022-23 :

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

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

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

Rights issue 2023-24

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

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

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

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

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

(v) Details of shares held by holding company

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

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

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

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

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

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NOTE: 16
OTHER EQUITY

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

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

1. Retained earnings

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

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

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

3. Share options outstanding account

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

4. Equity component of compound financial instrument

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



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NOTE: 17

NON-CURRENT BORROWINGS

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

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

Includes dividend accumulated of INR 517 (March 31, 2023: Nil).

NOTE: 18

NON-CURRENT OTHER FINANCIAL LIABILITIES

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

NOTE: 19

NON-CURRENT PROVISIONS

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



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NOTE: 20
BORROWINGS

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

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

NOTE: 21
TRADE PAYABLES

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

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

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

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

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

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Ageing of Trade Payables:

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

Ageing of Trade Payables:

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

NOTE: 22

CURRENT FINANCIAL LIABILITIES - OTHERS

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

NOTE: 23

CURRENT PROVISIONS

Employee benefit obligation		
Provision for compensated absences	215	26
Provision for gratuity (Refer Note – 35)	14	14
Total	229	40

NOTE: 24

OTHER CURRENT LIABILITIES

Advances received from customers	10	15
Statutory dues	240	277
Refund liabilities	21	-
Total	271	292

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NOTE: 25**REVENUE FROM OPERATIONS****Accounting policy**

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

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

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

NOTE: 26**OTHER INCOME**

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



NOTE: 27

COST OF MATERIAL CONSUMED

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

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

NOTE: 28

EMPLOYEE BENEFITS EXPENSE

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

NOTE: 29

FINANCE COSTS

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

NOTE: 30

DEPRECIATION AND AMORTISATION EXPENSE

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



Aditya Birla Digital Fashion Ventures Limited

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Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in INR Lakhs unless otherwise stated)

NOTE: 31

OTHER EXPENSES

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

Payment to auditors:

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

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NOTE: 32

INCOME TAX EXPENSE

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

Statement of Profit and Loss:

Profit or loss section

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

OCI section

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

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

NOTE: 33

EARNINGS PER SHARE (EPS)

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

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

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

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

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



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Notes to the Financial Statements for the year ended March 31, 2024

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NOTE - 34

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Impairment of non-financial assets including Goodwill

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

(b) Taxes

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

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

(c) Leases

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

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

(d) Useful life of intangible assets

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

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Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in INR Lakhs unless otherwise stated)

NOTE - 35

GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

Unfunded defined benefit plan

Net benefit expense recognised through the Statement of Profit and Loss

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

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

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

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

A quantitative sensitivity analysis for significant assumptions is as follows:

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

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



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

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

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

Net liability is classified as follows:

Current (Refer Note 23)	14	14
Non-current (Refer Note 19)	206	154
Net liability	220	169

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

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

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

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

LEAVE OBLIGATIONS

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

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

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

DEFINED CONTRIBUTION PLANS

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

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



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Notes to the Financial Statements for the year ended March 31, 2024

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NOTE - 36

SHARE-BASED PAYMENT

Accounting policy

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

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

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

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

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

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

i) Details of the grants under the Scheme 2022

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

ii) Vesting conditions:

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

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iii) Movement of Options granted

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

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

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

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

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



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Notes to the Financial Statements for the year ended March 31, 2024

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NOTE - 37

COMMITMENTS AND CONTINGENCIES

a) Leases

Lease commitments as lessee

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

Expenses/ Income recognised in the Statement of Profit and Loss

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

Contractual maturities of lease liabilities

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

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

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

b) Capital commitments

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

NOTE - 38

CONTINGENT LIABILITIES

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

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Notes to the Financial Statements for the year ended March 31, 2024

(All amounts in INR Lakhs unless otherwise stated)

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

Aditya Birla Fashion and Retail Limited

Subsidiaries

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

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

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

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

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

Styleverse Lifestyle Private Limited (with effect from October 30, 2023)

Key Management Personnel ("KMP")

Mr. Prashanth Aluru - Chief Executive Officer and Director (with effect from October 28, 2022)

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

Mr. Pawan Kesarwani - Chief Financial Officer (effective till 4 April 2024)

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

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

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

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

* No transactions noted in the current year

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

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



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Period from April 11, 2022 to March 31, 2023

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

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

Balances outstanding

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

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

Terms and conditions of transactions with related parties

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

Compensation of KMP of the Company

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

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



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NOTE - 40**BUSINESS COMBINATION****Acquisitions during the period ended March 31, 2023****Business acquisition of Nauti Nati**

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

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



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

A. Accounting classification and fair values

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

As at March 31, 2024

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

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



Notes to the Financial Statements for the year ended March 31, 2024
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As at March 31, 2023

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

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

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

Key inputs for level 1 fair valuation techniques

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



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B. Risk management objectives and policies

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

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

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

ii) Interest rate risk

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

ii) Foreign currency risk

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

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

b) Credit risk

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

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

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

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2024 and March 31, 2023 is the carrying amount as provided in Note - 11.



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c) Liquidity risk

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

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

As at March 31, 2024

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

As at March 31, 2023

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



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NOTE - 42**CAPITAL MANAGEMENT**

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

The capital structure and funding requirements of the Company are approved by the Board of Directors, and is monitored by various metrics.

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

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

NOTE - 43**RATIO DISCLOSURES**

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

Ratios have been computed as follows:

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

2. Debt equity ratio = Debt / Equity

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE - 44**CORE INVESTMENT COMPANIES**

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

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

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

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

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



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(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

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

(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS

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

(v) WILFUL DEFAULTER

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

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

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

(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

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

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

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

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

(viii) UNDISCLOSED INCOME

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

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

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

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

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

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

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

NOTE - 46

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



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NOTE - 47

SUMMARY OF OTHER ACCOUNTING POLICIES

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

(i) Segment information

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

(ii) Fair value measurements and hierarchy

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

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

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

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

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

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

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

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

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

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

(iii) Borrowing costs

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

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

(iv) Taxes

Current tax

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

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

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

Deferred tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or losses at the time of the transaction.

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

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

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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



(v) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the statement of profit and loss.

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

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

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

(a) Non-derivative financial assets

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

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

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

Effective Interest Rate (EIR) method:

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

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

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

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

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

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

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

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

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

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

Impairment of financial assets:

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

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



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(b) Non derivative financial liabilities

(i) Classification as debt or equity

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

(1) Equity instruments:

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

(2) Financial liabilities:

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

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

Financial liabilities at FVTPL:

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

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

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

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

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

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

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

Financial liabilities subsequently measured at amortised cost:

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

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

(ii) Loans and borrowings

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



(iii) Foreign exchange gains and losses

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

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

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

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

De-recognition of financial assets and financial liabilities

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

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

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

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(vi) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (Refer Note – 37).

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

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(vii) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(b) Defined contribution plan

The Company makes defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the statement of profit and loss, on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The Company contributes to a gratuity fund maintained by an independent insurance company. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the statement of profit and loss. Re-measurement gains or losses (excluding amounts included in net interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the statement of profit and loss.

(d) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation in the statement of profit and loss.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

NOTE - 48

Previous year figures have been regrouped or reclassified, where necessary, to comply with Division II of Schedule III

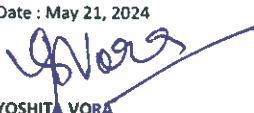
As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A. J. SHAIKH
Partner
Membership No.: 203637

For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited


PRASHANTH ALURU
(Whole-time Director)
(DIN: 06923683)

Place: Bengaluru
Date : May 21, 2024


YOSHITA VORA
(Company Secretary)
(M.No.: A22220)

Place: Mumbai
Date : May 21, 2024


ASHISH DIKSHIT
(Director)
(DIN: 01842066)

Place: Chennai
Date : May 21, 2024

Place: Bengaluru
Date : May 21, 2024

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Digital Fashion Ventures Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Aditya Birla Digital Fashion Ventures Limited (hereinafter referred to as the "Holding Company") which includes the financial statements of its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate (refer Note 49 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2025, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2025 and consolidated total comprehensive income (comprising of loss and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 14 and 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Digital Fashion Ventures Limited

Report on the Consolidated Financial Statements

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Key Audit Matters

4. 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.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and brands (Refer Note 5 to the Consolidated Financial Statements) The Group has recognised goodwill and brands with carrying value of Rs.131.56 crores and Rs.237.76 crores, respectively, as at March 31, 2025. The goodwill and brands were acquired in business combinations recorded in the current year as well as prior years and have been allocated to cash generating units (CGU) identified by the Group. In accordance with Ind AS 36 "Impairment of Assets", goodwill (including brands) acquired in a business combination is required to be tested for impairment annually. Management has performed impairment assessment for each of the CGUs to which goodwill and brands have been allocated by comparing the carrying amount of the CGU, including the goodwill and brands, with the recoverable amount of the CGU, which is higher of value in use and fair value less costs of disposal; and appointed independent external professional valuers (management's expert) to perform the valuation.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of the Holding Company's controls to assess impairment of goodwill and brands on an annual basis. • Evaluated whether the CGUs were determined, and the goodwill and brands allocation were performed in accordance with the requirements of Ind AS 36 and our knowledge of the Group's operations. • Evaluated the appropriateness of the methodology and model used by the management to determine the recoverable amount of the CGU. • Evaluated the objectivity, competency, capability and independence of the management expert engaged by the Holding Company. • Assessed the reasonableness of the cash flow projections by testing the key management assumptions and estimates used in the impairment analysis and evaluated the consistency of the cash flow projections with the budgets approved by the Board of Directors/management of the Holding Company on a periodic basis. • Evaluated the sensitivity analysis performed by the management on the growth rates and discount rates to determine whether reasonable changes in these key assumptions would result in the carrying amounts of individual CGUs to exceed their recoverable amounts.



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Key audit matter

Impairment assessment of goodwill and brands requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill and brands is considered to be a key audit matter.

How our audit addressed the key audit matter

- Involved auditors' valuation expert in assessing the appropriateness of the impairment model including independent assessment of assumptions underlying the cashflow projections, discount rate, long-term growth rate, terminal value, etc.
- Evaluated the adequacy of the disclosures made in the Consolidated Financial Statements.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement, of this other information therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and 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



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Digital Fashion Ventures Limited

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policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate 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



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INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Digital Fashion Ventures Limited

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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 and its associate to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. 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.
13. 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 Matter

14. The financial statements of 4 subsidiaries (including step down subsidiary), reflect total assets of Rs 145.85 crores and net assets of Rs (6.12) crores as at March 31, 2025, total revenue of Rs. 273.11 crores, total comprehensive income (comprising of loss and other comprehensive loss) of (Rs 20.19 crores) and net cash flows amounting to Rs 6.24 crores for the year ended on that date, as considered in the consolidated financial statements. The financial statements of these subsidiaries have been audited by other auditors whose reports, have been furnished to us by the Holding Company's management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based on the reports of the other auditors and the procedures performed by us.



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15. The consolidated financial statements also include the Group's share of loss of Rs.17.57 crores and total comprehensive income (comprising of loss and other comprehensive loss) of (Rs.17.57 crores) for the year ended March 31, 2025 as considered in the consolidated financial statements, in respect of one associate whose financial statements have not been audited by us. The financial statements of this associate is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate, is based on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, this financial statements/financial information are not material to the Group.
16. We were neither engaged to audit, nor have we audited the comparative figures for the consolidated financial statements for the corresponding period for the year ended March 31, 2024, and accordingly, we do not express any conclusion on the consolidated financial statements for the year ended March 31, 2024. As set out in Note 2.5 to the consolidated financial statements, these figures have been furnished by the Management.

Our opinion on the consolidated financial statements, 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 reports of the other auditors and the financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraph 3(xxi) of CARO 2020.
18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on daily basis on servers physically located in India during the year and the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian



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INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Digital Fashion Ventures Limited

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Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and an associate incorporated in India, none of the directors of the Group companies and its associate incorporated in India are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 18(b) above on reporting under Section 143(3)(b) and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate. Refer Note 43 to the consolidated financial statements.
 - The Group and its associate were not required to recognise a provision as at March 31, 2025 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group has made a provision as required under the Indian accounting standards for material foreseeable losses, if any, on derivative contracts as at March 31, 2025. The associate did not have any derivative contracts as at March 31, 2025.
 - During the year ended March 31, 2025, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries and an associate incorporated in India.
 - (a) The respective managements of the Holding Company and its subsidiaries and an associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and an associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and an associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective managements of the Holding Company and its subsidiaries and an associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries and an associate from any person(s) or entity(ies),



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To the Members of Aditya Birla Digital Fashion Ventures Limited
Report on the Consolidated Financial Statements

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respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries and an associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and an associate shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(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 auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- v. The Holding Company and its subsidiaries has not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Group has used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software and further, audit trail has been preserved by the Company as per the statutory requirements for record retention. During the course of our audit, other than the below mentioned instances where audit trail was not maintained the question of our commenting does not arise, we and the respective auditors of the above referred subsidiaries, did not notice any instance of the audit trail feature being tampered with:
 - a) In respect of the Holding company and one subsidiary incorporated in India, the accounting software and four other accounting softwares respectively which are operated by a third party software service provider, for maintaining its books of account and in the absence of adequate information in the service organization's auditor's reports, we are unable to comment whether the audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of audit trail feature been tampered with, or whether the audit trail has been preserved by the Company as per the statutory requirements for record retention.
 - b) In respect of two subsidiaries, the Company has used the accounting software for maintaining its books of accounts for the financial year ended March 31, 2025 which does not have the feature of recording audit trail (edit log) facility during the year for all the relevant transactions recorded in the software.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Digital Fashion Ventures Limited

Report on the Consolidated Financial Statements

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- c) In respect of the one subsidiary, Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained for changes made through specific access at application level and for direct database changes. Further, during the course of our audit, we did not notice any instance of audit trail feature being tampered with in cases where the audit trail feature was enabled. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
19. Managerial remuneration of Rs. 4.98 crores paid by the Holding company to its whole time director is in excess of the limits specified in Section 197 read with Schedule V of the Act. The Holding company has obtained a special resolution from the shareholders at the Annual General Meeting with respect to the excess managerial remuneration paid/ payable. Refer Note 45 to the consolidated financial statements.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009



A.J. Shaikh
Partner

Membership Number: 203637
UDIN: 25203637BMKSJI4587

Place: Bengaluru
Date: May 21, 2025

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 18 (g) of the Independent Auditor's Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2025

Page 1 of 3

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to financial statements of Aditya Birla Digital Fashion Ventures Limited (hereinafter referred to as "the Holding Company") and its subsidiaries and its associate, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to Next Tree Products Private Limited, step-down subsidiary of the Holding Company. Also refer Note 15 to the Report on the Audit of Consolidated Financial Statements.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its associate, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 consolidated financial statements, whether due to fraud or error.



Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 18 (g) of the Independent Auditor's Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2025

Page 2 of 3

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors 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 Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

6. 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

7. 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 financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiaries and an associate which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 18 (g) of the Independent Auditor's Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2025

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Other Matter

9. Our aforesaid reports 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 3 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009



A.J. Shaikh
Partner

Membership Number: 203637
UDIN: 25203637BMKSJ14587

Place: Bengaluru
Date: May 21, 2025

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 17 of the Independent Auditors' Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2025

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

Sl. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	Aditya Birla Digital Fashion Ventures Limited	U74999MH2022PLC380326	Holding Company of the Group	May 21, 2025	-
2.	Styleverse Lifestyle Private Limited	U74999MH2022PLC380326	Subsidiary	May 09, 2025	(vii)(a)
3	Bewakoof Brands Private Limited	U74999MH2011PTC220994	Subsidiary	May 09, 2025	-
4	Pratyaya E-commerce Private Limited	U72900TG2014PTC096782	Subsidiary	May 09, 2025	-
5	Imperial Online Services Private Limited	U72200TG2012PTC081875	Subsidiary	May 09, 2025	-
6	Awesomefab Shopping Private Limited	U18109GJ2020PTC117460	Subsidiary	May 09, 2025	-
7	Next Tree Products Private Limited	U74999MH2017PTC292162	Step-down subsidiary	May 09, 2025	-

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

A.J. Shaikh
Partner
Membership Number: 203637
UDIN: 25203637BMKSJ14587

Place: Bengaluru
Date: May 21, 2025

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3a	23.65	16.63
(b) Capital work-in-progress	3b	0.57	0.08
(c) Right of use assets	4a	98.61	25.63
(d) Investment property	4c	1.68	1.70
(e) Goodwill	5	131.56	131.56
(f) Other intangible assets	5	237.76	267.23
(g) Financial assets			
(i) Investment in an associate	6	130.52	-
(ii) Security deposits	7	6.13	1.39
(iii) Other financial assets	8	29.50	-
(h) Deferred tax assets (net)	9	13.58	16.65
(i) Non current tax assets (net)	10	3.93	4.76
(j) Other non current assets	11	68.27	53.24
Total - Non-current assets		745.76	518.87
Current assets			
(a) Inventories	12	186.07	150.72
(b) Financial assets			
(i) Current investments	13	109.43	47.20
(ii) Security deposits	14	0.93	1.11
(iii) Trade receivables	15	205.47	224.53
(iv) Cash and cash equivalents	16	1.11	3.37
(v) Bank balance other than cash and cash equivalents	17	0.13	2.66
(vi) Other financial assets	18	0.50	0.14
(c) Other current assets	19	94.10	64.12
Total - Current assets		597.74	493.85
TOTAL - ASSETS		1,343.50	1,012.72
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	500.00	500.00
(b) Other equity	21	(539.72)	(274.89)
Total - EQUITY		(39.72)	225.11
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	586.74	152.02
(ii) Lease liabilities	4b	89.72	22.46
(iii) Other financial liabilities	23	170.54	150.81
(iv) Deferred tax liabilities	9	51.62	64.34
(c) Provisions	24	4.38	3.32
Total - Non-current liabilities		903.00	392.95
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	-	68.12
(ii) Lease liabilities	4b	11.47	3.88
(iii) Trade payables	26		
Total outstanding dues to micro enterprises and small enterprises		32.19	18.99
Total outstanding dues of creditors other than micro enterprises and small enterprises		186.76	193.77
(iv) Other financial liabilities	27	21.01	30.66
(b) Provisions	28	3.36	3.66
(c) Other current liabilities	29	80.86	76.18
Total - Current liabilities		480.22	394.66
TOTAL - LIABILITIES		1,383.22	787.61
TOTAL - EQUITY AND LIABILITIES		1,343.50	1,012.72

Basis of preparation

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

A. J. SHAIKH
Partner
Membership No.: 203637
Place: Bengaluru
Date: May 21, 2025

For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited

PRASHANTH ALURU
(Whole-time Director)
Place: Bengaluru
Date: May 21, 2025

ASHISH DIKSHIT
(Director)
Place: Delhi
Date: May 21, 2025

SONIA BHANDARI
(Company Secretary)
Place: Mumbai
Date: May 21, 2025

MANOJ FITKARIWALA
(Chief Financial Officer)
Place: Mumbai
Date: May 21, 2025



Aditya Birla Digital Fashion Ventures Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2025
(All amounts in Rs. Crores unless otherwise stated)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations	30	650.71	421.09
Other income	31(a)	9.75	6.18
Other gain/ (loss) - Net	31(b)	21.90	-
Total Income		682.36	427.27
Expenses			
(a) Cost of materials consumed	32(a)	146.16	106.67
(b) Purchase of stock in trade	32(b)	199.18	118.55
(c) Changes in inventories of finished goods, work in progress and stock-in-trade	32(c)	(25.65)	(5.84)
(d) Employee benefits expense	33	131.62	119.12
(e) Finance cost	34	48.55	15.20
(f) Depreciation and amortisation expense	35	45.52	30.57
(g) Other expenses	36	397.31	260.60
Total expenses		942.69	644.87
Profit/ (Loss) before share of Profit/ (loss) of an associate and tax		(260.33)	(217.60)
Add: Share of profit/ (loss) of an associate		(17.57)	-
Profit/ (Loss) before tax		(277.90)	(217.60)
Income tax expense			
(a) Current tax	37	-	4.14
(b) Deferred tax charge/ (credit)	37	(9.66)	(11.48)
		(9.66)	(7.34)
Profit/ (Loss) for the year		(268.24)	(210.26)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans	40	(0.07)	(0.05)
Income tax effect on above		-	0.00
Total other comprehensive income		(0.07)	(0.05)
Total comprehensive income		(268.31)	(210.31)
Profit/ (Loss) for the year attributable to:			
- Owners of the Company		(240.17)	(191.24)
- Non-controlling interest		(28.07)	(19.02)
		(268.24)	(210.26)
Other comprehensive income attributable to:			
- Owners of the Company		(0.07)	(0.04)
- Non-controlling interest		(0.00)	(0.01)
		(0.07)	(0.05)
Total comprehensive income attributable to:			
- Owners of the Company		(240.23)	(191.29)
- Non-controlling interest		(28.08)	(19.03)
		(268.31)	(210.31)
Earnings per equity share [Nominal value of share: ₹ 10 (March 31, 2024: ₹ 10)]	38		
Basic (₹)		(4.80)	(4.43)
Diluted (₹)		(4.80)	(4.43)
Basis of preparation	2		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

ICAI Firm Registration No. 304026E/E300009

A. J. SHAIKH

Partner

Membership No.: 203637

Place: Bengaluru

Date : May 21, 2025

For and on behalf of the Board of Directors of

Aditya Birla Digital Fashion Ventures Limited

PRASHANTH ALURU

(Whole-time Director)

(DIN: 06923683)

Place: Bengaluru

Date : May 21, 2025

MANOJ FITKARIWALA

(Chief Financial Officer)

Place: Mumbai

Date : May 21, 2025

ASHISH DIKSHIT

(Director)

(DIN: 01842066)

Place: Delhi

Date : May 21, 2025

SONIA BHANDARI

(Company Secretary)

(M.No.: 20650)

Place: Mumbai

Date : May 21, 2025



Aditya Birla Digital Fashion Ventures Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2025
(All amounts in Rs. Crores unless otherwise stated)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Cash flows from operating activities			
Profit/ (Loss) before tax	16.62705279		
Adjustments for:		(277.90)	(217.60)
Depreciation and amortisation expense	35	45.52	30.56
Interest income	31(a)	(0.18)	(0.87)
Finance costs	34	48.55	15.20
(Profit)/ Loss on sale of property, plant and equipment	36	-	0.76
Net gain on current investments designated at fair value through profit or loss (FVTPL)	31(a)	(3.37)	-
Gain on call/ put option (net)	31(b)	(21.90)	-
Gain on termination of lease	31(a)	(0.07)	(0.13)
Share based payments	33	7.90	9.04
Fair value gain on financial instruments at FVTPL	31(a)	(3.73)	(3.70)
(Profit)/ loss of an associate		17.57	-
Provision for doubtful debts, deposits and advances	36	2.24	3.27
Operating Profit/ (loss) before working capital changes		(185.37)	(163.47)
Changes in working capital:			
(Increase)/ Decrease in trade receivables		18.00	(65.16)
(Increase)/ Decrease in inventories		(35.35)	(21.13)
(Increase)/ Decrease in other assets		(52.08)	(26.15)
Increase/ (decrease) in trade payables		6.76	6.99
Increase/ (decrease) in provisions		1.29	1.33
Increase/ (decrease) in other liabilities		4.30	1.98
Cash generated from operations		(242.45)	(265.61)
Income taxes paid (net of refund)		0.83	(5.88)
Net cash flows used in operating activities (A)		(241.62)	(271.49)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(9.51)	(2.12)
Consideration paid on acquisition of subsidiaries		(15.01)	(42.99)
Proceeds from bank deposits		2.53	2.15
Investment in an associate		(148.09)	-
Proceeds from redemption of current investments		372.86	-
Purchase of current investments		(428.00)	-
Purchase of non-current investments		-	(30.27)
Interest received		0.18	0.72
Net cash flows used in investing activities (B)		(225.04)	(72.51)
Cash flows from financing activities			
Proceeds from issue of equity shares		-	184.50
Proceeds from issue of optionally convertible redeemable preference shares (OCRPS)		100.00	-
Proceeds from issue of non convertible debentures (net of issue expenses)		174.81	-
Proceeds from borrowings (net off charges)		214.70	139.71
Repayment of lease liabilities		(11.45)	(5.35)
Interest paid		(13.66)	(8.94)
Net cash flows generated from financing activities (C)		464.40	309.92
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(2.26)	(34.09)
Cash and cash equivalents at the beginning of the year		3.37	37.46
Cash and cash equivalents at the end of the year		1.11	3.37
Components of Cash and cash equivalents	16		
Balances with banks - current accounts		1.00	3.32
Cash on hand		0.11	0.05
Total Cash and cash equivalents		1.11	3.37

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

A. J. SHAIKH
Partner
Membership No.: 203637

Place: Bengaluru
Date : May 21, 2025

For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited

PRASHANTH ALURU
(Whole-time Director)
(DIN: 06923683)
Place: Bengaluru
Date : May 21, 2025

ASHISH DIKSHIT
(Director)
(DIN: 01842066)
Place: Delhi
Date : May 21, 2025

SONIA BHANDARI
(Company Secretary)
(M.No.: 20650)
Place: Mumbai
Date : May 21, 2025

MANOJ FITKARIWALA
(Chief Financial Officer)
Place: Mumbai
Date : May 21, 2025



Aditya Birla Digital Fashion Ventures Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2025
(All amounts in Rs. Crores unless otherwise stated)

a. Equity share capital

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10 each Issued, subscribed and paid up: 16,62,70,52,79				
As at the beginning of the year	50,00,00,000	500.00	31,55,00,000	315.50
Add: Equity shares under Rights Issue (Refer note 20)	-	-	18,45,00,000	184.50
Balance as at the end of the year	50,00,00,000	500.00	50,00,00,000	500.00

b. Other equity

	Equity component of compound financial instrument	Reserves and surplus		Other comprehensive income	Equity attributable to owners of the Company	Equity attributable to non-controlling interest			Total other equity
		Retained earnings (Refer Note 21)	Share-based payment reserve (Refer Note 21)	Remeasurement gains/ (losses) on defined benefit plans (Refer Note 21)		Non-controlling interest	Transfer to share redemption liability (Refer Note 23)	Total	
As at April 1, 2023	-	(77.84)	1.63	(0.15)	(76.36)	29.58	(29.58)	-	(76.36)
Profit/(Loss) for the year	-	(191.24)	-	-	(191.24)	(19.03)	-	(19.03)	(210.27)
Other comprehensive income for the year	-	-	-	(0.04)	(0.04)	(0.01)	-	(0.01)	(0.05)
Recognition of Share based payment expenses	-	(1.30)	10.34	-	9.04	-	-	-	9.04
Equity component of compound financial instrument	4.43	-	-	-	4.43	-	-	-	4.43
Non-controlling interest recognised pursuant to business combinations and acquisition of non-controlling interest in subsidiaries during the year	-	1.82	-	-	1.82	106.08	-	106.08	107.90
Adjustment made on account of re-assessment of acquired minority interest and goodwill	-	-	-	-	-	(11.77)	-	(11.77)	(11.77)
Difference between redemption amount of Call/Put option liabilities and carrying amount of Non Controlling Interest (refer Note 23)	-	(22.54)	-	-	(22.54)	-	(75.27)	(75.27)	(97.81)
As at March 31, 2024	4.43	(91.10)	11.97	(0.19)	(274.89)	104.85	(104.85)	-	(274.89)
Profit/(Loss) for the year	-	(240.17)	-	-	(240.17)	(28.07)	-	(28.07)	(268.24)
Other comprehensive income for the year	-	-	-	(0.06)	(0.06)	(0.01)	-	(0.01)	(0.07)
Recognition of Share based payment expenses	-	(0.54)	8.44	-	7.90	-	-	-	7.90
Equity component of compound financial instrument	7.01	-	-	-	7.01	-	-	-	7.01
Difference between redemption amount of Call/Put option liabilities and carrying amount of Non Controlling Interest (refer Note 23)	-	(39.51)	-	-	(39.51)	-	27.71	27.71	(11.80)
Acquisition of non-controlling interest	-	-	-	-	-	-	0.37	0.37	0.37
As at March 31, 2025	11.44	(571.32)	20.41	(0.25)	(539.72)	76.77	(76.77)	-	(539.72)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009



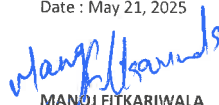
A. J. SHAIKH
Partner
Membership No.: 203637

Place: Bengaluru
Date : May 21, 2025

For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited

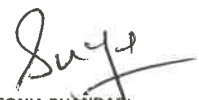


PRASHANTH ALURU
(Whole-time Director)
(DIN: 06923683)
Place: Bengaluru
Date : May 21, 2025



MANOJ FITKARIWALA
(Chief Financial Officer)
Place: Mumbai
Date : May 21, 2025

ASHISH DIKSHIT
(Director)
(DIN: 01842066)
Place: Delhi
Date : May 21, 2025



SONIA BHANDARI
(Company Secretary)
(M.No.: 20650)
Place: Mumbai
Date : May 21, 2025



Aditya Birla Digital Fashion Ventures Limited

Notes to the Consolidated financial statements for the year ended March 31, 2025

(All amounts in INR Crores unless otherwise stated)

1 Corporate information

Aditya Birla Digital Fashion Ventures Limited ("the Company" or "the Holding Company"), a public Company domiciled in India and was incorporated on April 11, 2022 ('date of incorporation') under the provisions of the Companies Act, 2013. The redeemable Non-convertible debentures ("the debt") are listed on Bombay Stock Exchange (BSE) in India on August 27, 2024. The registered office of the Company is located at Piramal Agastya Corp Pak, Building A, 4th and 5th floor unit, 401,403,501, 503, LBS Road, Mumbai, Maharashtra 400070, CIN - U74999MH2022PLC380326.

The Group is a new-age digital venture fashion and lifestyle space focusing on direct-to-consumer operations in India. The Group currently operates as "TMRW", a house of brands entity.

The Company, its subsidiaries (together referred to as the "Group") and its associate are engaged in the business of manufacturing and retailing of branded apparels/accessories.

The Consolidated financial statements, have been approved by the Holding Company's Board of Directors in their meeting held on May 21, 2025.

2 Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

The Consolidated 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 Consolidated financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Derivative financial instruments
- Goodwill and other intangible assets;
- Defined employee benefit plans;
- Share-based payment; and
- Right of use assets and lease liabilities

2.2 Functional and Presentation Currency:

The Consolidated financial statements are presented in Indian Rupee (Rs./ INR) which is the functional currency of the Group. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. Nil amount in the Consolidated financial statements and notes to accounts represents amount less than INR 0.005 Crores (Fifty thousand Rupees).

2.3 Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.4 Principles of consolidation

The consolidated financial statements (CFS) comprise the financial statements of the Company and its Subsidiaries and an associate. Subsidiaries are entities controlled by the Group. The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110) and "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 133 of the Companies Act, 2013. The Group controls an investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary and an associate, the subsidiary and an associate prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary and an associate, unless it is impracticable to do so.



Consolidation procedures for subsidiaries:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non- controlling interests, even if this results in the non- controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the group.

Equity Accounted Investees:

Associate is an entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in an associate is accounted for using the equity method of accounting, after initially being recognised at cost.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries. If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in Consolidated other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described below.

The aggregate of the Group's share of profit or loss of the associate is shown on the face of the Consolidated Statement of Profit and Loss separately. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of Profit and Loss.

2.5 The comparative information for the year March 31, 2024, have not been audited by the statutory auditors. Comparative information for the aforesaid year has been prepared by the management to comply with the requirements of the Ind AS Standards.

2.6 Critical Accounting Judgements, Estimates And Assumptions

The preparation of the Group's Consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial period, are described below. The Group's assumptions and estimates are based on parameters available at the time of preparation of Consolidated financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of investments and financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next 10 years to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised and Investments held by the Group. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note – 5a

(b) Shared-based payments

The Group uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 41.



(c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

As at March 31, 2025, the Group has INR 555.87 (March 31, 2024: INR 331.69) of tax losses carried forward as per income tax records of the Group. These losses pertain to unabsorbed business loss as at March 31, 2025 of INR 528.93 (March 31, 2024: INR 310.75) which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2025 of INR 26.94 (March 31, 2024 of INR 20.94) which do not have any expiry period.

(d) Provision on inventories

The Group has defined policy for provision on inventory for each of its business by differentiating the inventory into finished goods and raw materials. The Group provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

(e) 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, and based on the management's assessment of market conditions.

(f) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that includes extension and termination option. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(g) Useful life of intangible assets

The management has performed an assessment of the useful life of the brand value of the group and have concluded 10 years to be the life of the same.

(h) Valuation of derivative instruments (put options and/or call options)

The fair value of financial assets and liabilities (call options and put options) arising from acquisition agreements, has been determined by discounting consideration payable/receivable at the time of exercise of the put options and/or call options payoff, as per the terms of the agreement, using appropriate valuation model. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of the call and put options. Such valuation includes assumptions such as discount rate, future cashflow and EBITDA estimates. Such assumptions are reviewed at each reporting date.

2.7 New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated September 9, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective:

The Ministry of Corporate Affairs has vide notification dated May 7, 2025 notified Companies (Indian Accounting Standards) Amendment Rules, 2025 (the 'Rules') which amended the following accounting standards. These amendments are effective from April 01, 2025.

- Ind AS 21, "The Effects of Changes in Foreign Exchange Rates"
- Ind AS 101, First-time Adoption of Indian Accounting Standards.

The above amendments are not likely to have any material impact on the consolidated financial statements of the Group.

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NOTE - 3a
PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Freehold land is carried at historical cost. Property, plant and equipment is stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis upto the month preceding the month of deletions/ disposals. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used. The group has used the following rates to provide depreciation on its tangible fixed assets:

(a) Assets where useful life same as Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Plant and machinery (other than retail stores)	Plant and equipment	15 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 years

(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated Useful life
Plant and machinery – Other than continuous process plant	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	5 - 6 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	4 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 - 6 years
Furniture and fittings (other than retail stores) and fixtures	Furniture	10 years	7 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Office electrical equipment	Office equipment	5 years	4-5 years
Air conditioner (Other than retail stores)	Office equipment	5 years	15 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	4-5 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	4-5 years

Useful life of assets different from that prescribed in Schedule II has been estimated by the management, supported by technical assessment.

Leasehold assets

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Leasehold improvements at Stores and other than stores	Lease term or management's estimate of useful life, whichever is shorter

See note 50 for other accounting policies relevant to property, plant and equipment

	Plant and Machinery	Leasehold Improvements	Computers	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost							
As at April 01, 2023	10.52	0.83	2.07	2.38	2.92	0.24	18.96
Additions	1.24	0.28	0.28	0.69	0.30	-	2.79
Addition pursuant to business combination (Refer Note - 44)	0.26	-	0.40	4.42	1.40	-	6.48
Disposals	3.16	-	0.02	1.66	0.86	0.16	5.86
As at March 31, 2024	8.86	1.11	2.73	5.83	3.76	0.08	22.37
Additions	3.70	2.26	0.74	2.57	2.00	0.01	11.28
Disposals	0.03	0.03	0.03	0.07	0.03	0.03	0.22
As at March 31, 2025	12.53	3.34	3.44	8.33	5.73	0.06	33.43
Depreciation							
As at April 01, 2023	1.61	0.62	0.44	0.78	1.81	0.11	5.37
Depreciation for the year (Refer Note 35)	0.80	0.08	0.64	0.69	0.79	0.06	3.06
Disposals	0.85	0.00	0.01	0.84	0.87	0.12	2.69
As at March 31, 2024	1.56	0.70	1.07	0.63	1.73	0.05	5.74
Depreciation for the year (Refer Note 35)	0.77	0.15	0.79	1.26	1.18	0.01	4.16
Disposals	0.01	0.01	0.02	0.07	-	0.01	0.12
As at March 31, 2025	2.32	0.84	1.84	1.82	2.91	0.05	9.78
Net carrying value as at:							
As at March 31, 2025	10.21	2.50	1.60	6.51	2.82	0.01	23.65
As at March 31, 2024	7.30	0.41	1.66	5.20	2.03	0.03	16.63



NOTE - 3b

CAPITAL WORK-IN-PROGRESS

	As at March 31, 2025	As at March 31, 2024
Capital work-in-progress	0.57	0.08
Total	0.57	0.08

Ageing of Capital work-in-progress as on March 31, 2025

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	0.57	-	-	-	0.57
(ii) Projects temporarily suspended	-	-	-	-	-

Ageing of Capital work-in-progress as on March 31, 2024

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	0.08	-	-	-	0.08
(ii) Projects temporarily suspended	-	-	-	-	-

There are no projects as at the reporting date where costs have been exceeded as compared to original plan or where completion is overdue.

NOTE - 4

RIGHT OF USE ASSETS AND LEASE LIABILITIES

Accounting Policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assess whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Where the Group is the lessee

Right-of-use assets

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date except for short-term leases which are less than 12 months and leases of low value assets. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the lease commencement date to the end of the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortized cost using the effective interest method.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification arising due to change in the lease term, change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in consolidated statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero and there is a further reduction in measurement of the lease liability.

The Group presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Consolidated Balance Sheet.

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



NOTE- 4 - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)**a) RIGHT OF USE ASSETS**

	As at March 31, 2025	As at March 31, 2024
[A] Buildings - Cost		
Opening balance	32.61	10.43
Additions	85.56	12.09
Addition pursuant to business combination (Refer Note 44)	-	11.59
Termination	1.92	1.50
Closing balance	116.25	32.61
[B] Buildings - Accumulated Depreciation		
Opening balance	6.98	2.87
Depreciation for the year (Refer Note 35)	11.65	4.86
Termination/ derecognition	0.99	0.75
Closing balance	17.64	6.98
Net carrying value as at: [A-B]	98.61	25.63

b) LEASE LIABILITIES

	As at March 31, 2025	As at March 31, 2024
Opening balance	26.34	7.90
Additions	82.97	11.77
Addition pursuant to business combination (Refer Note 44)	-	11.22
Derecognition of lease liabilities	(1.00)	(0.88)
Interest expense on lease liabilities	5.33	1.68
Lease payments	(11.45)	(5.35)
Closing balance	102.19	26.34
Current Lease liabilities	12.47	3.88
Non-Current Lease liabilities	89.72	22.46

c) INVESTMENT PROPERTY

	Year ended March 31, 2025	Year ended March 31, 2024
[A] Buildings - Cost		
Opening balance	1.80	1.80
Additions	-	-
Disposals	-	-
Closing balance	1.80	1.80
[B] Buildings - Accumulated Depreciation		
Opening balance	0.10	0.06
Depreciation for the year (Refer Note 35)	0.02	0.04
Disposals	-	-
Closing balance	0.12	0.10
Net carrying value as at: [A-B]	1.68	1.70

Fair Value of Investment Property

The fair value of investment property have been determined by a independent valuer, who is registered valuer as defined under rule 2 of Companies (Registered Valuer and Valuation) rules 2017, the fair value of the investment property is determined using Sales Comparison Method/ Market Survey Method under Market approach. The fair value of the investment property is INR 1.70 as on March 31, 2025 (March 31, 2024: INR 1.72).

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.



NOTE - 5

GOODWILL AND OTHER INTANGIBLE ASSETS

Accounting Policy

Intangible assets are stated at cost less accumulated amortisation and impairment.

Amortisation methods and periods

The useful lives of Goodwill is assessed as indefinite. A summary of amortisation policies applied to the Group's intangible assets is as below:

Intangible assets	Useful life	Amortisation method used
Computer software	3-4 years	Amortized on straight-line basis
Brands	10 years	Amortized on straight-line basis

See Note 50 for other accounting policies relevant to Intangible Assets

	Goodwill	Other intangible assets		
		Brands	Comptuer software	Total
[A] Cost				
As at April 1, 2023	75.25	175.45	1.03	176.48
Additions	-	-	0.04	0.04
Additions pursuant to business combination (Refer Note 44 and Note (i) & (ii) below)	36.81	119.00	0.02	119.02
Adjustments (Refer Note (iii) below)	19.50	-	-	-
As at March 31, 2024	131.56	294.45	1.09	295.54
Additions	-	-	0.16	0.16
Disposals	-	-	-	-
As at March 31, 2025	131.56	294.45	1.25	295.70
[B] Amortisation				
As at April 1, 2023	-	4.83	0.81	5.64
Additions pursuant to business combination (Refer Note 44 and Note (i) & (ii) below)	-	0.06	-	0.06
Amortisation for the year (Refer Note 35)	-	22.53	0.08	22.61
Disposals	-	-	-	-
As at March 31, 2024	-	27.42	0.89	28.31
Amortisation for the year (Refer Note 35)	-	29.49	0.20	29.69
Disposals	-	-	0.06	0.06
As at March 31, 2025	-	56.91	1.03	57.94
Net carrying value as at: [A-B]				
As at March 31, 2025	131.56	237.54	0.22	237.76
As at March 31, 2024	131.56	267.03	0.20	267.23

Note:

Acquisition of Styleverse Lifestyle Private Limited (SLPL):

(i) Addition to goodwill of Rs. 36.81 includes, Rs. 1.25 (recognized at Group level) and Rs. 12.22 being the impact of measurement period adjustments pursuant to the purchase price allocation which was completed during the current year (Refer Note 44).

(ii) Addition to brand of Rs. 119.00 includes Rs. 0.40, being the impact of measurement period adjustments pursuant to the purchase price allocation which was completed during the current year (Refer Note 44).

(iii) Adjustment to goodwill of Rs. 19.50 was made to goodwill during the previous year based on the re-assessment of goodwill w.r.t. Bewakoof Brands Private Limited.



NOTE - 5

GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through various business combinations have been allocated to the six (6) Cash- Generating Units (CGUs) as below:

1. Pratyaya E-Commerce Private Limited - Nobero CGU
2. Imperial Online Services Private Limited - Urbano CGU
3. Awesomfab Shopping Private Limited - Veirdo CGU
4. Bewakoof Brands Private Limited - Bewakoof CGU
5. Styleverse lifestyle Private Limited - Styleverse CGU
6. Nautinatti CGU

Nobero CGU

Effective July 22, 2022, the Company entered into a Share purchase agreement (SPA) with Pratyaya E-Commerce Private Limited is engaged in trading of goods on its own online platform and other e-commerce portal under the brand "Nobero". Consequent to above, Pratyaya became a subsidiary of the Company and is considered as a separate CGU "Nobero CGU".

Urbano CGU

Effective August 12, 2022, the Company entered into a SPA with Imperial Online Services Private Limited is engaged in selling jeans, sweatshirt, trousers, etc on its own online platform and other e-commerce portal under the brand "Urbano". Consequent to above, Imperial became a subsidiary of the Company and is considered as a separate CGU "Urbano CGU".

Veirdo CGU

Effective August 24, 2022, the Company entered into a SPA with Awesomfab Shopping Private Limited is engaged in manufacturing of readymade garments and fabrics on its own online platform and other e-commerce portal under the brand "Veirdo". Consequent to above, Awesomfab became a subsidiary of the Company and is considered as a separate CGU "Veirdo CGU".

Bewakoof CGU

Effective February 15, 2023, the Company entered into a SPA with Bewakoof Brands Private Limited offers trending apparel for men and women and has also diversified into other accessories on its own online platform and other e-commerce portal under the brand "Bewakoof". Consequent to above, Bewakoof became a subsidiary of the Company and is considered as a separate CGU "Bewakoof CGU".

Styleverse CGU

Effective October 30, 2023, the Company entered into a SPA with Styleverse lifestyle Private Limited is engaged in manufacturing and retailing of apparels under the brands: The Indian Garage Co, Freehand, and Hardsoda on its own online platform and other e-commerce portal. Consequent to above, Styleverse became a subsidiary of the Company and is considered as a separate CGU "Styleverse CGU".

Nautinatti CGU

Nauti-Nauti brand was acquired as part of the acquisition of online retail garment sale business on a going concern basis as approved on November 17, 2022 by the Board of Directors, is a children clothing brand (including casual wear, ethnic wear and occasion outfits). Consequent to above, Nautinatti is considered as a separate CGU "Nautinatti CGU".

Carrying amounts of Goodwill allocated to each of the CGUs are as below:

CGU	As at	
	March 31, 2025	March 31, 2024
Nobero CGU	3.64	3.64
Urbano CGU	6.82	6.82
Veirdo CGU	7.48	7.48
Bewakoof CGU	72.46	72.46
Styleverse CGU	36.81	36.81
Nautinatti CGU	4.35	4.35
	131.56	131.56

Disclosures with respect to Goodwill allocated to the CGUs

Value in use calculation of CGUs:

The recoverable amount of the CGUs as at March 31, 2025, has been determined based on value in use method using cash flow projections from financial budgets approved by senior management covering a **ten years period** ended March 31, 2035 and cash flow projections for financial year 2034-35 has been used for demonstrate the tapering of growth rate for computation of perpetual cashflows. The Group has considered a terminal growth rate of 5.00% to arrive at the value in use to perpetuity beyond March 31, 2035. The post-tax discount rate is applied to discounted future cash flow projections. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment for these CGUs.



NOTE - 5

GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

IMPAIRMENT TESTING OF GOODWILL (Continued)

Key assumptions used for value in use calculations

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both cost of debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings of the respective CGU. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

Growth rate estimates:

Rates are based on published industry research. Growth rate is based on the Group's projection of business and growth of the industry in which the Group is operating. The growth rate is in line with the long-term growth rate of the industry. The growth rate of these CGUs considers the Group's plan to launch new stores/ expected same store growth, digital e-commerce and expansion in merchandise.

No reasonable possible change in key assumptions are likely to result in the recoverable amount of the CGUs being less than their carrying amount.

CGU	Terminal growth rate		Discount rate	
	As at	As at	As at	As at
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Nobero CGU	5.00%	5.00%	18.00%	18.00%
Urbano CGU	5.00%	5.00%	17.50%	17.50%
Veirdo CGU	5.00%	5.00%	17.50%	17.50%
Bewakoof CGU	5.00%	5.00%	17.00%	17.00%
Styleverse CGU	5.00%	5.00%	16.50%	16.00%
Nautinauti CGU	5.00%	5.00%	20.00%	19.00%

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NOTE- 6

NON-CURRENT FINANCIAL ASSETS - INVESTMENT IN AN ASSOCIATE

Accounting policy

Investments initially measured at fair value. Investment in an associate is out of scope of Ind AS 109 and hence the Group has accounted for its investments in an associate at cost. All other equity investments are measured at fair value as per Ind AS 109

Refer Note 50 for other accounting policies relevant to financial instruments.

	As at March 31, 2025	As at March 31, 2024
Investments in an associate (Carried at cost)		
Unquoted equity investments:		
3,058 (March 31, 2024: Nil) fully paid equity shares of INR 10/- each of Wrogn Private Limited	23.09	-
Add: Share of Profit/(Loss) of an associate	(17.57)	-
	5.52	-
Unquoted preference shares:		
18,086 (March 31, 2024: Nil) fully paid 0.01% Compulsorily Convertible Preference Shares (CCPS) of INR 10/- each of Wrogn Private Limited	125.00	-
Total	130.52	-
Aggregate book value of unquoted investments	130.52	-
Aggregate amount of impairment in value of investments	-	-

Note:

On June 19, 2024, the Board of Directors has approved the acquisition of 17.1% stake of Wrogn Private Limited ('Wrogn') (formerly known as "Universal Sportsbiz Private Limited") for consideration of INR 23.09 in equity and INR 50 in CCPS by entering into a SPA. Further on October 15, 2024 the Company has invested additionally INR 75 in CCPS. Cumulative stake in Wrogn is 32.84%. Considering the terms of the agreement, Wrogn is considered as an associate of the Company. Also Refer Note 51.

NOTE- 7

NON CURRENT SECURITY DEPOSITS

	As at March 31, 2025	As at March 31, 2024
Security deposits		
-Unsecured, considered good	6.13	1.39
-Unsecured, considered doubtful	0.28	-
Provision for doubtful deposit	(0.28)	-
Total	6.13	1.39

NOTE- 8

NON CURRENT OTHER FINANCIAL ASSETS

Accounting Policy

Derivatives

Derivative financial instruments includes call options and put options over shares in the acquired associate held by the Company pursuant to the agreement. These 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 charged/credited to the Consolidated statement of profit and loss.

Refer Note 50 for other accounting policies relevant to financial instruments.

	As at March 31, 2025	As at March 31, 2024
Derivative instruments (Refer Note below)		
	29.50	-
Total	29.50	-

Note:

As per the terms of certain shareholder agreements relating to the associate, the Company has call options to purchase the interest of the non-controlling interest of the other investors in the associate, and also has written put options over such interests which are exercisable based on the terms specified in the agreements. Such options are accounted for as derivative financial instruments. The fair value of call options and put options (as specified in Note - 23: Derivative - Liability) are measured based on a valuation performed by the Group's appointed independent valuer.



NOTE- 9

DEFERRED TAX ASSETS/ LIABILITIES (NET)

	As at March 31, 2025	As at March 31, 2024
Deferred tax assets (net)	13.58	16.65
Deferred tax liabilities (net)	51.62	64.34
	(38.04)	(47.69)
Deferred tax assets / (liabilities) relates to the		
Difference between carrying amount of property, plant and equipment and intangible assets and their tax base	(57.05)	(64.67)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	3.81	1.44
Business and depreciation loss as per income tax computations available for off-set against future taxable income	13.42	12.39
ROU assets and lease liabilities	0.47	0.43
Provision for gratuity	0.37	0.22
Provision for leave encashment	0.07	-
Others	0.87	2.50
Total	(38.04)	(47.69)

Reconciliation of deferred tax assets/ (liabilities) (net):

	As at March 31, 2025	As at March 31, 2024
As at the beginning of the year (net)	47.69	29.23
Deferred tax (credit) / charge recognised in profit and loss during the year	(9.66)	(11.48)
Deferred tax (credit) / charge recognised in OCI during the year	-	-
Addition pursuant to business combination (Refer Note 44)	-	29.94
As at the end of the year	38.04	47.69

Note:-

- (i) Unabsorbed depreciation does not have any expiry period.
(ii) Corporate tax rate considered for arriving at the above amounts is 25.17% (March 31, 2024: 25.17%)

NOTE- 10

NON CURRENT TAX ASSETS (NET)

	As at March 31, 2025	As at March 31, 2024
Advance tax (net of income tax provision)	0.96	0.86
Withholding tax (TDS) receivables	2.97	3.90
Total	3.93	4.76

NOTE- 11

OTHER NON CURRENT ASSETS

	As at March 31, 2025	As at March 31, 2024
Capital advances	1.79	-
Balances with government authorities (other than income tax)	66.21	53.24
Prepayments	0.27	-
Total	68.27	53.24

NOTE- 12

INVENTORIES

Accounting Policy

Raw materials, stores and spares, and packing materials are valued at lower of cost or net realisable value. Cost is determined on weighted average cost basis.
Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average cost basis.
Refer Note 50 for other accounting policies relevant to inventories

	As at March 31, 2025	As at March 31, 2024
Raw materials	36.88	26.47
Work-in-progress	8.67	12.72
Finished Goods	61.96	75.16
Stock-in-trade	78.27	35.37
Packing materials	0.29	1.00
Total	186.07	150.72

Inventories are net of obsolescence provision amounting to INR 23.02 (March 31, 2024 : INR 15.68)



NOTE- 13

CURRENT INVESTMENTS [carried at fair value through profit and loss (FVTPL)]

	As at March 31, 2025	As at March 31, 2024
Quoted investments		
342,426 units (March 31, 2024 : 615,110 units) of Aditya Birla Sun Life Liquid Fund - Growth	14.16	23.72
162,183.08 units (March 31, 2024 : 49,813 units) of Axis Liquid Fund - Regular Plan - Growth Option	46.38	13.27
57,546.82 units (March 31, 2024 : 21,726 units) of HDFC Liquid Fund - Growth Plan	29.00	10.21
29,154.99 units (March 31, 2024 : Nil units) of HSBC Liquid Fund Growth	7.47	-
4,115.09 units (March 31, 2024 : Nil units) of Kotak Liquid Fund Growth	2.14	-
16,375.81 units (March 31, 2024 : Nil units) of Nippon Liquid Fund Growth	10.27	-
Total	109.43	47.20
Aggregate amount of unquoted investments	-	-
Aggregate amount of quoted investments	109.43	47.20
Aggregate market value of quoted investments	109.43	47.20
Aggregate amount of impairment in value of investments	-	-

NOTE- 14

CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits		
- Unsecured, considered good	0.93	1.11
Total	0.93	1.11

NOTE- 15

TRADE RECEIVABLES

Accounting policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Group's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables from others		
- Unsecured and considered good	205.47	224.53
- Unsecured and considered doubtful	11.60	10.62
Less: Loss Allowances	(11.60)	(10.62)
Total	205.47	224.53

Ageing of Trade Receivables:

Particulars	Outstanding as on March 31, 2025 (for following periods from due date of payment)						Total
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	7.00	152.41	45.23	0.83	-	-	205.47
(ii) Undisputed Trade Receivables – considered doubtful	-	0.49	0.78	8.34	1.91	-	11.52
(iii) Undisputed - Credit Impaired	-	-	0.02	0.05	0.01	-	0.08
(iv) Provision on Trade Receivables assessed on individual basis	-	(0.49)	(0.80)	(8.39)	(1.92)	-	(11.60)
TOTAL	7.00	152.41	45.23	0.83	-	-	205.47

Particulars	Outstanding as on March 31, 2024 (for following periods from due date of payment)						Total
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	3.07	193.11	27.98	0.37	-	-	224.53
(ii) Undisputed Trade Receivables – considered doubtful	-	-	6.43	2.63	-	-	9.06
(iii) Undisputed - Credit Impaired	-	-	-	1.56	-	-	1.56
(iv) Provision on Trade Receivables assessed on individual basis	-	-	(6.43)	(4.19)	-	-	(10.62)
TOTAL	3.07	193.11	27.98	0.37	-	-	224.53

No trade or other receivables is due from directors or other officers of the Group either severally or jointly with any other person.

Trade receivables are generally non-interest bearing and the credit period generally between 15 to 180 days.

The Group follows the simplified approach method for computing the expected credit loss. The Group is majorly having transaction with Business to Business ('B2B'), market places and with direct to customers (D2C) through payment gateways, hence the Group has assessed the provision for loss allowances on an individual case basis.

There are no disputed trade receivables (a) considered good, (b) considered doubtful or (c) which have significant increase in credit risk. There are no balances which are credit impaired (disputed/ undisputed).



Aditya Birla Digital Fashion Ventures Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025
(All amounts in Rs. Crores unless otherwise stated)

Movement in the expected credit loss allowance

	As at March 31, 2025	As at March 31, 2024
As at the beginning of the year	10.62	7.45
Add: Provision made during the year	0.98	3.17
Less: Provision reversed during the year	-	-
As at the end of the year	11.60	10.62

NOTE- 16

CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
- current accounts	1.00	3.32
Cash on hand	0.11	0.05
Total	1.11	3.37

Net debt reconciliation:

As at March 31, 2025

Particulars	As at April 1, 2024	Adjustments	Cash flows (net)	Non-cash changes		As at March 31, 2025
				Fair value adjustments	Others	
Cash and cash equivalents	3.37	-	(2.26)	-	-	1.11
Current investments	47.20	-	55.13	3.37	3.73	109.43
Total	50.57	-	52.87	3.37	3.73	110.54
Non current borrowings	152.02	-	406.09	-	28.63	586.74
Current borrowings*	68.12	-	66.25	-	9.20	143.57
Lease liabilities	26.34	-	70.52	-	5.33	102.19
Total	246.48	-	542.86	-	43.16	832.50

As at March 31, 2024

Particulars	As at April 1, 2023	Adjustments	Cash flows (net)	Non-cash changes		As at March 31, 2024
				Fair value adjustments	Others	
Cash and cash equivalents	37.46	-	(34.09)	-	-	3.37
Current investments	13.23	-	30.27	0.98	2.71	47.20
Total	50.69	-	(3.82)	0.98	2.71	50.57
Non current borrowings	0.04	-	146.15	-	5.83	152.02
Current borrowings*	59.68	-	7.78	-	0.66	68.12
Lease liabilities	7.89	-	16.77	-	1.68	26.34
Total	67.61	-	170.70	-	8.17	246.48

*This includes interest accrued but not due on borrowings.

NOTE- 17

BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)	0.13	2.66
Total	0.13	2.66

NOTE- 18

CURRENT FINANCIAL ASSETS - OTHERS

	As at March 31, 2025	As at March 31, 2024
Interest accrued on fixed deposits	0.02	-
Loans to employees	0.23	0.14
Other receivables	0.25	-
Total	0.50	0.14

NOTE- 19

OTHER CURRENT ASSETS

	As at March 31, 2025	As at March 31, 2024
Advance to suppliers	4.58	3.54
Balances with government authorities (other than income tax)	51.99	26.09
Prepayments	1.55	1.75
Right to return assets	34.82	32.43
Other receivables	-	0.31
Advance to employees	1.16	-
Total	94.10	64.12



NOTE- 20

EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each				
As at the beginning of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
Add: Increase during the year	-	-	-	-
As at the end of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
Optionally Convertible Redeemable Preference shares ('OCRPS') of Rs. 10 each				
As at the beginning of the year	25,00,00,000	250.00	-	-
Add: Increase during the year	-	-	25,00,00,000	250.00
As at the end of the year	25,00,00,000	250.00	25,00,00,000	250.00
Issued, subscribed and paid up equity share capital				
Equity shares of Rs. 10 each				
As at the beginning of the year	50,00,00,000	500.00	31,55,00,000	315.50
Add: Equity shares issued under Rights Issue	-	-	18,45,00,000	184.50
As at the end of the year	50,00,00,000	500.00	50,00,00,000	500.00

(i) Shares held by Promoters

Promoter Name	As at March 31, 2025		As at March 31, 2024		% of change during the year
	Number of Shares	% of holding	Number of Shares	% of holding	
Aditya Birla Fashion and Retail Limited					
Equity Share Capital	49,99,99,994	99.99%	49,99,99,994	99.99%	0.00%
OCRPS (Refer Note 22)	25,00,00,000	100.00%	25,00,00,000	100.00%	0.00%

(ii) Rights, preferences and restrictions attached to equity shares

The Group has only one class of equity shares having face value of Rs. 10/- per share. Each holder of an equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive the remaining assets of the Group, after distribution to all preference shareholders. The distribution will be in proportion to the number of the equity shares held by the shareholders. Refer note 22 for the terms of OCRPS.

(iii) Issue of Right Shares

There were no rights issue during the current year.

Rights issue 2023-24

Approval : Board approved fund raising by way of a Rights Issue on following dates, at a price of INR 10 per Rights Equity Share aggregating to INR 184.50, in the ratio of 1 rights equity share for every 1 existing fully-paid share held by the eligible equity shareholders as on the following dates:

- (i) April 27, 2023 5,00,00,000 shares
- (ii) August 10, 2023 3,50,00,000 shares
- (iii) October 12, 2023 9,95,00,000 shares

The rights Issue has been utilised for the purpose for which it has been obtained.

(iv) Details of shareholders holding more than 5% shares in the Company:-

Name of the shareholder	As at March 31, 2025		As at March 31, 2024		% of change during the year
	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital	
Aditya Birla Fashion and Retail Limited					
Equity shares	49,99,99,994	99.99%	49,99,99,994	99.99%	0.00%
OCRPS (Refer Note 22)	25,00,00,000	100.00%	25,00,00,000	100.00%	0.00%

(v) Details of shares held by holding company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	Amount	No. of shares held	Amount
Aditya Birla Fashion and Retail Limited				
Equity shares of INR 10 each	49,99,99,994	500.00	49,99,99,994	500.00
OCRPS of INR 10 each fully paid up (March 31, 2024: INR 6 each paid up)	25,00,00,000	250.00	25,00,00,000	150.00

(vi) Shares reserved for issue under Employee Stock Option Plan

For details of shares reserved for issue under the Employee Stock Option Plan ('Scheme 2022') of the Group (Refer Note - 41).

(vii) There are no shares allotted for consideration other than cash during last three years.

(viii) There were no bonus shares issued during the past three years.



NOTE- 21
OTHER EQUITY

	As at March 31, 2025	As at March 31, 2024
Retained earnings		
As at the beginning of the year	(291.10)	(77.84)
Profit/ (Loss) for the year	(240.17)	(191.24)
Acquisition of NCI Share	-	1.82
Share options - Deemed dividend (Refer Note 41)	(0.54)	(1.30)
Difference between redemption amount of Call/Put option liabilities and carrying amount of Non Controlling Interest	(39.51)	(22.54)
As at the end of the year	(571.32)	(291.10)
Share-based payment reserve		
As at the beginning of the year	11.97	1.63
Recognition of Share based expenses	7.90	9.04
Share options - Deemed dividend (Refer Note 41)	0.54	1.30
As at the end of the year	20.41	11.97
Equity attributable to non-controlling interest		
As at the beginning of the year	-	-
Profit/ (Loss) during the year	(28.07)	(19.03)
Other comprehensive income	(0.01)	(0.01)
Acquisition of non-controlling interest ('NCI') Share	0.37	106.08
Adjustment made on account of re-assessment of acquired minority interest and goodwill (Refer Note- 44)	-	(11.77)
Non-controlling pursuant to business combinations (Refer Note - 44)	27.71	(75.27)
As at the end of the year	-	-
Equity component of compound financial instrument		
As at the beginning of the year	4.43	-
Increase during the year	7.01	4.43
As at the end of the year	11.44	4.43
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans		
As at the beginning of the year	(0.19)	(0.15)
Gains/ (losses) during the year (Refer Note- 40)	(0.06)	(0.04)
As at the end of the year	(0.25)	(0.19)
Other equity		
	As at March 31, 2025	As at March 31, 2024
Equity component of compound financial instrument	11.44	4.43
Reserves and surplus		
Retained earnings	(571.32)	(291.10)
Share-based payment reserve	20.41	11.97
Equity attributable to non-controlling interest	-	-
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans	(0.25)	(0.19)
Total	(539.72)	(274.89)

The description of the nature and purpose of each reserve within other equity is as follows:

1. Retained earnings

Retained earnings comprise of the Group's accumulated undistributed consolidated profits/ (losses) after taxes.

2. Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in Consolidated Statement of Profit and Loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

3. Equity component of compound financial instrument

Equity component of compound financial instrument represents the difference between the OCRPS face value and the present value of payment / conversion to be made towards the OCRPS on the trigger date. Also Refer Note 22.

4. Equity attributable to non-controlling interest

Equity attributable to non-controlling interest represents the amount payable to the holders of non controlling stake in the subsidiaries part of the Group. Since the group does not have present ownership interest in the shares held by NCI shareholders, the Group has de-recognised NCI and created equity share redemption liability. Also Refer Note 23.

5. Remeasurement gains/ (losses) on defined benefit plans

The cumulative balances of gains/ (losses) arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in remeasurement gains/ (losses) reserve will not be reclassified subsequently to Consolidated Statement of Profit and Loss.



NOTE- 22

NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

Accounting policy

Compound financial instruments: The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Refer Note 50 for other accounting policies relevant to financial instruments.

	As at March 31, 2025	As at March 31, 2024
Secured		
Term loans from bank		
Rupee term loan (Refer note 2 below)	0.78	1.28
Term loans from financial institutions		
Loan from Non-banking Financial Company (NBFC) (Refer note 2 below)	148.00	-
Unsecured		
Non-convertible Debentures (NCD)		
NCD (Refer note 2 below)	174.81	-
Preference shares		
7% Optionally Convertible Redeemable Preference Shares (OCRPS) [Refer note 1(a) and 1(b) below]	263.15	150.74
Total	586.74	152.02
Aggregate secured borrowings	148.78	1.28
Aggregate unsecured borrowings	437.96	150.74

Notes:

1) Details of OCRPS

1(a) During the financial year ended March 31, 2024, the Group has issued 250,000,000 7% OCRPS with face value of Rs. 10 each, Rs. 6 each paid-up to Aditya Birla Fashion and Retail Limited. During the current year, Rs. 4 each is paid up, making OCRPS as fully paid up.

(i) The OCRPS is redeemable at earlier of the end of 3 years from effective date or fund raising event at an agreed conversion ratio on the date of redemption.

(ii) Dividend at 7% per annum on the outstanding amount is payable on a cumulative basis.

(iii) The proceeds are for meeting the working capital requirements of the Group.

1(b) OCRPS includes dividend accumulated of Rs. 24.59 (March 31, 2024: Rs. 5.17) and is net off unamortised charges.

2) Details of security and terms of repayment

Particulars	Security	Effective interest rate	Maturity	As at March 31, 2025	As at March 31, 2024
NCD 17,500 NCDs of face value of Rs.1 lakh each *	Unsecured	8.80%	26-Aug-27	174.81	-
Term loans from bank Rupee Term Loan	Secured-immovable assets and current assets	1-MCLR 1 Yr + "spread per annum"	15-Jul-26	0.78	1.28
Term loans from financial institution Aditya Birla Finance Limited - Tranche 1	Secured - Current and fixed assets	9.60%	15-Jul-26	50.00	-
Aditya Birla Finance Limited - Tranche 2		9.45%	15-Jul-26	98.00	-

* Terms of utilisation of Redeemable NCD: The proceeds from NCD issue can be utilized for (a) making equity or quasi debt infusion or any other debt investment into its subsidiaries or associate companies in which the Group has an existing investment (equity or debt); (b) accumulation of funds for long-term working capital; and (c) general corporate purpose in the normal course of business, in accordance with applicable laws. Pending full utilization of Issue proceeds, the Group is entitled to invest the issue proceeds in schemes of mutual funds and deposits with banks or retain them in Issuer's bank account.

The Group has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings.

The Group has used the borrowings from banks and financial institution for the specific purpose for which it was taken.

The Group has registered all the charges with Registrar of Companies (RoC) within the statutory period.



NOTE- 23

NON-CURRENT FINANCIAL LIABILITIES- OTHERS

Accounting Policy

Equity Share Redemption Liability

Where the group does not have present ownership interest in the shares held by the non-controlling shareholders, measured at either fair value or at the proportionate share of the acquiree's identifiable net assets, and the related call/ put option held by the group over such non-controlling shares remains unexercised, the group accounts for the non-controlling interest and the written call/ put option at the end of each reporting period as below:

- Group determines the amount that would have been recognised for the non-controlling interest, including an allocation to reflect the share of profit or loss, share of changes in other comprehensive income and dividends (if any) declared during the reporting period;
- The group de-recognises the non-controlling interest as if it was acquired at the end of the reporting period.
- The group recognises a financial liability in respect of the written call/put option at the present value of the amount payable on exercise of the non-controlling interest; and
- Difference between b) and c) is accounted for as an equity transaction.

Upon exercise of the call/put option over the non-controlling interest the amount recognised as financial liability is extinguished by payment of the exercise price.

If the call/put option over the non-controlling interest remains unexercised, non-controlling interest is recognised at the amount it would have been, as if the call/put option had never been granted (i.e. measured initially at the date of the business combination, and remeasured for subsequent allocations of profit or loss, other comprehensive income and changes in equity attributable to the non-controlling interest). The financial liability is derecognised, with a corresponding credit to the same component of equity.

Refer Note 50 for other accounting policies relevant to financial instruments.

	As at March 31, 2025	As at March 31, 2024
Security deposits from franchisees	0.44	0.11
Derivative instruments (Refer Note 8)	7.60	-
Non-controlling interest - call/put option	162.50	150.70
Total	170.54	150.81

NOTE- 24

NON-CURRENT PROVISIONS

	As at March 31, 2025	As at March 31, 2024
Employee benefit obligation		
Provision for gratuity (Refer Note- 40)	4.38	3.32
Total	4.38	3.32

NOTE- 25

CURRENT - BORROWINGS

	As at March 31, 2025	As at March 31, 2024
Secured		
Loans repayable on demand from bank		
Bank overdraft (Refer Note 1 below)	76.22	54.17
Cash credit (Refer Note 1 below)	28.10	1.63
Current maturities of rupee term loan (Refer Note 22)	0.31	0.12
Unsecured		
Loans repayable on demand from financial institutions		
Working capital loan from others (Refer Note 2 below)	30.70	12.10
Current maturities of long term borrowings		
Current maturities of long-term borrowings	-	0.10
Current maturity of NCD - interest accrued and not due	8.24	-
Total	143.57	68.12
Aggregate secured borrowings	104.63	55.92
Aggregate unsecured borrowings	38.94	12.20



Aditya Birla Digital Fashion Ventures Limited
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(All amounts in Rs. Crores unless otherwise stated)

Terms of the borrowings:

Particulars	Repayment terms, interest rate and security
1. Loans repayable on demand from bank	
Bank overdraft	
Overdraft facility from a Bank, balance outstanding Rs. 8.24 (March 31, 2024: Rs 8.31)	Repayable on demand. Secured by a first pari-passu charge on all current assets. Rate of interest is I-MCLR-6M which is currently at the rate of 9.00% p.a. (March 31, 2024: 9.00% p.a.)
Working Capital Demand Loan from a Bank, balance outstanding Rs. 17.65 (March 31, 2024: Rs. 15.89)	Repayable on demand. Secured by a first pari-passu charge on all current assets and movable fixed assets. Rate of interest for the year is Repo rate (As on sanction date- 6.25%)+ spread (2.6%) p.a.. (As at March 31, 2024 : 8.85% p.a.)
Working Capital Term Loan from a Bank, balance outstanding Rs. 9.5 (March 31, 2024: Rs. 5.00)	Repayable on demand. Secured by a first pari-passu charge on all current assets and movable fixed assets. Rate of interest for the year is (Repo rate+spread) 8.70% p.a. (As at March 31, 2024 : 8.75% p.a.)
Working Capital Demand Loan from a Bank, balance outstanding Rs. 15.51 (March 31, 2024: Rs. Nil)	Repayable on demand. Secured by a first pari-passu charge on all current assets and movable fixed assets. Rate of interest as at year end 8.8% p.a. (As at March 31, 2024 :NA)
Overdraft facility from a Bank, balance outstanding Rs. 14.59 (March 31, 2024: Rs. 13.54)	Repayable on demand. Secured by a first pari-passu charge on all current assets and movable fixed assets. Rate of interest for the year is Repo rate +spread 2.75% p.a.(March 31, 2024:2.75% p.a.)
Overdraft facility from a Bank, balance outstanding Rs. 10.73 (March 31, 2024: Rs. 11.43)	Repayable on demand. Secured by a first pari-passu charge on all current assets and movable fixed assets. Rate of interest for the year is MCLR+Spread (floating) 2.75% p.a.
Cash credit	
Cash credit facility from a Bank, balance outstanding Rs. 18.35 (March 31, 2024: Rs. 1.63)	Repayable on demand. Secured by a first pari-passu charge on all inventories and trade receivables. Rate of interest for the year 8.15% p.a.(March 31, 2024: 8.15% p.a.)
Cash credit facility from a Bank, balance outstanding Rs. 9.75 (March 31, 2024: Rs. nil)	Repayable on demand. Secured by a first pari-passu charge on all current assets and movable fixed assets. Rate of interest for the year is Repo rate +spread which is currently 2.75% p.a. (March 31, 2024: 2.75% p.a.)

2. Loans repayable on demand from financial institutions

Working capital demand loan from a NBFC, balance outstanding Rs. 2.00 (March 31, 2024: Rs. 0.1)	Repayable on demand. Unsecured. Rate of interest for the year is 10% p.a. (March 31, 2024: 2.75% p.a.)
Working Capital Term Loan from NBFC, balance outstanding Rs. 21.30 (March 31, 2024: 10.50)	Repayable on demand. Rate of interest as at year end is 9.4% p.a. (March 31, 2024: 10% p.a.)
Working Capital Term Loan from NBFC, balance outstanding Rs. 7.40 (March 31, 2024 Rs. 1.50)	Repayable on demand. Rate of interest as at year end is 9.9% p.a. (March 31, 2024: 9.9% p.a.)

Above Working Capital Term loan are secured by hypothecation of current assets of the Group.

The Group has not defaulted on any loans payable or interest thereon, and there has been no breach of any covenant attached to the borrowings.

NOTE- 26

TRADE PAYABLES

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues to micro enterprises and small enterprises (Refer details below)	32.19	18.99
Total outstanding dues of creditors other than micro enterprises and small Enterprises*	186.76	193.77
Total	218.95	212.76

*Includes payables to related parties (Refer Note- 45)

Trade payables ageing

Particulars	Outstanding as on March 31, 2025 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed MSME	18.55	12.22	0.68	0.74	-	32.19
(ii) Undisputed others	154.66	29.43	1.22	1.45	-	186.76
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	173.21	41.65	1.90	2.19	-	218.95

Particulars	Outstanding as on March 31, 2024 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed MSME	12.24	5.20	1.01	0.54	-	18.99
(ii) Undisputed others	133.35	56.73	1.60	2.09	-	193.77
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	145.59	61.93	2.61	2.63	-	212.76



Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006:

	As at March 31, 2025	As at March 31, 2024
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to Micro and Small Enterprises*	15.38	12.19
Interest due on the above	0.84	1.30
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	266.66	62.23
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	0.18
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	5.17	1.90
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	3.76	1.90

* The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors and this does not include not due but recorded in the books of account.

NOTE- 27**CURRENT FINANCIAL LIABILITIES - OTHERS**

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued and due on borrowings	1.07	0.14
Creditors for capital supplies/services	4.52	0.32
Deferred consideration payable (Refer Note 44)	-	15.00
Employee payables	15.42	15.19
Other financial liabilities	-	0.01
Total	21.01	30.66

NOTE- 28**CURRENT PROVISIONS**

Particulars	As at March 31, 2025	As at March 31, 2024
Employee benefit obligation		
Provision for compensated absence	2.79	2.64
Provision for gratuity (Refer Note 40)	0.57	0.42
Total	3.36	3.06

NOTE- 29**OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2025	As at March 31, 2024
Advances received from customers	2.22	2.49
Statutory dues (other than income taxes)	4.20	3.86
Employee related statutory dues	1.73	-
Refund liabilities	72.68	69.83
Other advances received	0.03	-
Total	80.86	76.18



NOTE- 30

REVENUE FROM OPERATIONS

Accounting policy**(i) Revenue from contracts with customers**

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Group expect to be entitled for those goods/ services and there are no unfulfilled obligations that affect the customers' acceptance of the products. Control of the products are considered to be transferred at a point in time when goods have been dispatched or delivered, as per the terms agreed with the customer. The Group does not adjust any of the transaction prices for the time value of money as contracts with the customers do not contain a significant financing component, since the sales are generally made with a credit period of 15 to 180 days, which is consistent with the market practice.

To recognize revenues, the Group applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenues when a performance obligation is satisfied.

Revenue from sale of products

Revenue from sales of products is measured at the amount of transaction price (net of returns, customer incentives, discounts, variable consideration and other similar charges offered by the Group) allocated to that performance obligation.

Goods and Service Tax (GST) is not received by the Group in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Assets and liabilities arising from right to return

The Group has contracts with customers which entitles them the unconditional right to return.

Right to return assets

A right of return gives an entity a contractual right to recover the goods from a customer (return to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Group has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Group has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Income from gift voucher

Gift voucher sales are recognised when the vouchers are redeemed, and the goods are sold to the customer.

Loyalty points program

The Group operates a loyalty program which allows customers to accumulate points on purchases made in retail stores. The points give rise to a separate performance obligation as it entitles them for redemption as settlement of future purchase transaction price. Consideration received is allocated between the sale of products and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of points is determined by applying statistical techniques based on the historical trends.

Consideration allocated to reward points is deferred and recognised when points are redeemed or when the points expire. The amount of revenue is based on the value of points redeemed/ expired.

Income from services

Income from services is recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

Commission income

In case of sales of goods, where the Group is an agent in the transaction, the difference between the revenue and the cost of the goods sold is disclosed as commission income in other operating income.

Membership Income

Revenue from sale of services in respect of membership fees is recognised proportionately over the period of the membership fees.

Others (Cash Collection Charges and freight revenue)

Income from services is recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

	Year ended March 31, 2025	Year ended March 31, 2024
Sale of products	644.82	410.18
Sale of services		
-Commission income	3.46	8.69
-Membership income	0.58	0.99
-Cash collection charges and freight revenue	1.37	0.89
Other Operating Revenue		
-Process waste sales	0.48	0.34
Total	650.71	421.09



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(All amounts in Rs. Crores unless otherwise stated)

(a) Right to return assets and refund liabilities

	Year ended March 31, 2025	Year ended March 31, 2024
Right to return assets (Refer Note 19)	34.82	32.43
Refund liabilities (Refer Note 29)	72.68	69.83

(b) Contract balances:

	Year ended March 31, 2025	Year ended March 31, 2024
Contract assets		
Trade receivables (Refer Note 15)	205.47	224.53
Contract liabilities		
Advance received from customers (Refer Note 29)	2.22	2.49

(c) Reconciliation of revenue as recognised in the Consolidated Statement of Profit and Loss with the contracted price:

	Year ended March 31, 2025	Year ended March 31, 2024
Revenue as per contracted price	1,120.27	668.54
Less:		
Sales return	(333.66)	(176.39)
Discount	(135.90)	(71.06)
Revenue as per the Consolidated Statement of Profit and Loss	650.71	421.09

(d) Timing of revenue recognition

	Year ended March 31, 2025	Year ended March 31, 2024
Goods transferred at a point in time	645.30	410.52
Sale of service		
Services transferred point in time	4.83	9.58
Services transferred over the period of time	0.58	0.99
Revenue as per the Consolidated Statement of Profit and Loss	650.71	421.09

(e) Performance obligations and unsatisfied performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. There are no revenue deferral as at the year end. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or lesser.

(f) Group is into business of sale of retail garmets/branded apparels/accessories having the same nature and timing of revenue. Hence there is no disaggregation of revenue has been provided. Also Refer Note 46.

NOTE- 31(a)
OTHER INCOME

	Year ended March 31, 2025	Year ended March 31, 2024
Fair value gain on financial instruments at FVTPL	3.37	0.98
Gain on retirement of right of use assets	0.07	0.13
Interest income on bank deposits	0.18	0.72
Interest income on income tax refund	0.34	-
Liabilities no longer written back	0.52	-
Net gain on sale of current investments	3.73	2.71
Profit on sale of property, plant and equipment	0.01	0.03
Unwinding of discount on security deposits	0.30	0.14
Miscellaneous income	1.23	1.47
Total	9.75	6.18

NOTE- 31(b)
OTHER GAINS/(LOSSES) - NET

	Year ended March 31, 2025	Year ended March 31, 2024
Gain on derivative assets and liabilities (net)	21.90	-
Total	21.90	-



NOTE- 32(a)

COST OF MATERIALS CONSUMED

	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance		
Raw materials	26.47	9.32
Packing materials	1.00	0.94
Raw materials acquired during business combination (Refer Note 44)	-	6.91
Add: Purchases	155.86	116.97
Closing balance		
Raw materials	(36.88)	(26.47)
Packing materials	(0.29)	(1.00)
Total cost of material consumed	146.16	106.67

NOTE- 32(b)

PURCHASE OF STOCK IN TRADE

	Year ended March 31, 2025	Year ended March 31, 2024
Purchase of stock in trade	199.18	118.55
Total	199.18	118.55

NOTE- 32(c)

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2025	Year ended March 31, 2024
Opening inventories		
Finished goods	75.16	17.43
Work-in-progress	12.72	1.40
Stock-in-trade	35.37	35.78
Inventories acquired during business combination (Refer Note 44)		
Finished goods	-	51.30
Work-in-progress	-	11.50
Less: closing inventories		
Finished goods	(61.96)	(75.16)
Work-in-progress	(8.67)	(12.72)
Stock-in-trade	(78.27)	(35.37)
Changes in inventories of finished goods, work in progress and stock-in-trade	(25.65)	(5.84)

NOTE- 33

EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	114.98	104.77
Contribution to provident and other funds	3.28	1.72
Share-based payment to employees (Refer Note 41)	7.90	9.04
Gratuity expense (Refer Note 40)	1.44	0.76
Staff welfare expenses	4.02	2.83
Total	131.62	119.12



Aditya Birla Digital Fashion Ventures Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025

(All amounts in Rs. Crores unless otherwise stated)

NOTE- 34
FINANCE COST

	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense		
- on borrowings	14.45	6.01
- on lease liabilities (Refer Note 4b and Note 42)	5.33	1.68
- on OCRPS	19.43	5.17
- on NCD	9.20	0.66
- on others	0.14	1.68
Total	48.55	15.20

NOTE- 35
DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment (Refer Note 3a)	4.16	3.06
Depreciation on right-of-use assets (Refer Note 4a)	11.65	4.86
Depreciation on investment property (Refer Note 4c)	0.02	0.04
Amortisation on intangible assets (Refer Note 5)	29.69	22.61
Total	45.52	30.57

NOTE- 36
OTHER EXPENSES

	Year ended March 31, 2025	Year ended March 31, 2024
Advertisement and sales promotion	139.52	87.68
Commission	25.45	17.33
Insurance	0.55	0.34
Transportation and handling charges	88.01	66.62
Job work charges	62.86	25.25
Information technology expenses	12.89	9.33
Legal and professional expenses	22.03	23.22
Repair & maintenance		
- Buildings	0.44	0.21
- Plant and equipment	0.28	0.17
- Others	0.67	0.98
Rent (including warehouse charges) (Refer Note 42)	14.38	8.54
Provisions for bad and doubtful debts	0.98	3.17
Provisions for bad and doubtful deposits	0.28	-
Provisions for bad and doubtful advances	1.09	0.10
Outsourcing, housekeeping and security	8.24	4.49
Electricity charges	2.14	1.76
Power and fuel	0.15	0.03
Rates and taxes	5.97	1.48
Communication expenses	0.48	0.31
Royalty expenses	3.83	2.31
Payment to auditors (Refer Note below)	0.80	0.48
Travelling and conveyance	4.14	2.92
CSR expenditure (Refer Note - 39)	0.14	-
Miscellaneous expenses	1.99	3.88
Total	397.31	260.60

Payment to auditors *:

	Year ended March 31, 2025	Year ended March 31, 2024
For audit fees (including Limited Review fees)	0.69	0.47
For tax audit fees	-	0.01
For other services	0.09	-
For reimbursement of expenses	0.02	0.00
Total	0.80	0.48

* Represent fees to statutory auditors of the holding company and all the subsidiaries.



NOTE- 37
INCOME TAX EXPENSE

	Year ended March 31, 2025	Year ended March 31, 2024
Current income tax		
Current income tax charge	-	4.14
(A)	-	4.14
Deferred tax charge / (credit)		
Relating to origination and reversal of temporary differences (Refer Note 9)	(9.66)	(11.48)
(B)	(9.66)	(11.48)
Total (A+B)	(9.66)	(7.34)
In Other Comprehensive Income (OCI)		
Deferred tax related to items recognised in OCI during the year		
	Year ended March 31, 2025	Year ended March 31, 2025
Deferred tax charge/ (credit) on:		
Net gain/ (loss) on re-measurement gains/ (losses) on defined benefit plans	-	0.00
	-	0.00
Reconciliation of tax (income)/ expense and the accounting profit/ (loss) multiplied by India's domestic tax rate		
	Year ended March 31, 2025	Year ended March 31, 2024
Accounting Profit/(Loss) before income tax	(277.90)	(217.60)
Tax expense/ (income) at statutory income tax rate of 25.17% (March 31, 2024: 25.17%)	(69.94)	(54.76)
Expenses not allowed under the Income tax Act:		
Corporate Social Responsibility	0.04	-
Expenses disallowed for tax purposes	0.75	0.17
Impact of deferred tax not created on losses	69.15	58.73
Deferred tax created on temporary differences	(9.66)	(11.48)
Income tax expenses/ (income) as per Consolidated Statement of Profit and Loss	(9.66)	(7.34)

NOTE- 38
EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

	Year ended March 31, 2025	Year ended March 31, 2024
Profit/(Loss) as per consolidated Statement of Profit and Loss	(A)	(191.28)
Weighted average number of equity shares for calculation of Basic EPS	(B)	43,14,97,260
Profit/(Loss) per share - Basic (INR)	(A) / (B)	(4.43)
Weighted average number of equity shares for calculation of Diluted EPS*	50,00,00,000	43,14,97,260
Diluted EPS (INR)	(C)	(4.43)
Nominal value of shares (INR)	10.00	10.00

*Stock options granted to the employees under various ESOP schemes and OCRPS are considered to be potential equity shares. The same are not considered in the determination of diluted earnings per share as they are anti-dilutive. Vested unexercised stock options have been considered in the calculation of Basic EPS where the exercise price of such options are insignificant. The details relating to stock options are given in Note 41.

NOTE- 39
DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON

Details of actual CSR expenditure incurred:

	Year ended March 31, 2025	Year ended March 31, 2024
i) Amount required to be spent by the Group during the year	0.14	-
ii) Amount of expenditure incurred	0.14	-
iii) Shortfall at the end of the financial year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	-	-
vi) Nature of CSR activities	Refer Note below	Not Applicable
vii) Details of related party transaction (contribution to a trust in which directors of the Holding Company are interested)	0.14	-
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	-	-

Note: The Group has donated an amount of Rs.0.14 (March 31, 2024: Nil) to Aditya Birla Fashion and Retail Jan Kalyan Trust. The Contribution is covered under Schedule VII to the Companies Act, 2013. Contribution has been spent by the Trust for park development, dry and wet waste segregation and pond renovation at villages in Karnataka and Tamil Nadu.



NOTE: 40**GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS****(i) Defined contribution plans - Provident Fund, Employees' State Insurance and Labour welfare fund:**

Provident Fund: Contributions are made mainly to provident fund in India for employees at the rate of 12% of basic salary with maximum contribution capped at wage ceiling used for calculating the Provident fund contribution as per the regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Employees' State Insurance: Employees' State Insurance is a state plan applicable to employees of the Group whose salaries do not exceed a specified amount. The contributions are made on the basis of a percentage of salary to a fund administered by government authority. The obligation of the Group is limited to the extent of contributions made on a monthly basis.

Labour Welfare Fund: The Labour Welfare Fund (LWF) is a statutory contributory fund managed by the individual state government authorities in India. The state Labour Welfare Board determines the frequency and amount of the LWF contribution and It differs from state to state. The contributions to the LWF are made annually, half-yearly or monthly.

Amount Recognised in Statement of Profit and Loss in Note 33 "Contribution to provident and other funds"	Year ended March 31, 2025	Year ended March 31, 2024
Contribution to Employee Pension Scheme (EPS)	0.48	0.31
Contribution to Employee State Insurance (ESI)	0.10	0.09
Contribution to Employee Provident Fund (EPF)	2.34	1.07
Contribution to National Pension Scheme (NPS)	0.37	0.24
Total	3.28	1.72

(ii) Defined benefit plans :

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined using Projected Unit Credit Method at the end of each year. The Group's defined benefit plan is funded and unfunded, the fair value of the plan assets is reduced from the gross obligation under the defined benefits plans, to recognise on net basis.

Risk exposure

Through its defined benefit plans, Group is exposed to number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans. These are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimize risk to an acceptable level.
Inflation Risk	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life Expectancy	The pension plan provides benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.
Demographic risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions made.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Unfunded defined benefit plan

The amounts recognized through statement of consolidated statement of profit and loss and other comprehensive income:

	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	1.02	0.73
Past service cost	-	(0.30)
Interest cost on defined benefit obligation	0.24	0.20
Total	1.26	0.63



Aditya Birla Digital Fashion Ventures Limited
Notes to the Consolidated financial statements for the year ended March 31, 2025

(All amounts in Rs. Crores unless otherwise stated)

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	3.35	2.62
Current service cost	1.02	0.73
Past service cost	-	(0.30)
Interest cost on defined benefit obligation	0.24	0.20
Actuarial (gain)/ loss on account of:		
Changes in demographic assumptions	-	-
Changes in financial assumptions	0.08	0.18
Experience adjustments	(0.06)	(0.15)
Actuarial (gain)/ loss recognised in OCI	0.02	0.03
Benefits paid	(0.31)	(0.07)
Transfer in/ out obligation*	0.02	0.14
Closing defined benefit obligation	4.34	3.35

*On account of inter-company transfer.

Funded defined benefit plan
Net (benefit) / expense recognised through the Consolidated Statement of Profit and Loss

	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	0.15	0.10
Interest cost on defined benefit obligation	0.03	0.03
Total	0.18	0.13
Gratuity cost charged to other comprehensive income		
Due to Change in financial assumptions	(0.05)	*
Due to experience adjustments	0.10	0.02
Total	0.05	0.02

Changes in the defined benefit obligation and fair value of plan assets are as follows:
(i) Changes in the present value of the Defined Benefit Obligations (DBO)

	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	0.44	0.46
Current service cost	0.15	0.10
Interest cost on defined benefit obligation	0.03	0.03
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	(0.05)	-
Experience adjustments	0.10	0.02
Actuarial (gain)/ loss recognised in OCI	0.05	0.02
Benefits paid	(0.01)	(0.14)
Transfer in/ out obligation*	-	(0.03)
Closing defined benefit obligation	0.66	0.44

*On account of inter-company transfer.

(ii) Change in fair value of plan assets

	As at March 31, 2025	As at March 31, 2024
Fair value of the plan assets at the beginning of the year	0.05	0.05
Interest Income	*	*
Return on plan assets excluding amounts included in interest income	*	*
Closing fair value of the plan assets at the end of the year	0.05	0.05

*Amount is below the rounding off criteria adopted by the Group.

Gratuity is funded through investments with an insurance service provider, i.e. Life Insurance Corporation of India (LIC). The plan assets under the scheme are administered by LIC. The investments are primarily in low risk assets.

Amounts recognised in the Consolidated Balance Sheet

	As at March 31, 2025	As at March 31, 2024
Present value of the defined benefit obligation at the end of the year:		
Funded	0.66	0.44
Fair value of plan assets	0.05	0.05
Net liability/ (asset)	0.61	0.39
Net liability is classified as follows:		
Current	0.24	0.10
Non-Current	0.37	0.29
Net liability - Funded	0.61	0.39



	As at March 31, 2025	As at March 31, 2024
Present value of the defined benefit obligation at the end of the year:		
Unfunded	4.34	3.35
Liability	4.34	3.35
Net liability is classified as follows:		
Current	0.33	0.32
Non-current	4.01	3.03
Liability - Unfunded	4.34	3.35

The principal assumptions used in determining gratuity (funded and unfunded) defined benefit obligations for the Group are shown below:

	As at March 31, 2025	As at March 31, 2024
Discount rate (per annum)		
Funded plan	6.50%	7.15%
Unfunded plan	6.76%	7.26%
Salary escalation rate (per annum)		
Funded plan	8.00%	15.00%
Unfunded plan	8.00%	8.00%

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumptions is as follows:

Unfunded plan

Sensitivity level	As at March 31, 2025		As at March 31, 2024	
	% Decrease in assumption	% Increase in assumption	% Decrease in assumption	% Increase in assumption
Discount rate (- / + 1%)				
Increase/(Decrease) in DBO	0.20	(0.19)	0.21	(0.18)
Salary escalation rate (- / + 1%)				
Increase/(Decrease) in DBO	(0.18)	0.20	(0.18)	0.12
Withdrawal rate (- / + 50% of attrition rates)				
Increase/(Decrease) in DBO	0.77	(0.46)	0.28	(0.16)

Funded plan

Sensitivity level	As at March 31, 2025		As at March 31, 2024	
	% Decrease in assumption	% Increase in assumption	% Decrease in assumption	% Increase in assumption
Discount rate (- / + 0.5%)				
Increase/(Decrease) in DBO	0.01	(0.01)	*	(0.01)
Salary escalation rate (- / + 0.50%)				
Increase/(Decrease) in DBO	(0.01)	0.01	(0.01)	*
Withdrawal rate (Increase to 110% / decrease to 90%)				
Increase/(Decrease) in DBO	0.02	(0.02)	0.04	(0.04)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

There has been no change in the of valuation from the prior years.

The maturity profile of the defined benefit obligation are as follows:

	As at March 31, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	0.62	0.44
Between 2 and 5 years	1.93	1.51
Between 6 and 10 years	3.10	2.69
Beyond 10 years	2.86	2.17

The average duration of the defined benefit plan obligation for unfunded plan at the end of the reporting period is 7 to 24 years (March 31, 2024: 7 to 24 years).

The average duration of the defined benefit plan obligation for funded plan at the end of the reporting period is 2 years (March 31, 2024: 1.87 years).

The principal demographic assumptions used in the valuation are shown in the table below:

	As at March 31, 2025	As at March 31, 2024
Mortality rate	100% of IALM	100% of IALM
Normal retirement age	2012-14	2012-14
Up to 30 years	60 Years	60 Years
31 - 40 years	18.00%	18.00%
Above 40 years	15.00%	15.00%
	10.00%	10.00%



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SHARE-BASED PAYMENT

Accounting policy

Employees of the Group receive remuneration in the form of equity-settled instruments for rendering services over a defined vesting period. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated statement of profit and loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share options outstanding account.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended March 31, 2025	Year ended March 31, 2024
Expense arising from equity-settled share-based payment transactions (net of cross charge)	7.90	9.04
Total	7.90	9.04

Entity Name: a) Aditya Birla Digital Fashion Venture Limited

a. Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022

During the period ended March 31, 2023, i.e. on December 23, 2022, the Board of Directors of the Company ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022 ("Scheme 2022") for issue of Stock Options in the form of Options ("Options") to the identified employees of the Company and of its holding company subject to the approval of the shareholders of the Company. Shareholders of the Company vide its resolution passed at Extra Ordinary General Meeting held on December 23, 2022, approved the introduction of Scheme 2022 and authorised the Board to finalise and implement the Scheme 2022.

Accordingly, under the said Scheme 2022, vide its resolution dated December 30, 2022, the Group commenced granting of options.

i) Details of grants under the scheme, 2022

No. of Options/ RSUs	30,601,518
Method of accounting	Fair value
Vesting plan	Graded and Bullet vestings
Exercise period	10 years from the date of grant
Grant date	December 30, 2022 Onwards
Grant/ exercise price (INR per share)	10
Market price on the date of granting of Options (INR per share)	9.48 to 10.64
Method of settlement	Equity

ii) Vesting conditions:

- Type 1 (Tranche 1 - 8) : The Options shall vest, subject to continued employment and not on notice period as of respective vesting dates given above.
- Type 2 (Tranche 1 - 8) : The Options shall vest, subject to Achievement of annual performance milestones.
- Type 3 (Tranche 1 - 5, 7 and 8) - The options shall vest, subject to Achievement of target valuation less funding for the year ending March 31, 2026.
- Type 3 (Tranche 6) - The options shall vest, subject to Value of total Aditya Birla group (ABG)/Aditya Birla Fashion and Retail Limited (ABFRL) Holding in the venture at the end of Fiscal year ending March 31st, 2029, is equal to or higher that cumulative Investment Amount plus 20% (twenty percent) IRR on the investment Amount till the aforementioned period.
- Type 4 (Tranche 1 - 8) : Continued employment and not on notice period as of respective vesting dates given above and Minimum Delivered Full Performance ("DFP") rating in the respective year of vesting

iii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
	No. of Options	No. of Options
Outstanding at the beginning of the financial year	2,51,84,514	2,11,30,606
Granted during the financial year	54,00,398	40,70,514
Exercised during the financial year*	-	-
Lapsed during the financial year	(6,19,067)	(16,606)
Outstanding at the end of the financial year	2,99,65,845	2,51,84,514
Unvested at the end of the financial year	2,08,69,584	2,25,24,817
Exercisable at the end of the financial year	90,96,261	26,59,697

* The weighted average share price at the date of exercise of these options are not applicable, as there has been no exercise during the year.



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(All amounts in Rs. Crores unless otherwise stated)

iv) The following table lists the inputs to the model used for the Options as on grant date:

Particulars	No. of Options
Expected dividend yield (%)	Nil
Expected volatility (%)	40.62% to 41.72%
Risk-free interest rate (%)	6.82% to 7.11%
Weighted average fair value per Option (₹)	4.94 to 5.65
Model used	Binomial Method

Entity Name: Bewakoof Brand Private Limited

i) Details of grants under the scheme, 2023

"Bewakoof Brand Private Limited - Employee option scheme 2023" (ESOP 2023) : Employee option Plan was approved by shareholders of the Company vide their special resolution passed at the Annual General Meeting held on September 27, 2023, wherein they have agreed to create, offer, issue and allot up to 5,879 (Five Thousand Eight Hundred and Seventy-Nine) employee stock options ("Options") in the form of equity shares linked to the completion of minimum period of continued employment to the eligible employees of the Company monitored by the Board of Directors. The holders of the vested options are entitled to apply for the one equity share of the Company, in accordance with the terms of the grant.

ii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
	No. of Options	No. of Options
Outstanding at the beginning of the financial year	1,284	-
Granted during the financial year	95	1,284
Exercised during the financial year*	201	-
Lapsed during the financial year	-	-
Outstanding at the end of the financial year	1,178	1,284
Unvested at the end of the financial year	-	-
Exercisable at the end of the financial year	-	-

Share options outstanding at end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Share option	
			As at March 31, 2025	As at March 31, 2024
September 27, 2023	30-Oct-24	10	357	424
September 27, 2023	30-Oct-25	10	370	437
September 27, 2023	30-Apr-26	10	356	423
February 04, 2025	03-Feb-26	10	22	-
February 04, 2025	03-Feb-27	10	23	-
February 04, 2025	03-Feb-28	10	24	-
February 04, 2025	03-Aug-28	10	13	-
February 04, 2025	03-Feb-29	10	13	-
Weighted Average Remaining Contractual Life			0.98 Years	1.42 Years

The weighted average fair value of the options granted during the year is Rs 87,810.85 (March 31, 2024 - Rs 87,810.86) per option. The fair value at the grant date is determined independently using binominal model.

The following table lists the inputs to the model used for options:

Particulars	As at March 31, 2025	As at March 31, 2024
Valuation model used	Binomial model	Binomial model
Weighted average fair values at the measurement date in Rs. Per option	88,328.29-88,328.61	87,810.31 - 87,811.31
Dividend yield (%)	0%	0%
Expected volatility (%)	31.4 % - 35 %	38.73% - 44.33%
Risk-free interest rate (%)	6.7 % - 6.71 %	7.13% - 7.41%
Expected life of the options (in years)	1.08 years - 3.08 years	1.09 - 2.59 years
Exercise Price	10.00	10.00
Grant date	February 04, 2025	September 27, 2023



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COMMITMENTS AND CONTINGENCIES

a) Leases

Lease commitments as lessee

The Group has entered into agreements for taking on lease certain office/ store premises, warehouses, factories, property, plant and equipment on lease and license basis. The lease term is for periods ranging from 11 months to 21 years, with escalation clauses in the lease agreements. Consistent with Industry practice, the Group has contracts which have fixed rentals or variable rentals based on a percentage of sales in the stores, or a combination of both.

Expenses/ Income recognised in the Consolidated Statement of Profit and Loss

	Year ended March 31, 2025	Year ended March 31, 2024
Other income		
Gain on retirement of right-of-use assets (Refer note 31(a))	0.07	0.13
Rent		
Expense relating to short-term leases and low value assets (Refer note 36)	14.38	8.54
Finance cost		
Interest expense on lease liabilities (Refer note 34)	5.33	1.68
Depreciation and amortisation expenses		
Depreciation on right-of-use assets (Refer note 35)	11.65	4.86

Contractual maturities of lease liabilities

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

	As at March 31, 2025	As at March 31, 2024
Within one year	21.04	6.97
After one year but not more than five years	75.87	20.24
More than five years	41.76	8.53
Total	138.67	35.74

The initial non-cancellable period of the lease agreement pertaining to stores are up to 3 years, beyond which there is an option for the lessee to continue the lease, which the Group expects to continue after the initial non-cancellable period, accordingly 5 – 9 years has been considered as the lease term. Post such period, the Group has the option to exit the lease by giving a notice period and the Group assesses its intention to continue considering location and other economic factors associated with the lease arrangement.

Total cash outflow for leases for the year ended March 31, 2025 is 25.83 (March 31, 2024: 13.89).

b) Capital commitments

	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

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CONTINGENT LIABILITIES

	As at March 31, 2025	As at March 31, 2024
Claims against the Group not acknowledged as debts		
Income-tax	11.90	11.56
Goods and services tax (GST)	0.95	0.19
Others	0.06	0.01
Total	12.90	11.76

The Group has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its consolidated financial statements where financial outflow is not probable. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Group has a provision of INR 0.11 as at March 31, 2025 (March 31, 2024: INR Nil)

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group did not have any long-term contracts.

(a) Future cash flows relating to above are determinable only on the receipt of judgment / decision from relevant forum / authorities.

(b) The Group does not expect any reimbursements in respect of the above contingent liabilities.



NOTE: 44
BUSINESS COMBINATION

Acquisitions during the period ended March 31, 2024

Business acquisition of TIGC

Styleverse Lifestyle Private Limited ('SLPL') was incorporated on June 12, 2023. Pursuant to a Business Transfer Agreement dated October 28, 2023, the business of manufacture and retail of apparels under the brand names 'The Indian Garage Co.', 'Freehand' and 'Hardsoda' (or 'TIGC business undertaking') were transferred to SLPL for a total consideration of Rs. 55.

On October 23, 2023, SLPL had entered into a Shareholders Agreement and Share Subscription Agreement with the Company, Mr. Anant Tanted and Mrs. Ishita Anant Tanted. Subsequently, the Company infused an amount of Rs. 140 into SLPL towards subscription of 10,409 equity shares. Pursuant to the infusion and allotment of shares, the Company held 51% equity interest in SLPL with effect from October 30, 2023.

SLPL has been considered as an extension of parent company for acquisition of the TIGC business undertaking. SLPL meets the definition of an 'accounting acquirer' and accordingly, the acquisition of the TIGC business undertaking has been accounted as an acquisition as per *Ind AS 103, Business Combinations*.

During the year ended March 31, 2025, management has completed the purchase price allocation and has determined the fair values of identifiable assets and liabilities acquired. An amount of Rs. 55 has been paid to the Company by erstwhile promoters towards purchase consideration.

In giving effect to the business combination, an amount of Rs. 100.35 has been recorded in 'Other equity', which represents the fair value of the identifiable assets and liabilities attributable to the interest retained by the minority shareholders. Further, since the group does not have present ownership interest in the shares held by NCI shareholders, the Group has de-recognised NCI and created equity share redemption liability. Also Refer Note 23.

The details of assets and liabilities taken over, and resultant goodwill is given below:

Particulars	Amount
ASSETS	
Property, plant and equipment	6.48
Brand	119.00
Other intangible assets	0.02
Right of use asset	11.59
Current assets:	
- Inventories	69.71
- Trade receivables	138.95
- Cash and cash equivalents	0.00
- Other financial assets	0.42
- Other current assets	35.12
	381.29
LIABILITIES	
Non-Current Liabilities:	
- Lease liabilities	11.22
- Other financial liabilities	0.01
- Provisions	0.14
- Deferred tax liabilities	29.94
Current Liabilities:	
- Borrowings	19.98
- Trade payables	148.63
- Other financial liabilities	2.60
- Other current liabilities	48.98
	261.50
Net identifiable assets acquired [Assets less Liabilities] (A)	119.79
Fair value of assets and liabilities transferred attributable to the minority shareholder's interest (Refer Note 21)	100.35
Purchase consideration (C)	55.00
Goodwill (D) = [(B+C)-A]	35.56

Goodwill is attributable to the workforce acquired and profitability of the acquired business. It will not be deductible for tax purposes.

The fair value of acquired trade receivables has been disclosed in the table above. Gross contractual amount of the trade receivables is not materially different from its fair value.

During the year, the Group has completed the Purchase Price Allocation. The table below explains the impact of the purchase price allocation on the amount of assets and liabilities that were recognized in the Consolidated financial statements for the year ended March 31, 2024.

	Re-assessment of assets & liabilities taken-over	Amortization of Brand
Non-current assets		
Goodwill	12.22	-
Other intangible assets (Brand)	0.40	(0.03)
Current assets		
Trade receivables	3.97	-
Other current assets (Right to return asset)	20.36	-
TOTAL - ASSETS	36.95	(0.03)
Equity		
Other equity	(11.74)	(0.03)
Non-current liabilities		
Deferred tax liabilities (net)	0.10	-
Current liabilities		
Trade payables (Provision for discount)	(4.34)	-
Other current liabilities (Refund liability)	52.94	-
TOTAL - EQUITY AND LIABILITIES	36.96	(0.03)



NOTE- 45

RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:

Names of related parties

Holding company

Aditya Birla Fashion and Retail Limited

Associate

Wrong Private Limited ('Wrogn') (formerly known as 'Universal Sportsbiz Private Limited') (with effect from June 19, 2024)

Other related parties in which directors are interested and with whom transactions have taken place (Entity controlled by a KMP)

Aditya Birla Fashion and Retail Jan Kalyan Trust, an entity in which directors of Holding Company are interested

Key Management Personnel ("KMP")

Prashanth Aluru

Chief Executive Officer and Whole-time Director

Manoj Fitkariwala

Chief Financial Officer (effective from October 28, 2024) *

Pawan Kesarwani

Chief Financial Officer (effective till 4 April 2024) *

Sonia Bhandari

Company Secretary (effective from February 5, 2025) *

Yoshita Vora

Company Secretary (effective till November 06, 2024) *

Jagdish Bajaj

Director *

Ashish Dikshit

Director *

Aryaman Vikram Birla

Director *

Sangeeta Tanwani

Director *

*No transactions noted in the current year

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Year ended March 31, 2025			
	Holding Company	Associate	KMP	Other related parties
Reimbursement for legal and professional fees	4.58	-	-	-
Reimbursement of expenses	0.06	0.10	-	-
Issue of OCRPS	100.00	-	-	-
Loans taken	30.00	-	-	-
Loans repaid	30.00	-	-	-
Reimbursement received of TDS on ESOP	0.09	-	-	-
Reimbursement of other expenses	0.38	-	-	-
Reimbursement relating to employee transfer	0.21	-	-	-
Investment made - equity shares	-	23.09	-	-
Investment made - preference shares	-	125.00	-	-
Security deposit given	-	0.11	-	-
Interest expense on OCRPS	19.43	-	-	-
Interest Expense	0.07	-	-	-
Revenue from operations	7.35	-	-	-
CSR Expenditure	-	-	-	0.14
Remuneration paid to KMP [#]	-	-	5.58	-

Particulars	Year ended March 31, 2024			
	Holding Company	Associate	KMP	Other related parties
Reimbursement for legal and professional fees	4.00	-	-	-
Reimbursement of expenses	0.18	-	-	-
Issue of OCRPS	150.00	-	-	-
Reimbursement received of TDS on ESOP	0.13	-	-	-
Investment made - equity shares	184.50	-	-	-
Interest expense on OCRPS	5.17	-	-	-
Sale of traded goods	1.32	-	-	-
Purchase of stock in trade	0.17	-	-	-
Insurance liability	(0.29)	-	-	-
Purchase of property, plant and equipment	(0.02)	-	-	-
Employee Liability transfer	0.01	-	-	-
Remuneration paid to KMP [#]	-	-	10.38	-

[#]The Company has obtained a special resolution from shareholders for managerial remuneration aggregating to INR 5.58 (March 31, 2024: INR 10.38) paid to the whole time director.



NOTE- 45

RELATED PARTY TRANSACTIONS (Continued)

Balances outstanding

Particulars	As at March 31, 2025			
	Holding Company	Associate	KMP	Other related parties
Amounts owed to related parties	0.74	-	-	-
Amounts owed by related parties	5.44	-	-	-
OCRPS	238.56	-	-	-
Security deposit	-	0.11	-	-
Interest accrued on OCRPS	24.59	-	-	-

Balances outstanding

Particulars	As at March 31, 2024			
	Holding Company	Associate	KMP	Other related parties
Amounts owed to related parties	0.38	-	-	-
Amounts owed by related parties	0.50	-	-	-
Refund Liability	0.50	-	-	-
OCRPS	145.56	-	-	-
Interest accrued on OCRPS	5.17	-	-	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial years through examining the financial position of the related party and the market in which the related party operates.

Compensation of KMP of the Company

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Short-term employee benefits	5.25	7.05
Post-employment benefits	0.08	0.51
Employees share based payment	0.25	2.82
Total	5.58	10.38

NOTE- 46

SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM'). The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. The Chief Executive Officer ('CEO') has been identified as the CODM. The CODM has evaluated the performance of the Group based on Single operative segment for the purpose of allocation of resources and evaluating financial performance. The Group is domiciled in India and all of its revenue comes from India. There are no assets held by the Group outside India. There are revenue to certain external customers which is 10% or more of the corresponding total revenue of the group.

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NOTE- 47

FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2025 and March 31, 2024 are as follows:

As at March 31, 2025

Particulars	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair Value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Note - 6 & 13)	109.43	-	130.52	239.95	109.43	-	-
Security deposits (Refer Note 7 & 14)	-	-	7.06	7.06	-	-	-
Trade receivables (Refer Note - 15)	-	-	205.47	205.47	-	-	-
Cash and cash equivalents (Refer Note - 16)	-	-	1.11	1.11	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	0.13	0.13	-	-	-
Other financial assets (Refer Notes - 8 and 18)	29.50	-	0.50	30.00	-	-	29.50
Total	138.93	-	344.79	483.72	109.43	-	29.50
Financial liabilities							
Non-current borrowings (Refer Note - 22)	-	-	586.74	586.74	-	-	-
Current borrowings (Refer Note - 25)	-	-	143.57	143.57	-	-	-
Trade payables (Refer Note - 26)	-	-	218.95	218.95	-	-	-
Other financial liabilities (Refer Notes - 23 and 27)	170.10	-	21.45	191.55	-	-	170.10
Total	170.10	-	970.71	1,140.81	-	-	170.10

As at March 31, 2024

Particulars	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair Value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Note - 13)	47.20	-	-	47.20	47.20	-	-
Security deposits (Refer Note 7 & 14)	-	-	2.50	2.50	-	-	-
Trade receivables (Refer Note - 15)	-	-	224.53	224.53	-	-	-
Cash and cash equivalents (Refer Note - 16)	-	-	3.37	3.37	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	2.66	2.66	-	-	-
Other financial assets (Refer Notes - 8 and 18)	-	-	0.14	0.14	-	-	-
Total	47.20	-	233.20	280.40	47.20	-	-
Financial liabilities							
Non-current borrowings (Refer Note - 22)	-	-	152.02	152.02	-	-	-
Current borrowings (Refer Note - 25)	-	-	68.12	68.12	-	-	-
Trade payables (Refer Note - 26)	-	-	212.76	212.76	-	-	-
Other financial liabilities (Refer Notes - 23 and 27)	150.70	-	30.77	181.47	-	-	150.70
Total	150.70	-	463.67	614.37	-	-	150.70

*Carrying value of financial instruments measured at amortised cost equals to the fair value.

Key inputs for level 1 and 3 fair valuation techniques

a) Derivative Instruments

i) Option contracts: Fair value of option contracts is determined basis valuation performed by independent valuer appointed by the Group (level 3)

b) Investment:

i) Quoted investments: Valuation has been done based on market value of the investment i.e. fair value (level 1)



NOTE: 47

FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

Financial instruments measured at fair value

Particulars	Fair Value As at March 31, 2025	Significant unobservable inputs	Fair Value Increase by 0.50%	Fair Value Decrease by 0.50%	Sensitivity
Call Option	29.5	Risk adjusted discount rate	30.80	28.50	Increase in discount rate by 0.50% would increase the fair value by INR 1.30 and decrease in discount rate by 0.50% would decrease the fair value by INR 1.00.
		EBITDA margin projection	29.30	30.30	Increase in margin by 0.50% would decrease the fair value by INR 0.20 and decrease in margin by 0.50% would increase the fair value by INR 0.80.
		Revenue projection	28.90	30.10	Increase in revenue by 0.50% would decrease the fair value by INR 0.60 and decrease in revenue by 0.50% would increase the fair value by INR 0.60.
Put Option	7.60	Risk adjusted discount rate	7.50	7.70	Increase in discount rate by 0.50% would decrease the fair value by INR 0.10 and decrease in discount rate by 0.50% would increase the fair value by INR 0.10.
		EBITDA margin projection	7.70	7.50	Increase in margin by 0.50% would increase the fair value by INR 0.10 Crore and decrease in margin by 0.50% would decrease the fair value by INR 0.10.
		Revenue projection	7.70	7.50	Increase in revenue by 0.50% would increase the fair value by INR 0.10 and decrease in revenue by 0.50% would decrease the fair value by INR 0.10.
Non-controlling interest call/ put option	162.50	Risk adjusted discount rate	162.50	162.50	Increase or decrease in discount rate by 0.50% would not change the fair value.
		EBITDA margin projection	158.70	166.10	Increase in EBITDA margin by 0.50% would decrease fair value by INR 3.80 and decrease in discount rate by 0.50% would increase change the fair value by INR 3.60 .
		Revenue projection	161.60	163.40	Increase in revenue by 0.50% the fair value would decrease fair value by INR 0.90 and decrease in discount rate by 0.50% would increase change the fair value by INR 0.90.

B. Risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2025 and March 31, 2024.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Group's profit/ (loss) before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2025	As at March 31, 2024
Basis points (%)		
Increase/ decrease in Profit/ loss before tax	0.50%	0.50%
Increase/ decrease in Profit/ loss after tax	(0.68)	(0.37)
	0.68	0.37

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in the prior years.



NOTE: 47

FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities denominated in foreign currency. Group's foreign risk for the year ended March 31, 2025 and March 31, 2024 are insignificant.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Group periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Group only deals with parties which has good credit rating given by external rating agencies or based on the Group's internal assessment.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Consolidated Statement of Profit and Loss.

The Group is exposed to credit risk from its operating activities (primarily trade receivables and security deposits).

The Company's maximum exposure to credit risk for the components of the Consolidated Balance Sheet as at March 31, 2025 and March 31, 2024 is the carrying amount as provided in Note - 15.

Trade receivables

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 205.47 crores (March 31, 2024: INR 224.53 crores). Trade receivables are typically unsecured and are derived from revenue earned from customers entirely located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as the Group's historical experience for customers and adjusted for forward-looking information. An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on losses from historical data.

c) Liquidity risk

The Group monitors its risk of shortage of funds. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and preference shares. Approximately, 31.62% of the Group's debt will mature in less than one year (March 31, 2024: 49.01%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to various sources of funding. The Group believes that the working capital is sufficient to meet its current requirements.

The below tables summarises the maturity profile of the Group's financial liabilities based on contractual payments.

As at March 31, 2025	Less than 1 year	1 to 5 years	More than 5 years	Total
			years	
Non-derivative liabilities				
Borrowings (other than preference shares)	143.57	323.59	-	467.16
OCRPS	-	263.15	-	263.15
Lease liabilities	21.04	75.87	41.76	138.67
Other financial liabilities	21.01	170.54	-	191.55
Trade payables	218.95	-	-	218.95
Total non-derivative liabilities	404.57	833.15	41.76	1,279.48
Derivatives				
Other financial liabilities - Derivative - Liability	-	7.60	-	7.60
Total non-derivative liabilities	-	7.60	-	7.60
As at March 31, 2024	Less than 1 year	1 to 5 years	More than 5 years	Total
			years	
Borrowings (other than preference shares)	68.12	1.28	-	69.40
OCRPS	-	150.74	-	150.74
Lease liabilities	6.97	20.24	8.53	35.74
Other financial liabilities	30.66	150.81	-	181.47
Trade payables	212.76	-	-	212.76
Total	318.51	323.07	8.53	650.11

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations, to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group is leader in apparels in the country and has a diversified portfolio of brands.



NOTE: 47

FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Price risk

The Group invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Group has invested, such price risk is not significant.

The sensitivity analysis has been prepared by the management is based on the financial assets and liabilities held as at March 31, 2025.

NOTE: 48

CAPITAL MANAGEMENT

The Group's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Group is to borrow funds through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Group (debts excludes lease liabilities):

	As at March 31, 2025	As at March 31, 2024
Short-term debts	143.57	68.12
Long-term debts	586.74	152.02
Total borrowings	730.31	220.14
Total Equity	(39.72)	225.11

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings.

During the year, the Group has not defaulted on any loans payable, and there have been no breach of any financial covenants attached to the borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025 and March 31, 2024.

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NOTE- 49

ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

The consolidated financial statements of the Group include subsidiaries and associate listed in the table below:

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income/ (loss)		Share in total comprehensive income	
	As at March 31, 2025		Year ended March 31, 2025		Year ended March 31, 2025		Year ended March 31, 2025	
	As % of consolidated net assets/ (liabilities)	INR	As % of consolidated profit / (loss)	INR	As % of consolidated OCI	INR	As % of consolidated Total OCI	INR
Parent								
Aditya Birla Digital Fashion Ventures Limited	753.50%	299.29	(25.84)%	(69.32)	(114.29)%	(0.08)	(25.87)%	(69.40)
Subsidiaries								
Awesomfab Shopping Private Limited	3.70%	1.47	(2.44)%	(6.54)	0.00	-	(2.44)%	(6.54)
Bewakoof Brands Private Limited	69.41%	27.57	(27.29)%	(73.21)	(71.43)%	(0.05)	(27.30)%	(73.26)
Imperial Online Services Private Limited	29.13%	11.57	(1.62)%	(4.35)	(14.29)%	(0.01)	(1.62)%	(4.36)
Pratyaya E-Commerce Private Limited	(29.41)%	(11.68)	(2.97)%	(7.98)	(57.14)%	(0.04)	(2.99)%	(8.02)
Next Tree Products Private Limited	(18.81)%	(7.47)	(0.50)%	(1.33)	0.00%	-	(0.49)%	(1.33)
Styleverse Lifestyle Private Limited	571.98%	227.19	(8.43)%	(22.61)	100.00%	0.07	(8.40)%	(22.54)
Adjustments arising out of consolidation / eliminations	(1,479.51)%	(587.66)	(13.89)%	(37.26)	71.43%	0.05	(13.87)%	(37.21)
Associate								
Wrogn Private Limited								
Adjustments arising out of consolidation / eliminations	Not applicable		(6.55)%	(17.57)	-	-	(6.55)%	(17.57)
Non-controlling interests in all subsidiaries	Not applicable		(10.46)%	(28.07)	(14.29)%	(0.01)	(10.47)%	(28.08)
Total	(100.00)%	(39.72)	(100.00)%	(268.24)	(100.00)%	(0.07)	(100.00)%	(268.31)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income/ (loss)		Share in total comprehensive income	
	As at March 31, 2024		Year ended March 31, 2024		Year ended March 31, 2024		Year ended March 31, 2024	
	As % of consolidated net assets/ (liabilities)	INR	As % of consolidated profit / (loss)	INR	As % of consolidated OCI	INR	As % of consolidated Total OCI	INR
Parent								
Aditya Birla Digital Fashion Ventures Limited	158.91%	357.72	(51.04)%	(107.31)	200.00%	0.10	(50.98)%	(107.21)
Subsidiaries								
Awesomfab Shopping Private Limited	1.34%	3.02	(1.73)%	(3.64)	0.00%	-	(1.73)%	(3.64)
Bewakoof Brands Private Limited	23.05%	51.88	(49.02)%	(103.07)	(40.00)%	(0.02)	(49.02)%	(103.09)
Imperial Online Services Private Limited	1.75%	3.93	(2.46)%	(5.17)	80.00%	0.04	(2.44)%	(5.13)
Pratyaya E-Commerce Private Limited	(5.85)%	(13.17)	(3.62)%	(7.62)	(40.00)%	(0.02)	(3.63)%	(7.64)
Next Tree Products Private Limited	(2.73)%	(6.14)	(1.31)%	(2.75)	0.00%	-	(1.31)%	(2.75)
Styleverse Lifestyle Private Limited	108.92%	245.20	2.35%	4.95	(220.00)%	(0.11)	2.30%	4.84
Adjustments arising out of consolidation / eliminations	(185.39)%	(417.33)	6.82%	14.35	(80.00)%	(0.04)	6.80%	14.31
Total	100.00%	225.11	(100.00)%	(210.26)	(100.00)%	(0.05)	(100.00)%	(210.31)

GROUP INFORMATION

The consolidated financial statements of the Group include subsidiaries and an associate listed in the table below:

Name of the entity	Relationship with Company	Country of incorporation	Principal Activities	Proportion of ownership interest and voting power held by Parent	
				As at March 31, 2025	As at March 31, 2024
Awesomfab Shopping Private Limited	Subsidiary	India	Manufacturing and retailing	66.06%	54.97%
Bewakoof Brands Private Limited	Subsidiary	India	Retailing	87.71%	86.82%
Imperial Online Services Private Limited	Subsidiary	India	Retailing	79.77%	61.00%
Pratyaya E-Commerce Private Limited	Subsidiary	India	Retailing	82.24%	76.03%
Next Tree Products Private Limited	Step-subsiary	India	Retailing	87.64%	86.82%
Styleverse Lifestyle Private Limited	Subsidiary	India	Manufacturing and retailing	51.00%	51.00%
Wrogn Private Limited	Associate	India	Retailing	32.84%	-



NOTE- 50
SUMMARY OF OTHER ACCOUNTING POLICIES

(i) Investment Properties

Investment property is freehold land and structure, held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Group measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes. Fair value is determined on the basis of assessable market value of the property as per rate specified by Government Authority. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Consolidated Statement of Profit and Loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment properties the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes

(ii) Fair value measurements and hierarchy

The Group measures financial instruments, such as investments (other than equity investments in joint ventures) and derivatives at fair value at each Consolidated Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(iii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur in the Consolidated statement of profit and loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings and OCRPS.

(iv) Taxes

Current tax

The Income tax expense or credit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in India.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or losses at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.



NOTE- 50

SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

(v) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the Consolidated statement of profit and loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories:

(a) Non-derivative financial assets

I) Financial assets at amortised cost

Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Rate (EIR) method:

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in the Consolidated statement of profit and loss and is included in the 'Other income' line item.

II) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Financial assets included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Consolidated statement of profit and loss. The Group has not designated any debt instrument as at FVTOCI.

III) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (refer above) are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the statement of profit and loss. The net gain or loss recognised in the Consolidated statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Call and put options over shares in the acquired subsidiaries and an associate is initially recognised as a financial asset and liabilities respectively at fair value, with subsequent changes in fair value recognised in the Consolidated statement of profit and loss.

Impairment of financial assets:

The Group follows the simplified approach method for computing the expected credit loss. The Group is majorly having transaction with Business to Business (B2B), market places and with direct to customers (D2C) through payment gateways, hence the Group has assessed the provision for loss allowances on an individual case basis.

The Group determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries and an associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the subsidiaries and an associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the subsidiaries and an associate and its carrying value, and then recognises the impairment loss in the Consolidated statement of profit and loss.

(b) Non derivative financial liabilities

(I) Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(1) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(2) Financial liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial liability does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.



NOTE- 50

SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading, if:

- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the Consolidated statement of profit and loss.

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the statement of profit and loss, in which case these effects of changes in credit risk are recognised in the Consolidated statement of profit and loss. The remaining amount of change in the fair value of liability is always recognised in the Consolidated statement of profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in other comprehensive income under other equity and are not subsequently reclassified to the Consolidated statement of profit and loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

(II) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated statement of profit and loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

(III) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in the Consolidated statement of profit and loss.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Consolidated statement of profit and loss.

De-recognition of financial assets and financial liabilities

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the statement of profit and loss, if such gain or loss would have otherwise been recognised in the Consolidated statement of profit and loss on disposal of that financial asset.

The Group de-recognises financial liabilities only when the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Consolidated statement of profit and loss.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.



NOTE- 50

SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

(vi) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Consolidated statement of profit and loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group (Refer Note 42).

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the Consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(vii) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(b) Defined contribution plan

The Group makes defined contribution to the Government Employee Provident Fund, which is recognised in the Consolidated statement of profit and loss, on accrual basis. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Group operates a defined benefit gratuity plan in India. The gratuity is unfunded and is managed within the Group. The Group's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Consolidated Statement of balance sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in the 'Employee benefits expense' in the Consolidated Statement of Profit and Loss. Re-measurement gains or losses (excluding amounts included in Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under OCI in other equity. Remeasurements gains or losses are not reclassified subsequently to the Consolidated statement of profit and loss.

(d) Compensated absences

The employees and directors of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash, at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation in the Consolidated Statement of Profit and Loss.

The Group presents the provision for compensated absences as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement beyond a period of twelve months after the reporting date.

(viii) Share-based payment

Employees of the Group receive remuneration in the form of equity-settled instruments for rendering services over a defined vesting period. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share options outstanding account.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

For cash-settled share-based payment, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability using a binomial method. At the end of each reporting period until the liability is settled and at the date of settlement, the fair value of the liability is re-measured, with any changes in the fair value recognised in 'Employee benefits expense' in the Consolidated Statement of Profit and Loss for the year.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the Consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve. Share options exercised during the reporting period are settled with treasury shares.

(ix) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(x) Inventories

Raw materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



NOTE- 50

SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

(xi) Property, Plant and equipment

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes taxes, duties, freight and other incidental expenses, related to the acquisition of the asset concerned.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated statement of profit and loss, during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Consolidated Statement of Profit and Loss within other gains/(losses).

Based on managements' assessment, items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date the asset is ready to use or useful life of class of asset to which these assets belong.

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.

(xii) Intangible assets

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Consolidated statement of profit and loss, in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful 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 intangible assets are reviewed at least at the end of each reporting period and changes if any, made on prospective basis. The amortisation expense is recognised in the Consolidated statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated statement of profit and loss when the asset is de-recognised.

(xiii) Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised in Consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

At the acquisition date, goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment annually as at reporting date. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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INTEREST IN ASSOCIATE

Wrong Private Limited is associate of the Group and has been accounted as per equity method of accounting. Summarised financial information of the associate, based on its Ind AS financial statements is set out below:

(a) Summarised Balance Sheet

Particulars	As at March 31, 2025
Non-current assets	52.19
Current assets	177.20
Non-current liabilities	41.74
Current liabilities	126.94
Net Assets	60.71

(b) Summarised Statement of Profit and Loss

Particulars	For the year ended March 31, 2025
Revenue	232.34
Profit / (Loss) for the year	(75.54)
Other comprehensive income / (loss) for the year	(0.27)
Total comprehensive income / (loss) for the year	(75.81)
Group's share of profit/(loss) after tax for the period	(17.57)

c) Commitments and contingent liabilities in respect of an associate

Particulars	For the year ended March 31, 2025
i) Share of commitments with other investors of an associate	10.02
ii) Share of contingent liabilities with other investors of an associate	5.71



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ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated on or are pending against the Group under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Group and an associate has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS

The Group has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts.

(v) WILLFUL DEFAULTER

The Group and an associate has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(vi) COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year. (Refer Note 52 and

(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any funds from any person(s) or entity(ies), with the understanding (whether recorded in writing or otherwise) that the Group 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.

(viii) UNDISCLOSED INCOME

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS), INTANGIBLE ASSETS AND INVESTMENT PROPERTY

The Group has not revalued its Property, Plant and Equipment (including Right-of-use assets), Intangible assets and Investment property during the current or previous year.

(xi) REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory year.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009



A. J. SHAIKH
Partner
Place: Bengaluru
Date : May 21, 2025

For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited



PRASHANTH ALURU
(Whole-time Director)
(DIN: 06923683)
Place: Bengaluru
Date : May 21, 2025



ASHISH BIKSHIT
(Director)
(DIN: 01842066)
Place: Delhi
Date : May 21, 2025



SONIA BHANDARI
(Company Secretary)
(M.No.: 20650)
Place: Mumbai
Date : May 21, 2025



MANOJ PITKARIWALA
(Chief Financial Officer)
Place: Mumbai
Date : May 21, 2025



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Digital Fashion Ventures Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Aditya Birla Digital Fashion Ventures Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2025 and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising of loss and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, 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.



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Digital Fashion Ventures Limited

Report on Audit of the Standalone Financial Statements

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Key audit matter	How our audit addressed the key audit matter
Impairment evaluation of Investments in and loans to subsidiaries (Refer Notes 6(a) and 10 to the Standalone Financial Statements) As at March 31, 2025, the Company has investments in subsidiaries amounting to Rs. 560.87 crores and loans (including accrued interest) to subsidiaries amounting to Rs. 22.99 crores. The Company evaluates the recoverability of the carrying values of these investments and loans using Discounted Cash Flow (DCF) methodology to determine the value in use, in accordance with Ind AS 36 'Impairment of Assets'. An impairment assessment is performed, and recoverable amounts of the investments and loans are determined if indicators of impairment are identified. Management has considered the losses suffered by these subsidiaries as an indicator for impairment assessment; and appointed independent external professional valuers (management's expert) to perform the impairment assessment. Management has performed impairment assessment by determining the recoverable amount of the investments in and loans to these subsidiaries using the value in use method and comparing the same with the carrying value. Where the carrying value exceeds the recoverable amount, an impairment loss is recognised. Impairment assessment of investments in and loans to subsidiaries is considered as a key audit matter as it requires significant management judgement and estimates in addition to consideration of economic and entity specific factors in determination of the recoverable value such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates which are subject to management judgement and subjectivity.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of the Company's controls to assess impairment of its investments in and loans to subsidiaries. • Evaluated the appropriateness of the methodology and model used by the management to determine the recoverable amount. • Evaluated the objectivity, competency, capability and independence of the management expert engaged by the Company. • Evaluated the reasonableness of the cash flow projections by testing the key management assumptions and estimates used in the impairment analysis and assessed the consistency of the cash flow projections with the budgets approved by Board of Directors/management on a periodic basis. • Evaluated the sensitivity analysis performed by the management on the recoverable amount and assessed whether any reasonably foreseeable changes in key assumptions could lead to impairment loss or material change in valuation. • Evaluated the Company's process regarding impairment assessment with the involvement of auditors' valuation experts in assessing the appropriateness of the impairment model including independent assessment of assumptions underlying the cash flow projections, discount rate, long-term growth rate, terminal value, etc. • Obtained the audited standalone financial statements of the subsidiaries for the year ended March 31, 2025, and evaluated their financial performance based on net worth, borrowings, key ratios, revenue and profit before tax for the year. • Evaluated the adequacy of the disclosures made in the Standalone Financial Statements.



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INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Digital Fashion Ventures Limited

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Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone financial statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

9. 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 financial statements.



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10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- a) Identify and assess the risks of material misstatement of the 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.
 - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e) Evaluate the overall presentation, structure and content of the 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.
11. 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.
12. 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.
13. 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.



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INDEPENDENT AUDITOR'S REPORT

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Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on daily basis on servers physically located in India during the year and matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Rules.
 - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its standalone financial statement.
 - ii. The Company was not required to recognise a provision as at March 31, 2025 under the applicable law or Indian accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company has made provision, as required under the India accounting standards, for material foreseeable losses, if any, on derivative contracts as at March 31, 2025. Refer Note 18 and Note 26(b) to the standalone financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 44 (vii) 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 person(s) or



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entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44 (vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Based on our examination, the Company has used accounting software, which is operated by a third party software service provider, for maintaining its books of account and in the absence of adequate information in the service organisation's auditor's report, we are unable to comment whether the audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of audit trail feature been tampered with, or whether the audit trail has been preserved by the Company as per the statutory requirements for record retention.

16. Managerial remuneration of Rs.4.98 crores paid by the Company to its whole time director is in excess of the limits specified in Section 197 read with Schedule V of the Act. The Company has obtained a special resolution from the shareholders at the Annual General Meeting with respect to the excess managerial remuneration paid/ payable. Refer Note 39 to the standalone financial statements.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009



A. J. Shaikh
Partner

Membership Number: 203637
UDIN: 25203637BMKSJJ5339

Place: Bengaluru
Date: May 21, 2025

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the standalone financial statements as of and for the year ended March 31, 2025

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Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Aditya Birla Digital Fashion Ventures Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to 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 standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.



Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Aditya Birla Digital Fashion Ventures Limited on the standalone financial statements as of and for the year ended March 31, 2025

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Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls 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 controls 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. 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 controls 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

8. In our opinion, 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, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009



A.J. Shaikh
Partner

Membership Number: 203637
UDIN: 25203637BMKSJJ5339

Place: Bengaluru
Date: May 21, 2025

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Aditya Birla Fashion Digital Ventures Limited on the standalone financial statements as of and for the year ended March 31, 2025
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In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Refer Notes 3 and 4 to the standalone financial statements. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets does not arise.
- (e) No proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, from bank on the basis of security of current assets. The Company has filed quarterly returns or statements with such bank, which are in agreement with the unaudited books of account. Also, refer Note 20 to the standalone financial statements.



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Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Aditya Birla Fashion Digital Ventures Limited on the standalone financial statements for the year ended March 31, 2025
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- iii. (a) The Company has made investments in six companies, eleven mutual fund schemes, granted unsecured loans to four companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and investments to subsidiaries and associate and to parties other than subsidiaries and associate are as per the table given below:

	(Amounts in Crores)				
	Guarantees	Security	Investments	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year					
- Subsidiaries	-	-	77.03	69.02	-
- Associates	-	-	148.09	-	-
- Others	-	-	427.98	-	-
Balance outstanding as at balance sheet date in respect of the above case					
- Subsidiaries	-	-	560.87	22.99	-
- Associates	-	-	148.09	-	-
- Others	-	-	81.02	-	-

The Company did not have any joint ventures during the year. Also, refer Notes 6(a), 6(b) and 10 to the standalone financial statements.

- (b) In respect of the aforesaid investments or loans, the terms and conditions under which such loans were granted or investments were made are not prejudicial to the Company's interest.
- (c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the loans, there is no amount which is overdue for more than ninety days.



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Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Aditya Birla Fashion Digital Ventures Limited on the standalone financial statements for the year ended March 31, 2025
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- (e) Following loans were granted to same parties, which have fallen due during the year and were renewed or extended. Further, there were no fresh loans granted to same parties to settle the existing overdue loans.

(Amounts in Crores)			
Name of the parties	Aggregate amount of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans granted during the year
Pratyaya E-Commerce Private Limited	10.00	11.70	56.50%

Also, refer Note 10 to the standalone financial statements.

- (f) There were no loans which were granted during the year, including to promoters or related parties that were repayable on demand or without specifying any terms or period of repayment.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013 ("Act"). In our opinion, the Company has complied with the provisions of Section 186 of the Act, in respect of the loans provided and investments made. The Company has not issued or provided any guarantees and security.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, labour welfare fund, cess and other statutory dues, as applicable, with the appropriate authorities.
- (b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.



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Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Aditya Birla

Fashion Digital Ventures Limited on the standalone financial statements for the year ended March 31, 2025

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- (c) In our opinion, the term loans have been applied for the purposes for which they were obtained except to the extent unutilised as at March 31, 2025. Refer Note 17 and Note 20 to the standalone financial statements.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and an associate.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company. The Company did not have any joint ventures during the year.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has made a preferential allotment of shares in the nature of optionally convertible redeemable preference shares (OCRPS) during the year, in compliance with the requirements of Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised except to the extent unutilised as at March 31, 2025. Also, refer Notes 16 and 17 to the standalone financial statements. The Company has not made any private placement of shares (fully or partially) or convertible debentures (fully, partially or optionally convertible) during the year.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.



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Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Aditya Birla Fashion Digital Ventures Limited on the standalone financial statements for the year ended March 31, 2025
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- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has 4 CICs as part of the Group as detailed in Note 43 to the standalone financial statements. We have not, however separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has incurred cash losses of Rs. 134 crores in the financial year and of Rs.103 crores in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios (Refer Note 42 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material



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Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Aditya Birla Fashion Digital Ventures Limited on the standalone financial statements for the year ended March 31, 2025
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uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. The Company was not required to spend any amount during the year for Corporate Social Responsibility under Section 135(5) and 135(6) of the Act. Accordingly, there is no amount unspent as at March 31, 2025 and the reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009



A. J. Shaikh
Partner

Place: Bengaluru
Date: May 21, 2025

Membership Number: 203637
UDIN: 25203637BMKSJJ5339

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	1.02	1.47
Right-of-use assets	4(a)	3.84	6.24
Goodwill	5	4.35	4.35
Other intangible assets	5	10.17	11.48
Financial assets			
(i) Investment in subsidiaries and an associate	6(a)	708.96	479.76
(ii) Other financial assets	7	118.78	0.98
Deferred tax assets (net)	8(a)	-	8.55
Non-current tax assets (net)	8(b)	0.46	0.21
Total - Non-current assets		847.58	513.04
Current assets			
Inventories	9	4.92	5.31
Financial assets			
(i) Current investments	6(b)	81.02	5.57
(ii) Loans	10	23.02	7.70
(iii) Trade receivables	11	4.61	2.80
(iv) Cash and cash equivalents	12	0.36	0.44
(v) Other financial assets	13	0.54	0.29
Other current assets	14	18.98	11.81
Total - Current assets		134.05	33.92
TOTAL - ASSETS		981.63	546.96
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	500.00	500.00
Other equity	16	(200.71)	(142.28)
Total - Equity		299.29	357.72
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	585.96	150.73
(i) Lease liabilities	4(b)	2.04	4.57
(ii) Other financial liabilities	18	45.56	0.11
Provisions	19	2.68	2.06
Total - Non-current liabilities		636.24	157.47
Current liabilities			
Financial liabilities			
(i) Borrowings	20	20.78	8.31
(ii) Lease liabilities	4(b)	2.39	2.10
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	21	2.01	0.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	4.93	7.34
(iv) Other financial liabilities	22	9.67	8.62
Provisions	23	2.39	2.29
Other current liabilities	24	3.93	2.71
Total - Current liabilities		46.10	31.77
Total - Liabilities		682.34	189.24
TOTAL - EQUITY AND LIABILITIES		981.63	546.96
Basis of preparation	2		

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E300009

A. J. SHAIKH
Partner
Membership No.: 203637
Place: Bengaluru
Date: May 21, 2025

For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited

PRASHANTH ALURU
(Whole-time Director)
(DIN: 06923683)
Place: Bengaluru
Date: May 21, 2025

ASHISH DIKSHIT
(Director)
(DIN: 01842066)
Place: Delhi
Date: May 21, 2025

MANOJ FITKARIWALA
(Chief Financial Officer)

Place: Mumbai
Date: May 21, 2025

SONIA BHANDARI
(Company Secretary)
(M.No.: A20650)
Place: Mumbai
Date: May 21, 2025



Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations	25	10.89	4.50
Other income	26(a)	11.60	3.98
Other gains/(losses) - Net	26(b)	72.40	-
Total income		94.89	8.48
Expenses			
Purchase of stock-in-trade	27(a)	11.00	12.54
Changes in inventories of stock-in-trade	27(b)	0.39	(3.20)
Employee benefits expense	28	67.17	64.97
Finance costs	29	36.40	6.32
Depreciation and amortisation expense	30	4.06	3.90
Other expenses	31	36.64	31.26
Total expenses		155.66	115.79
Profit/ (Loss) before tax		(60.77)	(107.31)
Income tax expense			
(a) Current tax	32	-	-
(b) Deferred tax charge/ (credit)	32	8.55	-
Total tax expense		8.55	-
Profit/ (Loss) for the year		(69.32)	(107.31)
Other comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurements gains/ (losses) on defined benefit plans	35	(0.08)	0.10
Income tax effect on above		-	-
Total other comprehensive income for the year, net of tax		(0.08)	0.10
Total comprehensive income for the year		(69.40)	(107.21)
Earnings per equity share [Nominal value of share INR 10 (March 31, 2024: INR 10)]	33		
Basic (INR)		(1.39)	(2.48)
Diluted (INR)		(1.39)	(2.48)
Basis of preparation	2		

The accompanying notes are an integral part of the Standalone financial statements

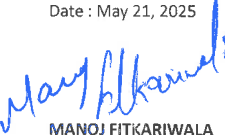
As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E300009


A. J. SHAIKH
Partner
Membership No.: 203637
Place: Bengaluru
Date : May 21, 2025

For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited


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(Whole-time Director)
(DIN: 06923683)
Place: Bengaluru
Date : May 21, 2025


ASHISH DIKSHIT
(Director)
(DIN: 01842066)
Place: Delhi
Date : May 21, 2025


MANOJ FITKARIWALA
(Chief Financial Officer)
Place: Mumbai
Date : May 21, 2025


SONIA BHANDARI
(Company Secretary)
(M.No.: A20650)
Place: Mumbai
Date : May 21, 2025



Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Cash flows from operating activities			
Profit/ (Loss) before tax		(60.77)	(107.31)
Adjustments for:			
Depreciation and amortisation expense	30	4.06	3.90
Interest income	26(a)	(2.38)	(1.10)
Finance costs	29	36.40	6.32
Gain on derivative instruments (net)	26(b)	(72.40)	-
Share-based payment to employees	28	3.96	5.48
Fair value gain on financial instruments at FVTPL	26(a)	(5.83)	(0.14)
Allowances for bad and doubtful debts	31	-	0.44
Net gain on sale of current investments	26(a)	(3.25)	(2.23)
Operating (loss) before working capital changes		(100.21)	(94.64)
Changes in working capital:			
(Increase)/ decrease in trade receivables	11	(1.81)	6.68
Decrease/ (Increase) in inventories	9	0.39	(3.20)
(Increase) in other assets		(7.61)	(7.40)
(Decrease) in trade payables	21	(0.80)	(4.04)
Increase in provisions		0.80	1.32
Increase/ (decrease) in other liabilities		1.80	(4.61)
Cash generated from operations		(107.44)	(105.89)
Income taxes paid (net of refund)	32	(0.25)	(0.08)
Net cash flows used in operating activities (A)		(107.69)	(105.97)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(0.09)	(0.22)
Proceeds from sale of property, plant and equipment		0.03	0.08
Investment in subsidiaries and an associate	6(a)	(175.10)	(239.83)
Purchase of current investments	6(a)	(428.00)	(220.89)
Proceeds from sale/ maturity of current investments	6(a)	357.54	226.25
Loans to subsidiaries		(69.30)	(14.98)
Repayment of loans by subsidiaries		4.00	14.98
Interest received	26(a)	2.16	0.99
Net cash flows used in investing activities (B)		(308.76)	(233.62)
Cash flows from financing activities			
Proceeds from issuance of equity share capital		-	184.50
Issue of Optionally Convertible Redeemable Preference Shares		100.00	150.00
Issue of Non convertible debentures (net of issue expenses)	17	174.81	-
Proceeds from borrowings		182.23	8.31
Repayment of borrowings		(30.00)	-
Repayment of lease liabilities	4(b)	(2.55)	(2.29)
Interest paid	29	(7.62)	(1.20)
Net cash flows generated from financing activities (C)		416.87	339.32
Net increase in cash and cash equivalents (D = A+B+C)		0.42	(0.27)
Cash and cash equivalents at the beginning of the year		0.44	0.71
Cash and cash equivalents at the end of the year (Refer Note - 12)		0.86	0.44
Components of Cash and cash equivalents			
Balances with banks - on current accounts	12	0.86	0.44
Total Cash and cash equivalents		0.86	0.44

The accompanying notes are an integral part of the Standalone financial statements.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304825E/E300009

A. J. SHAIKH
Partner
Membership No.: 203637
Place: Bengaluru
Date : May 21, 2025

For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited

PRASHANTH ALURU
(Whole-time Director)
(DIN: 06923683)

Place: Bengaluru
Date : May 21, 2025

MANOJ FITKARIWALA
(Chief Financial Officer)

Place: Mumbai
Date : May 21, 2025

ASHISH DIKSHIT
(Director)
(DIN: 01842066)

Place: Delhi
Date : May 21, 2025

SONIA BHANDARI
(Company Secretary)
(M.No.: A20650)

Place: Mumbai
Date : May 21, 2025



Aditya Birla Digital Fashion Ventures Limited
CIN - U74999MH2022PLC380326
Standalone Statement of Changes in Equity for the year ended March 31, 2025
(All amounts in INR Crores unless otherwise stated)

a. Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	INR	No. of shares	INR
Equity shares of INR 10 each subscribed and paid up				
Balance as at the beginning of the year	50,00,00,000	500.00	31,55,00,000	315.50
Equity shares under rights issue (Refer Note 15)	-	-	18,45,00,000	184.50
Balance as at the end of the year	50,00,00,000	500.00	50,00,00,000	500.00

b. Other equity

Particulars	Equity component of compound financial instrument	Reserves and Surplus		Other comprehensive income	Total other equity
		Retained earnings (Refer Note - 16)	Employee stock option outstanding (Refer Note - 16)	Re-measurements gains/ (losses) on defined benefit plans (Refer Note - 16)	
As at April 1, 2023	-	(46.47)	1.63	(0.14)	(44.98)
Profit/ (Loss) for the year	-	(107.31)	-	-	(107.31)
Equity component of compound financial instrument (Refer Note 16)	4.43	-	-	-	4.43
Deemed dividend (Refer Note 36)	-	(1.30)	1.30	-	-
Recognition of share based payment expenses	-	-	5.48	-	5.48
Other comprehensive income for the year	-	-	-	0.10	0.10
As at March 31, 2024	4.43	(155.08)	8.41	(0.04)	(142.28)
Profit/ (Loss) for the year	-	(69.32)	-	-	(69.32)
Equity component of compound financial instrument (Refer Note 16)	7.01	-	-	-	7.01
Deemed dividend (Refer Note 36)	-	(0.54)	0.54	-	-
Recognition of share based payment expenses	-	-	3.96	-	3.96
Other comprehensive income for the year	-	-	-	(0.08)	(0.08)
As at March 31, 2025	11.44	(224.94)	12.91	(0.12)	(200.71)

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E300009


A. J. SHAIKH
Partner
Membership No.: 203637
Place: Bengaluru
Date : May 21, 2025

For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited


PRASHANTH ALURU
(Whole-time Director)
Place: Bengaluru
Date : May 21, 2025


ASHISH DIKSHIT
(Director)
(DIN: 01842066)
Place: Delhi
Date : May 21, 2025


MANOJ FITKARIWALA
(Chief Financial Officer)
Place: Mumbai
Date : May 21, 2025


SONIA BHANDARI
(Company Secretary)
(M.No.: A20650)
Place: Mumbai
Date : May 21, 2025



1 Corporate information

Aditya Birla Digital Fashion Ventures Limited ["the Company"], a public Company domiciled company in India and was incorporated on April 11, 2022 ('date of incorporation') under the provisions of the Companies Act, 2013. The redeemable Non-convertible debentures ("the debt") are listed on Bombay Stock Exchange (BSE) in India on August 27, 2024. The registered office of the Company is located at Piramal Agastya Corp Pak, Building A, 4th and 5th floor unit, 401,403,501, 503, LBS Road, Mumbai, Maharashtra 400070, CIN - U74999MH2022PLC380326.

The Company is a new-age digital venture fashion and lifestyle space focusing on direct-to-consumer operations in India. The Company currently operates as "TMRW", a house of brands entity.

The standalone financial statements have been approved by the Board of Directors in their meeting held on May 21, 2025.

2 Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

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 standalone financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Derivative financial instruments
- Goodwill and other intangible assets;
- Defined employee benefit plans;
- Share-based payment; and
- Right of use assets and lease liabilities

2.2 Functional and Presentation Currency:

The standalone financial statements are presented in Indian Rupee (Rs./ INR) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. Nil amount in the standalone financial statements and notes to accounts represents amount less than INR 0.005 Crores (Fifty thousand Rupees).

2.3 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.4 New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated September 9, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective:

Companies are required to explain if there are any accounting standards which are issued but not yet effective and are expected to have a material impact on the company. As on the date, MCA has not issued any standards/ amendments to accounting standards which are effective from April 1, 2025.



NOTE: 3

PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment is stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis upto the month preceding the month of deletions/ disposals. Additions of value below INR 0.0005 is fully depreciated in the same month of addition. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used. The Company has used the following rates to provide depreciation on its tangible fixed assets:

(a) Assets where useful life same as Schedule II

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Other office equipment	5 Years

(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act,	Estimated Useful life
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	4 years
Furniture and fittings and fixtures	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office equipment	5 years	4 years
Vehicles	Vehicles	6 years for motor cars	5 years

Useful life of assets different from that prescribed in Schedule II has been estimated by the management, supported by technical assessment.

Leasehold assets

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Leasehold improvements	Period of lease or management's estimate of useful life, whichever is shorter

Refer note 46 for other accounting policies relevant to property, plant and equipment

Particulars	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
[A] Cost						
As at April 1, 2023	0.17	1.46	0.25	0.12	0.08	2.08
Additions	-	0.06	0.05	0.11	-	0.22
Disposals	-	-	-	-	0.07	0.07
As at March 31, 2024	0.17	1.52	0.30	0.23	0.01	2.23
Additions	-	0.01	0.04	0.04	-	0.09
Disposals	0.01	0.03	0.07	0.02	0.01	0.14
As at March 31, 2025	0.16	1.50	0.27	0.25	-	2.18
[B] Accumulated depreciation and impairment losses						
As at April 1, 2023	0.02	0.15	0.05	0.02	0.02	0.26
Depreciation for the year (Refer Note - 30)	0.04	0.38	0.05	0.04	0.02	0.53
Disposals	-	-	-	-	0.03	0.03
As at March 31, 2024	0.06	0.53	0.10	0.06	0.01	0.76
Depreciation for the year (Refer Note - 30)	0.04	0.38	0.04	0.05	-	0.51
Disposals	0.01	0.02	0.06	0.01	0.01	0.11
As at March 31, 2025	0.09	0.89	0.08	0.10	-	1.16
Net carrying value as at: [A-B]						
March 31, 2024	0.11	0.99	0.20	0.17	-	1.47
March 31, 2025	0.07	0.61	0.19	0.15	-	1.02



NOTE: 4

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting policy

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

- The contract involves the use of an identified asset
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Where the Company is the lessee

Right-of-use assets:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for short-term leases which are less than 12 months and leases of low value assets. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the lease commencement date to the end of the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Lease liabilities:

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortised cost using the effective interest method. In addition, the carrying amount of lease liabilities is re-measured if there is a modification arising due to change in the lease term, change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero and there is a further reduction in measurement of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the balance sheet.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(a) Right-of-use assets

Particulars	As at March 31, 2025	As at March 31, 2024
[A] Buildings - Cost		
Opening Balance	9.38	7.04
Additions to right-of-use assets	-	2.89
Derecognition of right of use assets*	0.2 ^c	0.55
Closing balance	9.09	9.38
[B] Buildings - Accumulated depreciation		
Opening Balance	3.14	1.08
Depreciation for the year	2.24	2.06
Derecognition of accumulated depreciation	(^c 13)	-
Closing balance	5.25	3.14
Net carrying value as at: [A-B]	3.84	6.24

(b) Lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	6.67	6.09
Additions	-	2.81
Interest expense on lease liabilities (Refer Note - 29 and 37)	0.49	0.62
Derecognition of lease liability *	(0.18)	(0.56)
Lease payments during the year	(2.55)	(2.29)
Closing balance	4.43	6.67
Current	2.39	2.10
Non-current	2.04	4.57

* Derecognition is on account of reduction in period of lease as a result of modification of agreement terms.
For maturity analysis of lease liabilities, refer note - 37



NOTE: 5

GOODWILL AND OTHER INTANGIBLE ASSETS

Accounting policy

Other intangible assets:

Intangible assets are stated at cost less accumulated amortisation and impairment (Refer note 46(xii) for other accounting policies relevant to intangible assets).

Amortisation methods and periods - A summary of amortisation policies applied to the Company's intangible assets is as below:

Intangible assets	Useful life	Amortisation method used
Brands	10 years	Amortised on straight-line basis

The useful lives of goodwill is assessed as indefinite. Refer note 46 for other accounting policies relevant to intangible assets.

Business combination and goodwill:

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised in Standalone statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

At the acquisition date, goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed.

After Initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment annually as at reporting date. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Particulars	Brands	Goodwill	Total
[A] Cost			
As at April 1, 2023	13.15	4.35	17.50
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2024	13.15	4.35	17.50
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2025	13.15	4.35	17.50
[B] Amortisation			
As at April 1, 2023	0.36	-	0.36
Amortisation for the year (Refer Note - 30)	1.31	-	1.31
Disposals	-	-	-
As at March 31, 2024	1.67	-	1.67
Amortisation for the year (Refer Note - 30)	1.31	-	1.31
Disposals	-	-	-
As at March 31, 2025	2.98	-	2.98
Net carrying value as at: [A-B]			
March 31, 2024	11.48	4.35	15.83
March 31, 2025	10.17	4.35	14.52

Disclosures with respect to Goodwill impairment

Nauti-Nauti brand was acquired as part of the acquisition of online retail garment sale business on a going concern basis as approved on November 17, 2022 by the Board of Directors, is a children clothing brand (including casual wear, ethnic wear and occasion outfits). Goodwill acquired through business combination is allocated to Nauti-Nauti CGU - INR 4.35 (March 31, 2024: INR 4.35).

Value in use calculation of CGUs:

The recoverable amount of the CGUs as at March 31, 2025, has been determined based on value in use method using cash flow projections from financial budgets approved by senior management covering a ten years period ended March 31, 2035 and cash flow projections for financial year 2034-35 has been used for computation of perpetual cash flows. The Company has considered a terminal growth rate as mentioned below to arrive at the value in use to perpetuity beyond March 31, 2035. The post-tax discount rate is applied to discounted cash flow projections. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment of the goodwill and the CGU.



Key assumptions used for value in use calculations

Discount rates:

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both cost of debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings of the respective CGU. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

Particulars	As at March 31, 2025	As at March 31, 2024
Significant assumptions:		
Terminal growth rate	5.00%	5.00%
Discount rate	20.00%	19.00%

Growth rate estimates:

Rates are based on published industry research. The growth rate is based on the Company's projection of business and growth of the industry in which the respective CGU is operating. The growth rate considers the management plan to launch new products and growth in digital e-commerce.

No reasonable possible change in key assumptions are likely to result in the recoverable amount of the CGUs being less than their carrying amount.

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NOTE: 6

NON-CURRENT FINANCIAL ASSETS - INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE

Accounting policy

Investments initially measured at fair value. Investment in subsidiaries and an associate are out of scope of Ind AS 109 and hence the Company has accounted for its investments in subsidiaries and an associate at cost. Investment in Optionally convertible redeemable preference shares (OCRPS) where the contractual cashflows do not meet the criteria of solely payments of principal and interest (SPPI) are measured at Fair Value Through Profit or Loss ('FVTPL'). All other equity investments are measured at fair value as per Ind AS 109. Equity Instruments which are held for trading are classified as at FVTPL.

Refer note 46 for other accounting policies relevant to financial instruments.

Non current Investments:

Particulars	Sub Note	As at March 31, 2025	As at March 31, 2024
6(a) Investments in subsidiaries and an associate			
(i) Investments in subsidiaries (Carried at cost)			
Unquoted equity instruments:			
438,362 (March 31, 2024: 300,280) fully paid equity shares of INR 10/- each of Pratyaya E-Commerce Private Limited	1	17.72	8.22
17,755 (March 31, 2024: 7,033) fully paid equity shares of INR 10/- each of Imperial Online Services Private Limited	2	34.88	22.88
9,484 (March 31, 2024: 5,948) fully paid equity shares of INR 10/- each of Awesomefab Shopping Private Limited	3	27.18	22.17
71,424 (March 31, 2024: 66,328) fully paid equity shares of INR 10/- each of Bewakoof Brands Private Limited	4	317.66	272.66
10,405 (March 31, 2024: 10,405) fully paid equity shares of INR 10/- each of Styleverse Lifestyle Private Limited	5	140.00	140.00
Unquoted preference shares:			
Nil (March 31, 2024: 409,483) fully paid 9.45 % Compulsorily convertible preference shares (CCPS) of INR 1/- each of Pratyaya E-Commerce Private Limited	1	-	9.50
490 (March 31, 2024: 490) fully paid 0.1 % CCPS of INR 10/- each of Bewakoof Brands Private Limited	4	4.33	4.33
(ii) Investments in an associate (Carried at cost)			
Unquoted equity instruments:			
3,058 (March 31, 2024: Nil) fully paid equity shares of INR 10/- each of Wrogn Private Limited	6	23.09	-
Unquoted preference shares:			
18,086 (March 31, 2024: Nil) fully paid 0.01% CCPS of INR 10/- each of Wrogn Private Limited	6	125.00	-
(iii) Investment in subsidiary (Carried at FVTPL)			
Unquoted preference shares:			
1,116 (March 31, 2024: Nil) fully paid 0.01 % OCRPS of INR 10/- each of Styleverse Lifestyle Private Limited	5	19.10	-
Total		708.96	479.76
6(b) Current Investments (Carried at FVTPL)			
Quoted investments			
Axis Liquid Fund Growth - 1,12,370.08 units (March 31, 2024: Nil units)		32.14	-
HDFC Liquid Fund - Growth- 57,546.82 units (March 31, 2024: Nil units)		29.00	-
HSBC Liquid Fund Growth- 29,154.99 units (March 31, 2024: Nil units)		7.47	-
Kotak Liquid Fund Growth- 4,115.09 units (March 31, 2024: Nil units)		2.14	-
Nippon Liquid Fund Growth- 16,375.81 units (March 31, 2024: Nil units)		10.27	-
Aditya Birla Sun Life Liquid Fund - Growth - Nil units (March 31, 2024: 1,44,505 units)		-	5.57
Total		81.02	5.57
Aggregate book value of unquoted investments		704.87	479.76
Aggregate book value of quoted investments		81.02	5.57
Aggregate market value of quoted investments		81.02	5.57
Aggregate amount of impairment in value of investments		-	-



Notes:

- On June 23, 2022, the Board of Directors had approved the acquisition of 66.26% stake in Pratyaya E-Commerce Private limited ('Pratyaya') by entering into a Share purchase agreement (SPA). On July 22, 2022, Post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Pratyaya is considered as a subsidiary of the Company.
During the financial year ended March 31, 2024, the Company has invested additional (i) INR 2.52 in equity shares and (ii) INR 9.50 in 9.45% CCPS of Pratyaya. During the current year, on May 29, 2024, 409,483 9.45% CCPS of INR 9.50 have been converted to equity shares of Pratyaya. Post conversion of CCPS the equity, cumulative stake in Pratyaya has been increased to 82.24%.
- On July 04, 2022, the Board of Directors had approved the acquisition of 55% stake in Imperial Online Services Private Limited ('Imperial') by entering into a SPA. On August 12, 2022, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Imperial is considered as a subsidiary of the Company.
During the financial year ended March 31, 2024, the Company had given an loan of INR 5.00, the same has been converted to equity shares of Imperial in the same year. During the current year, the Company has invested INR 12.00 in equity instruments of Imperial through rights issue. Post this investment, cumulative stake in Imperial has been increased to 79.77%.
- On July 04, 2022, the Board of Directors had approved the acquisition of 55% stake in Awesomefab Shopping Private Limited ('Awesomefab') by entering into a SPA. On August 24, 2022, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Awesome Fab is considered as a subsidiary of the Company.
During the financial year ended March 31, 2024, the Company had given a loan of INR 1.65, the same has been converted to equity shares of Awesomefab during the same year.
During the current financial year, the Company had given a loan of INR 5.00, the same has been converted to equity shares of Awesomefab during the financial year. Post conversion, Cumulative stake in Awesomefab has been increased to 66.06%.
- On December 23, 2022, the Board of Directors had approved the acquisition of 81.75% stake in Bewakoof Brands Private Limited ('Bewakoof') by entering into a SPA. On February 15, 2023, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, Bewakoof is considered as a subsidiary of the Company. On March 30, 2023, the Company had given loan of INR 86.75 the same has been converted to equity shares of Bewakoof.
During the financial year ended March 31, 2024, the Company has invested additional (i) INR 76.83 in equity instruments and (ii) INR 4.33 in 0.1% Cumulative CCPS of Bewakoof.
During the current financial year, the Company had given a loan of INR 45.00, the same has been converted to equity shares of Bewakoof. Post conversion, cumulative equity stake in Bewakoof has been increased to 87.71%.
- Based on the approval by shareholders on September 5, 2023, the Company had made primary infusion in Styleverse Lifestyle Private Limited ('SLPL') to control 50.98 %. On October 30, 2023, post completion of the customary closing conditions under the agreement, the Company concluded the acquisition. Considering the terms of the agreement, SLPL is considered as a subsidiary of the Company. During the current financial year, the Company has invested in 0.01% OCRPS of INR 19.10 (FVTPL) of SLPL.
0.01% OCRPS investments, the convertible bond, made in SLPL have been measured at FVTPL in accordance with Ind AS 109 as this instrument does not meet the contractual cashflow test and a gain from fair value of INR 4.09 is credited to standalone statement of profit and loss during the year.
- On June 19, 2024, the Board of Directors has approved the acquisition of 17.1% stake of Wrogn Private Limited ('Wrogn') (formerly known as "Universal Sportsbiz Private Limited") for consideration of INR 23.09 in equity and INR 50 in CCPS by entering into a SPA. Further on October 15, 2024 the Company has invested additionally INR 75 in CCPS. Cumulative stake in Wrogn is 32.84%. Considering the terms of the agreement, Wrogn is considered as an associate of the Company.

NOTE: 7

NON-CURRENT FINANCIAL ASSETS - OTHERS

Accounting policy

Derivative financial instruments includes call options and put options over shares in the acquired subsidiaries and an associate held by the Company pursuant to the agreement. These 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 charged/credited to the Standalone statement of profit and loss.

Refer note 46 for other accounting policies relevant to financial instruments.

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Security deposits	1.08	0.98
Derivative Instruments (Refer notes below)	117.70	-
Total	118.78	0.98

Notes on derivative instruments:

As per the terms of certain shareholder agreements relating to the Company's subsidiaries and an associate, the Company has call options to purchase the interest of the non-controlling interests in the subsidiaries and the interest of the other investors in the associate, and also has written put options over such interests which are exercisable based on the terms specified in the agreements. Such options are accounted for as derivative financial instruments. The fair value of call options and put options (as specified in Note - 18: Derivative - Liability) are measured based on a valuation performed by the Company's appointed independent valuer.



Note: 8(a)

DEFERRED TAX ASSETS (NET)

Reflected in the Balance Sheet as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	-	8.55
Total	-	8.55

Deferred tax assets / (liabilities) relates to the following:

Particulars	Standalone Balance Sheet		Standalone Statement of Profit and Loss	
	As at March 31, 2025	As at March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Difference between carrying amount of Property, Plant and Equipment	-	(0.33)	(0.33)	-
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	-	1.39	1.39	-
Impact of Ind AS 116				
ROU assets and lease liabilities	-	0.38	0.38	-
Loss as per income tax computations available for offsetting against future taxable income	-	7.11	7.11	-
Net deferred tax assets	-	8.55	8.55	-

The Company has recognised deferred tax asset arising from unused tax losses only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the entity.

Reconciliation of deferred tax assets :

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	8.55	8.55
Deferred tax income/ (expense) recognised in profit and loss during the year (Refer Note - 32)	(8.55)	-
Deferred tax income/ (expense) recognised in OCI during the year (Refer Note - 32)	-	-
Closing balance	-	8.55

Note: 8(b)

NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2025	As at March 31, 2024
Withholding tax (TDS) receivables	0.46	0.21
	0.46	0.21

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NOTE: 9
INVENTORIES

Accounting policy

Traded goods (stock in trade) are valued at cost or net realizable value, whichever is lower. Cost is determined on weighted average cost basis. Net realizable 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. Obsolete and defective inventory are duly provided for, basis the management estimates.

Particulars	As at March 31, 2025	As at March 31, 2024
<u>At lower of cost and net realizable value</u>		
Stock-in-trade	4.92	5.31
[Includes Goods-in-transit of INR 0.07 (March 31, 2024: INR 0.08)]		-
Total	4.92	5.31

Inventories are net of obsolescence provision amounting to INR 1.27 (March 31, 2024 : INR 0.47)

NOTE: 10
CURRENT FINANCIAL ASSETS - LOANS
Accounting policy

Loans to related parties initially measured at fair value. On subsequent measurement, loans that meet solely payment of principal and interest (SPPI) are measured at amortised cost. Where the loans do not meet the criteria for SPPI (where the loans are convertible into a variable number of equity shares based on the fair value at the date of conversion), the loans are subsequently measured at fair value through profit and loss.

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Loans and advance to employees	0.03	-
Loan to related parties (Refer Note - 39)	22.99	7.70
Total	23.02	7.70

Disclosure under Section 186 of the Companies Act, 2013 and as per Regulation 34(3) and 53(f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Details of loans given to Subsidiaries:

Name of Companies	Interest rates (per annum)	Repayment/ conversion terms	As at April 1, 2024	Given during the year	Repaid during the year	Converted to equity/preference share	As at March 31, 2025
Pratyaya E-Commerce Private Limited	SBI 6 months MCLR + 1% and 9.9%	Repayable by April 1, 2025 or such other date as mutually agreed by the parties or convert outstanding loan into a number of equity shares at a fair value to be determined	7.70	4.00	-	-	11.70
	9.90%	Convertible into a number of equity shares at a fair value to be determined	-	6.00	-	-	6.00
Awesomfab Shopping Private Limited	9.40%	Compulsorily convertible within 3 months from effective date	-	5.00	-	(5.00)	-
	9.90%	Repayable within 1 month from effective date or convertible in case of default	-	5.00	-	-	5.00
Imperial Online Services Private Limited	9.40%	Repayable within 30 days and 7 days from the date of disbursement or such date mutually agreed	-	4.00	(4.00)	-	-
Bewakoof Brands Private Limited	9.40%	Repayable within 3 months from effective date or convert outstanding loan into a number of equity shares at a fair value to be determined	-	25.01	-	(25.01)	-
	9.40%	Compulsorily convertible within 3 months from effective date	-	20.01	-	(20.01)	-



Details of loans given to Subsidiaries:

Name of Companies	Interest rates	Repayment/ conversion terms	As at April 1, 2023	Given during the year	Repaid during the year	Converted to equity/preference share	As at March 31, 2024
Pratyaya E-Commerce Private Limited	SBI 6 months MCLR + 1%	30 Nov 2024 or such other date as agreed	7.70	-	-	-	7.70
	9.40%	On demand	-	2.00	(2.00)	-	-
Awesomfab India Private Limited	9.40%	Compulsorily convertible within 3 months	-	1.65	-	(1.65)	-
	SBI 6 months MCLR + 1%	On demand	-	2.00	(2.00)	-	-
Imperial Online Services Private Limited	9.40%	3 months	-	5.00	-	(5.00)	-
Bewakoof Brands Private Limited	9.40%	3 months	-	4.33	-	(4.33)	-

The loans have been utilized for meeting the day-to-day business requirements by respective companies.

	Interest on loan during the year			Maximum amount outstanding during the year	
	Accrued	Paid	Unpaid as at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Pratyaya E-Commerce Private Limited	1.13	1.00	0.13	11.83	9.70
Awesomfab Shopping Private Limited	0.06	0.03	0.03	5.03	3.65
Imperial Online Services Private Limited	0.02	0.02	-	3.00	5.00
Bewakoof Brands Private Limited	1.20	1.07	0.13	25.14	4.33
	2.41	2.12	0.29		

NOTE: 11

TRADE RECEIVABLES

Accounting policy

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognized initially at the transaction price as they do not contain significant financial components. The Company holds the trade receivables with the objective of collecting the contractual cashflows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables from others	5.02	3.24
Trade receivables from related parties (Refer Note - 39)	0.03	-
	5.05	3.24
Less: Loss Allowances	(0.44)	(0.44)
Total	4.61	2.80
Trade receivables		
Unsecured, considered good	5.05	3.24
Unsecured, considered doubtful	-	-
	5.05	3.24

Ageing of Trade Receivables:

Particulars	Outstanding as on March 31, 2025*						Total
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	2.40	1.87	0.28	0.06	0.44	-	5.05
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Provision on Trade Receivables assessed on individual basis	-	-	-	-	(0.44)	-	(0.44)
Total	2.40	1.87	0.28	0.06	-	-	4.61

*for following periods from due date of payment



Ageing of Trade Receivables:

Particulars	Outstanding as on March 31, 2024*						Total
	Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	1.53	0.90	-	0.81	-	-	3.24
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Provision on Trade Receivables assessed on individual basis	-	-	-	(0.44)	-	-	(0.44)
Total	1.53	0.90	-	0.37	-	-	2.80

*for following periods from due date of payment

The Company follows the simplified approach method for computing the expected credit loss. The Company is majorly having transaction with Business to Business ('B2B'), market places and with direct to customers (D2C) through payment gateways, hence the Company has assessed the provision for loss allowances on an individual case basis.

There are no disputed trade receivables (a) considered good, (b) considered doubtful or (c) which have significant increase in credit risk. There are no balances which are credit impaired (disputed/ undisputed).

Reconciliation of loss allowance provision of trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Loss allowance as at April 01, 2024	0.44	-
Increase / (decrease) in loss allowance recognized in the Standalone statement of profit or loss during the year	-	0.44
Receivables written off during the year as unused amount reversed	-	-
Loss allowance as at March 31, 2025	0.44	0.44

NOTE: 12

CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
Current accounts	0.86	0.44
Total	0.86	0.44

Net debt reconciliation:

As at March 31, 2025

Particulars	As at April 1, 2024	Adjustments	Cash flows	Non-cash changes		As at March 31, 2025
				Fair value adjustments	Others	
Cash and cash equivalents	0.44	-	0.42	-	-	0.86
Purchase of current investments (net of sold)	5.57	-	70.46	5.83	3.25	81.02
Total	5.57	-	70.46	5.83	3.25	81.02
Borrowings						
Lease liabilities	6.67	-	(2.55)	-	0.31	4.43
Borrowings	159.04	-	428.24	-	19.46	606.74
Total	165.71	-	425.68	-	19.77	611.16

As at March 31, 2024

Particulars	As at April 1, 2023	Adjustments	Cash flows	Non-cash changes		As at March 31, 2024
				Fair value adjustments	Others	
Cash and cash equivalents	0.71	-	(0.27)	-	-	0.44
Purchase of current investments (net of sold)	8.57	-	(5.36)	0.14	2.23	5.58
Total	8.57	-	(5.36)	0.14	2.23	5.58
Borrowings						
Lease liabilities	6.09	-	(2.29)	-	2.87	6.67
Borrowings	-	-	158.31	(4.43)	5.16	159.04
Total	6.09	-	156.02	(4.43)	8.03	165.71



NOTE: 13
CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Interest accrued on loans (Refer note 39)	-	0.07
Other receivables*	0.55	0.22
Security deposit	0.09	-
Total	0.64	0.29

* Includes INR 0.53 pertaining to receivables from related parties (March 31, 2024: INR 0.12). Refer Note 39.

NOTE: 14
OTHER CURRENT ASSETS

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Balances with government authorities (other than income tax)	16.61	10.05
Right to return assets	1.51	0.41
Advance to suppliers	0.64	0.93
Prepayments	0.22	0.42
Total	18.98	11.81

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NOTE: 15
EQUITY SHARE CAPITAL

Authorised share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each				
As at the beginning of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
Add : Increase during the year	-	-	-	-
As at the end of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00

Optionally Convertible Redeemable Preference shares ('OCRPS') of INR 10 each

As at the beginning of the year	25,00,00,000	250.00	-	-
Add : Increase during the year	-	-	25,00,00,000	250.00
As at the end of the year	25,00,00,000	250.00	25,00,00,000	250.00

Issued, Subscribed and paid-up equity share capital

Equity shares of INR 10 each				
As at the beginning of the year	50,00,00,000	500.00	31,55,00,000	315.50
Add : Equity shares issued under Rights Issue	-	-	18,45,00,000	184.50
As at the end of the year	50,00,00,000	500.00	50,00,00,000	500.00

(i) Shares held by Promoters

Particulars	As at March 31, 2025		As at March 31, 2024		% of change during the year
	Number of shares	% of holding	Number of shares	% of holding	
Promoter Name					
Aditya Birla Fashion and Retail Limited					
Equity shares	49,99,99,994	99.99%	49,99,99,994	99.99%	0.00%
OCRPS (Refer Note 17)	25,00,00,000	100.00%	25,00,00,000	100.00%	0.00%

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having face value of INR 10/- per share. Each holder of an equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company. The distribution will be in proportion to the number of the equity shares held by the shareholders. Refer note 17 for the terms of OCRPS.

(iii) Issue of Right Shares

There were no rights issue during the current

Rights issue 2023-24

Approval : Board approved fund raising by way of a Rights Issue on following dates, at a price of INR 10 per Rights Equity Share aggregating to INR 184.50, in the ratio of 1 rights equity share for every 1 existing fully-paid share held by the eligible equity shareholders as on the following dates:

- (i) April 27, 2023 50,00,00,000 shares
- (ii) August 10, 2023 35,00,00,000 shares
- (iii) October 12, 2023 99,50,00,000 shares

The rights Issue has been utilised for the purpose for which it has been obtained.

(iv) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024		% of Change during the year
	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital	
Aditya Birla Fashion and Retail Limited					
Equity shares	49,99,99,994	99.99%	49,99,99,994	99.99%	0.00%
OCRPS (Refer Note 17)	25,00,00,000	100.00%	25,00,00,000	100.00%	0.00%

(v) Details of shares held by holding company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	Amount	No. of shares held	Amount
Aditya Birla Fashion and Retail Limited				
Equity shares of INR 10 each	49,99,99,994	500.00	49,99,99,994	500.00
OCRPS of INR 10 each fully paid up (March 31, 2024: INR 6 each paid up)	25,00,00,000	250.00	25,00,00,000	150.00

(vi) Shares reserved for issue under Employee Stock Option Plan

For details of shares reserved for issue under the Employee Stock Option Plan ("Scheme 2022") of the Company (Refer Note - 36)

(vii) There are no shares allotted for consideration other than cash during last three years.

(viii) There were no bonus shares issued during the past three years.



NOTE: 16
OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Equity component of compound financial instrument		
As at the beginning of the year	4.43	-
Addition for the year	7.01	4.43
As at the end of the year	<u>11.44</u>	<u>4.43</u>
Reserves and surplus		
Retained earnings		
As at the beginning of the year	(155.08)	(46.47)
Profit/ (Loss) for the year	(69.32)	(107.31)
Deemed dividend (Refer Note 36)	(0.54)	(1.30)
As at the end of the year	<u>(224.94)</u>	<u>(155.08)</u>
Share options outstanding account		
As at the beginning of the year	8.41	1.63
Recognition of Share based payment	3.96	5.48
Deemed dividend (Refer Note 36)	0.54	1.30
As at the end of the year	<u>12.91</u>	<u>8.41</u>
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans		
As at the beginning of the year	(0.04)	(0.14)
Gains/ (losses) during the year	(0.08)	0.10
As at the end of the year	<u>(0.12)</u>	<u>(0.04)</u>
Total	<u>(200.71)</u>	<u>(142.28)</u>
Other equity		
Particulars	As at March 31, 2025	As at March 31, 2024
Equity component of compound financial instrument	11.44	4.43
Reserves and surplus		
Retained earnings	(224.94)	(155.08)
Share options outstanding account	12.91	8.41
Remeasurement gains/ (losses) on defined benefit plans	(0.12)	(0.04)
Total	<u>(200.71)</u>	<u>(142.28)</u>

The description of the nature and purpose of each reserve within other equity is as follows:

1. Retained earnings

Retained earnings comprise of the Company's accumulated undistributed standalone profits/ (losses) after taxes.

2. Remeasurement gains/ (losses) on defined benefit plans

The cumulative balances of gains/ (losses) arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in remeasurement gains/ (losses) reserve will not be reclassified subsequently to Standalone Statement of Profit and Loss.

3. Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in Standalone Statement of Profit and Loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options (if any).

4. Equity component of compound financial instrument

Equity component of compound financial instrument represents the difference between the OCRPS face value and the present value of payment / conversion to be made towards the OCRPS on the trigger date. Also refer Note 17



NOTE: 17
NON-CURRENT BORROWINGS

Accounting policy

Compound financial instruments: The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Refer note 46 for other accounting policies relevant to financial instruments.

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured		
Preference shares		
7% Optionally Convertible Redeemable Preference Shares (OCRPS) [Refer note 1(a) and 1(b) below]	263.15	150.73
Non-convertible Debentures (NCD)		
NCD (Refer note 2)	174.81	-
Secured		
Term loans from financial instruments		
Loan from Non-banking Financial Company (NBFC) (Refer note 2)	148.00	-
Total	585.96	150.73
Aggregate secured borrowings	148.00	-
Aggregate unsecured borrowings	437.96	150.73

Notes:

1) Details of OCRPS

1(a) During the financial year ended March 31, 2024, the Company has issued 250,000,000 7% OCRPS with face value of INR 10 each, INR 6 each paid-up to Aditya Birla Fashion and Retail Limited. During the current year, INR 4 each is paid up, making OCRPS as fully paid up.

(i) The OCRPS is redeemable at earlier of the end of 3 years from effective date or fund raising event at an agreed conversion ratio on the date of redemption.

(ii) Dividend at 7% per annum on the outstanding amount is payable on a cumulative basis.

(iii) The proceeds are for meeting the working capital requirements of the Company.

1(b) OCRPS includes dividend accumulated of INR 24.59 (March 31, 2024: INR 5.17) and is net off unamortised charges.

2) Details of security and terms of repayment

Particulars	Security	Effective interest rate	Maturity	As at March 31, 2025	As at March 31, 2024
Term loans from financial instruments					
Aditya Birla Finance Limited - Tranche 1	Secured - Current and fixed assets	9.60%	15-Jul-25	50.00	-
Aditya Birla Finance Limited - Tranche 2	Secured - Current and fixed assets	9.45%	15-Jul-26	98.00	-
NCD					
17,500 NCDs of face value of INR 1 lakh each *	Unsecured	8.80%	26-Aug-27	174.81	-

* Terms of utilisation of NCD: The proceeds from NCD issue can be utilized for (a) making equity or quasi debt infusion or any other debt investment into its subsidiaries or associate companies in which the Company has an existing investment (equity or debt); (b) accumulation of funds for long-term working capital; and (c) general corporate purpose in the normal course of business, in accordance with Applicable Laws. Pending full utilization of Issue proceeds, the Company is entitled to invest the issue proceeds in schemes of mutual funds and deposits with banks or retain them in Issuer's bank account.

The Company has not defaulted on any loans payable, and there has been no breach of any covenant attached to the borrowings.

The Company has used the borrowings from financial institutions for the specific purpose for which it was taken.

The Company has registered all the charges with Registrar of Companies (RoC) within the statutory period.



NOTE: 18
OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Derivative - Liability (Refer Note 7)	45.30	-
Security deposit from franchisees	0.26	0.11
Total	45.56	0.11

NOTE: 19
NON-CURRENT PROVISIONS

Particulars	As at March 31, 2025	As at March 31, 2024
Employee benefit obligation		
Provision for gratuity (Refer Note - 35)	2.68	2.06
Total	2.68	2.06

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NOTE: 20**CURRENT BORROWINGS**

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Bank overdraft (Refer note 1 below)	8.24	8.31
Unsecured		
Working capital loan from NBFC (Refer Note 2 below)	4.30	-
Current maturity of NCD - interest accrued and not due	8.24	-
Total	20.78	8.31
Aggregate secured borrowing	8.24	8.31
Aggregate unsecured borrowing	12.54	-

Notes:

- 1) The Company has obtained a fund based facility for overdraft ('OD'), line of credit for short term loans (sub limit of OD), working capital demand loan (sub limit of OD) and non-fund based facility for letter of credit (sub limit of OD) from ICICI Bank Limited with a limit of INR 8.50 (March 31, 2024: INR 12). Interest would be charged on the OD amount at I-MCLR-6M and it is currently at the rate of 9.00% p.a. The loan has been secured through exclusive charge on current assets of the Company including inventory, traded goods, consumable stores and spares, book debts, bills receivable, other current assets etc., both present and future.
- 2) The Company has obtained working capital demand loan of INR 5.00 (March 31, 2024: Nil) from Aditya Birla Finance Limited carrying interest rate of 10.00% p.a. The loan is unsecured and is repayable on demand with a maturity date of September 11, 2025.
- 3) The Company has not defaulted on any loans payable or interest thereon, and there has been no breach of any covenant attached to the borrowings.

NOTE: 21**TRADE PAYABLES**

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	2.01	0.40
Total outstanding dues of creditors other than micro enterprises and small enterprises*	4.93	7.34
Total	6.94	7.74

* Includes INR 0.74 Payable to related parties (March 31, 2024: INR 0.38). Refer Note 39.

Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2025	As at March 31, 2024
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period:		
Principal amount due to Micro and Small Enterprises	1.25	0.37
Interest due on the above	0.09	0.03
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting period	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	0.09	0.03
e. The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors.



Ageing of Trade Payables:

Particulars	Outstanding as on March 31, 2025 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed MSME	0.67	1.28	0.06	-	-	2.01
(ii) Undisputed others	3.79	1.11	-	0.03	-	4.93
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	4.46	2.39	0.06	0.03	-	6.94

Particulars	Outstanding as on March 31, 2024 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed MSME	0.33	0.07	-	-	-	0.40
(ii) Undisputed others	7.16	0.15	0.03	-	-	7.34
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	7.49	0.22	0.03	-	-	7.74

NOTE: 22

CURRENT FINANCIAL LIABILITIES - OTHERS

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	-	0.06
Employee benefits payable	8.99	8.56
Interest accrued and due on borrowings	0.68	-
Total	9.67	8.62

NOTE: 23

CURRENT PROVISIONS

Particulars	As at March 31, 2025	As at March 31, 2024
Employee benefit obligation		
Provision for compensated absences	2.26	2.15
Provision for gratuity (Refer Note 35)	0.13	0.14
Total	2.39	2.29

NOTE: 24

OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Advances received from customers	0.04	0.10
Statutory dues	1.75	2.40
Refund liabilities	2.13	0.21
Total	3.93	2.71

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NOTE: 25

REVENUE FROM OPERATIONS

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services and there are no unfulfilled obligations that affect the customers' acceptance of the products. Control of the products are considered to be transferred at a point in time when goods have been dispatched or delivered, as per the terms agreed with the customer. Revenue is recognised at the transaction price which the Company expects to be entitled. The Company does not adjust any of the transaction prices for the time value of money as contracts with the customers do not contain a significant financing component, since the sales are generally made with a credit period of 21 to 90 days, which is consistent with the market practice.

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Company has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from sale of products		
Sale of products	10.89	4.50
Total	10.89	4.50
(a) Contract balances:		
Contract assets		
Trade receivables	4.61	2.80
Contract liabilities		
Advance received from customers	0.04	0.10
Refund liability	2.13	0.21
	2.17	0.31

(b) Reconciliation of revenue as recognised in the Standalone Statement of Profit and Loss with the contracted price:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contracted price	14.22	17.32
Less:		
Sales return	(3.30)	(7.28)
Discount	(0.03)	(5.54)
	10.89	4.50

(c) Company is into the business of sale of retail garments having the same nature and timing of revenue. Hence, no disaggregation of revenue has been provided. Also refer Note 46(i).

NOTE: 26(a)

OTHER INCOME

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on sale of current investments	3.25	2.23
Interest income on loans to related parties (Refer Note 39)	2.38	1.10
Unwinding of discount on security deposits	0.09	0.08
Profit on sale of property, plant and equipment	0.01	0.03
Gain on retirement of right of use asset	0.02	0.01
Fair value gain on financial instruments at FVTPL	5.83	0.14
Miscellaneous income	0.02	0.39
	11.60	3.98

NOTE: 26(b)

OTHER GAINS/(LOSSES) - NET

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on derivative instruments (net)	72.40	-
	72.40	-



NOTE: 27

COST OF MATERIAL CONSUMED

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Purchase of stock-in-trade	11.00	12.54
Total	11.00	12.54
(b) Changes in inventories of stock-in-trade		
Opening inventory		
Stock-in-trade	5.31	2.11
	5.31	2.11
Less:		
Closing inventories		
Stock-in-trade	4.92	5.31
	4.92	5.31
Decrease/ (increase) in inventories	0.39	(3.20)

NOTE: 28

EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	59.33	56.37
Contribution to provident and other funds	1.23	1.00
Share-based payment to employees (Refer Note 36)	3.96	5.48
Gratuity expense (Refer Note 35)	0.84	0.73
Staff welfare expenses	1.81	1.39
Total	67.17	64.97

NOTE: 29

FINANCE COSTS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense		
on borrowings	7.28	0.53
on lease liabilities [Refer Note 4(b) and 37]	0.49	0.62
on OCRPS	19.43	5.17
on NCD	9.20	-
Total	36.40	6.32

NOTE: 30

DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment (Refer Note - 3)	0.51	0.53
Depreciation on right-of-use assets [Refer Note 4(a) and 37]	2.24	2.06
Amortisation on intangible assets (Refer Note - 5)	1.31	1.31
Total	4.06	3.90

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NOTE: 31

OTHER EXPENSES

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Electricity charges	0.18	0.25
Rent (Refer note - 37)	1.50	0.53
Insurance	0.03	-
Rates and taxes	0.72	0.09
Repairs and maintenance		
Buildings	0.21	0.19
Others	0.09	0.13
Commission expense	1.09	-
Advertisement and sales promotion	4.44	4.01
Transportation and handling charges	1.66	0.10
Legal and professional expenses	18.08	18.05
Printing and stationery	0.05	0.06
Travelling and conveyance	1.12	1.59
Allowances for bad and doubtful debts	-	0.44
Communication expenses	0.22	0.17
Payment to auditors (Refer details below)	0.39	0.09
Information technology expenses	3.56	2.91
Outsourcing, housekeeping and security expenses	2.25	1.78
Recruitment expenses	0.16	0.76
Warehousing charges	0.74	0.05
Miscellaneous expenses	0.15	0.06
Total	36.64	31.26

Payment to auditors:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Payments to statutory auditor:		
For audit fees	0.20	0.08
For other services	0.16	-
For reimbursement of expenses	0.03	0.01
Total	0.39	0.09

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NOTE: 32

INCOME TAX EXPENSE

The major components of income tax (income)/ expense are:

Standalone Statement of Profit and Loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current income tax		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous periods	-	-
(A)	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	8.55	-
(B)	8.55	-
Total	8.55	-
(A+B)		

Other comprehensive income (OCI)

Deferred tax related to items recognised in OCI during the year

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Relating to Re-measurements gains/ (losses) on defined benefit plans	-	-
Total	-	-

NOTE: 33

EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Earnings Per Share (EPS) is calculated as under:		
Profit / (Loss) as per the Standalone Statement of Profit and Loss	(69.40)	(107.21)
Profit / (Loss) for calculation of EPS	(69.32)	(107.21)
(A)		
Weighted average number of equity shares for calculation of Basic EPS	50,00,00,000	43,14,97,260
(B)		
Basic EPS (INR)	(1.39)	(2.48)
(A/B)		
Weighted average number of equity shares outstanding*	50,00,00,000	43,14,97,260
Weighted average number of equity shares for calculation of Diluted EPS	50,00,00,000	43,14,97,260
(C)		
Diluted EPS (INR)	(1.39)	(2.48)
(C)		
Nominal value of shares (INR)	10.00	10.00

*Stock options granted to the employees under the ESOP scheme and OCRPS are considered to be potential equity shares. The same are not considered in the determination of diluted earnings per share as they are anti-dilutive. The stock options and OCRPS are not included in the determination of basic earnings per share. The details relating to stock options are given in Note - 36.

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NOTE - 34
SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Standalone financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the financial period, are described below. The Company's assumptions and estimates are based on parameters available at the time of preparation of Standalone financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of investments and financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next ten years to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised and Investments held by the Company.

(b) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

As at March 31, 2025, the Company has INR 276.58 arried forward as per income tax records of the Company. These losses pertain to unabsorbed business loss as at March 31, 2025 of INR 268.59 (March 31, 2024 : INR 149.59) which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2025 of INR 7.99 (March 31, 2024 of INR 4.99) which do not have any expiry period.

(c) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that includes extension and termination option. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(d) Useful life of intangible assets

The management has performed an assessment of the useful life of the Nauti Nati brand value and have concluded 10 years to be the life of the same.

(e) Valuation of derivative instruments (put options and/or call options)

The fair value of financial assets and liabilities (call options and put options) arising from acquisition agreements, has been determined by discounting consideration payable/ receivable at the time of exercise of the put options and/or call options payoff, as per the terms of the agreement, using appropriate valuation model. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of the call and put options. Such valuation includes assumptions such as discount rate, future cashflow and EBITDA estimates. Such assumptions are reviewed at each reporting date.

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NOTE - 35

GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Unfunded defined benefit plan

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined using Projected Unit Credit Method at the end of each year. The Company's defined benefit plan is unfunded.

Gratuity is a defined benefit plan and company is exposed to the following risks:

- 1) Life expectancy risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimates of the mortality of plan participants both during and after their employment. An increase in life expectancy of the plan participants will increase the plan's liability.
- 2) Salary escalation risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- 3) Demographic risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions made.
- 4) Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Net benefit expense recognised through the Standalone Statement of Profit and Loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	0.68	0.60
Interest cost on defined benefit obligation	0.16	0.13
Total	0.84	0.73

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening defined benefit obligation	2.20	1.69
Current service cost	0.68	0.60
Interest cost on defined benefit obligation	0.16	0.13
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	0.04	0.04
Experience adjustments	0.04	(0.14)
Actuarial (gain)/ loss recognised in OCI	0.08	(0.10)
Benefits paid	(0.33)	(0.12)
Transfer in*	0.02	-
Closing defined benefit obligation	2.81	2.20

*on-account of inter company transfer

Net liability is classified as follows:

Current (Refer Note 23)	0.13	0.14
Non-current (Refer Note 19)	2.68	2.06
Net liability	2.81	2.20

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumptions is as follows:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 0.50%) (% change compared to base due to sensitivity)	0.12 4.10%	(0.11) (3.9%)	0.09 4.20%	(0.09) (3.9%)
Salary growth rate (-/+ 0.50%) (% change compared to base due to sensitivity)	(0.11) (3.9%)	0.11 4.10%	(0.09) (3.9%)	0.09 4.10%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	0.71 25.30%	(0.42) (15.0%)	0.54 24.5%	(0.32) (14.2%)

There has been no change from the previous period in the method and assumptions used in preparing the sensitivity analysis



The maturity profile of the defined benefit obligation are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	0.13	0.14
Between 2 and 5 years	0.95	0.70
Between 6 and 10 years	2.25	1.98
Beyond 10 years	2.09	1.52

The weighted average duration (based on discounted cashflows) of the defined benefit plan obligation at the end of the reporting period is 8 years (March 31, 2024 : 8 years).

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate (per annum)	6.70%	7.45%
Salary growth rate (per annum)	8.00%	8.00%

The principal demographic assumptions used in the valuation are shown in the table below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Normal retirement age	60 Years	60 Years
Up to 30 years	18.00%	18.00%
31 - 40 years	15.00%	15.00%
Above 40 years	10.00%	10.00%

LEAVE OBLIGATIONS

The leave obligations cover the Company's liability for earned leave and sick leave which are classified as other long-term benefits.

The entire amount of the provision of INR 2.26 (March 31, 2024 : INR 2.15) is presented as current, since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Particulars	As at March 31, 2025	As at March 31, 2024
Leave obligations not expected to be settled within the next 12 months	1.84	1.77

DEFINED CONTRIBUTION PLANS

Amount recognised as an expense and included in Note as "Contribution to provident and other funds"

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contribution to Employee Provident Fund Office (EPFO)	0.63	0.57
Contribution to Employee Pension Scheme (EPS)	0.23	0.19
Contribution to National Pension Scheme (NPS)	0.37	0.24
Total	1.23	1.00

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NOTE - 36
SHARE-BASED PAYMENT

Accounting policy

Employees of the Company receive remuneration in the form of equity-settled instruments for rendering services over a defined vesting period. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share options outstanding account.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

I. Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022

During the period ended March 31, 2023, i.e. on December 23, 2022, the Board of Directors of the Company ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Aditya Birla Digital Fashion Ventures Limited Employee Stock Option Scheme - 2022 ("Scheme 2022") for issue of Stock Options in the form of Options ("Options") to the identified employees of the Company and of its holding company subject to the approval of the shareholders of the Company. Shareholders of the Company vide its resolution passed at Extra Ordinary General Meeting held on December 23, 2022, approved the introduction of Scheme 2022 and authorised the Board to finalise and implement the Scheme 2022.

Accordingly, under the said Scheme 2022, vide its resolution dated December 30, 2022, the Company commenced granting of options.

i) Details of the grants under the Scheme 2022

Particulars	
No. of Options/ RSUs	30,601,518
Method of accounting	Fair value
Vesting plan	Graded and Bullet vestings
Exercise period	10 years from the date of grant
Grant date	December 30th, 2022 Onwards
Grant/ exercise price (INR per share)	10
Market price on the date of granting of Options/ RSUs (INR per share)	9.48 to 10.64
Method of settlement	Equity

ii) Vesting conditions:

- Type 1 (Tranche 1 - 8) : The Options shall vest, subject to continued employment and not on notice period as of respective vesting dates given above.
- Type 2 (Tranche 1 - 8) : The Options shall vest, subject to Achievement of annual performance milestones.
- Type 3 ((Tranche 1 - 5, 7 and 8) - The options shall vest, subject to Achievement of target valuation less funding for the year ending March 31, 2026.
- Type 3 (Tranche 6) - The options shall vest, subject to Value of total Aditya Birla group (ABG)/Aditya Birla Fashion and Retail Limited (ABFRL) Holding in the venture at the end of Fiscal year ending March 31st, 2029, is equal to or higher than cumulative Investment Amount plus 20% (twenty percent) IRR on the investment Amount till the aforementioned period.
- Type 4 (Tranche 1 - 8) : Continued employment and not on notice period as of respective vesting dates given above and Minimum Delivered Full Performance ("DFP") rating in the respective year of vesting

iii) Movement of Options granted

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
	No. of Options	No. of Options
Outstanding at the beginning of the financial year	2,51,84,514	2,11,30,616
Granted during the financial year	54,00,398	40,70,514
Exercised during the financial year*	-	-
Lapsed during the financial year	(6,19,067)	(16,606)
Outstanding at the end of the financial year	2,99,65,845	2,51,84,514
Unvested at the end of the financial year	2,08,69,584	2,25,24,817
Exercisable at the end of the financial year	90,96,261	26,59,697

* The weighted average share price at the date of exercise of these options are not applicable, as there has been no exercise during the year.

iv) The following table lists the inputs to the model used for the Options as on grant date:

Particulars	No. of Options
Expected dividend yield (%)	Nil
Expected volatility (%)	40.62% to 41.72%
Risk-free interest rate (%)	6.82% to 7.11%
Weighted average fair value per Option (₹)	4.94 to 5.65
Model used	Binomial Method



NOTE - 37
COMMITMENTS AND CONTINGENCIES

a) Leases

Lease commitments as lessee

The Company has entered into agreements for taking on lease certain office premises, warehouses on lease basis. The lease term is for 11 months to 5 years, with escalation clauses in the lease agreements.

Expenses/ Income recognised in the Standalone Statement of Profit and Loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent		
Expense relating to short-term and low value leases (Refer Note - 31)	1.50	0.53
Finance cost		
Interest expense on lease liabilities (Refer Note -29)	0.49	0.62
Depreciation		
Depreciation on right-of-use assets (Refer Note - 30)	2.24	2.06

Contractual maturities of lease liabilities

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Within one year	2.67	2.96
After one period but not more than five years	2.13	5.38
More than five years	-	-
Total	4.80	8.34

Total cash outflow for leases for the year ended March 31, 2025 is INR 4.05 (March 31, 2024: INR 2.82) (includes payments for short term leases).

b) Capital commitments

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

NOTE - 38
CONTINGENT LIABILITIES

The Company does not have any contingent liabilities as on March 31, 2025 and March 31, 2024.

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NOTE - 39

RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:

Name of related parties

Holding Company

Aditya Birla Fashion and Retail Limited

Subsidiaries (including step down subsidiary)

Pratyaya E-Commerce Private Limited

Awesomfab Shopping Private Limited

Imperial Online Services Private Limited

Bewakoof Brands Private Limited

Next Tree Products Private Limited, step down subsidiary

Styleverse Lifestyle Private Limited (with effect from October 30, 2023)

Associate company

Wrogn Private Limited ('Wrogn') (Formerly known as Universal Sportsbiz Private Limited) (with effect from June 19, 2024)

Key Management Personnel ("KMP")

Prashanth Aluru

Chief Executive Officer and Whole-time Director

Manoj Fitkariwala

Chief Financial Officer (with effective from October 28, 2024) *

Pawan Kesarwani

Chief Financial Officer (effective till April 4, 2024) *

Sonia Bhandari

Company Secretary (with effective from February 5, 2025) *

Yoshita Vora

Company Secretary (effective till November 06, 2024) *

Jagdish Bajaj

Director *

Ashish Dikshit

Director *

Aryaman Vikram Birla

Director (with effective from January 10, 2023) *

Sangeeta Tanwani

Director (with effective from March 27, 2023) *

*No transactions noted in the current year

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	For the year ended March 31, 2025			
	Holding Company	Subsidiaries including step down subsidiary	Associate	KMP
Reimbursement for legal and professional fees	4.58	-	-	-
Issue of Optionally convertible Redeemable preference shares	100.00	-	-	-
Reimbursement received of TDS on ESOP	0.09	-	-	-
Reimbursement of other expenses	0.38	-	-	-
Reimbursement relating to employee transfer	0.21	-	-	-
Reimbursement of expenses from Holding Company	0.06	-	-	-
Loan taken	30.00	-	-	-
Loan repaid	30.00	-	-	-
Interest expense on OCRPS	19.43	-	-	-
Interest Expense	0.07	-	-	-
Investment made - equity shares	-	12.00	23.09	-
Investment made - preference shares	-	15.01	125.00	-
Investment made - loan conversion	-	50.02	-	-
Interest income	-	2.38	-	-
Loans to related party given	-	69.02	-	-
Loans to related party repaid	-	4.00	-	-
Purchase of stock in trade	-	0.01	-	-
Expense cross charge - income	-	1.28	-	-
Sale of goods	-	0.02	-	-
Remuneration paid to KMP ^a	-	-	-	5.58

Nil (March 31, 2024: Nil) cross charge for support services provided by the Company to its subsidiary companies pursuant to the terms agreed with the subsidiary companies.



Particulars	For the year ended March 31, 2024			
	Holding Company	Subsidiaries including step down subsidiary	Associate	KMP
Reimbursement for employee benefit expenses	(0.10)	-	-	-
Reimbursement for legal and professional fees	4.00	-	-	-
Reimbursement for other expenses	0.18	-	-	-
Issue of share capital	184.50	-	-	-
Issue of OCRPS	150.00	-	-	-
Interest expense on OCRPS	5.17	-	-	-
Investment made in subsidiaries	-	239.83	-	-
Interest income	-	1.10	-	-
Loans to related party given	-	14.98	-	-
Loans to related party repaid/converted into equity	-	(14.98)	-	-
Purchase of stock in trade	-	0.07	-	-
Expense cross charge	-	0.68	-	-
Reimbursement received of TDS on ESOP	0.13	-	-	-
Insurance liability	(0.29)	-	-	-
Purchase of property, plant and equipment	(0.02)	-	-	-
Employee Liability transfer	0.01	-	-	-
Remuneration paid to KMP [#]	-	-	-	10.38

[#] The Company has obtained a special resolution from shareholders for managerial remuneration aggregating to INR 5.58 (March 31, 2024: INR 8.31) paid to the whole time director.

Balances outstanding as on March 31, 2025

Particulars	Holding Company	Subsidiaries including step down subsidiary	Associate	KMP
Amounts owed to related parties	0.74	-	-	-
Loans to related parties	-	22.99	-	-
Interest receivable on loans	-	0.29	-	-
Trade receivables from subsidiaries	-	0.03	-	-
Other receivables from subsidiaries	-	0.53	-	-
OCRPS	238.56	-	-	-
Interest accrued on OCRPS	24.59	-	-	-

Balances outstanding as on March 31, 2024

Particulars	Holding Company	Subsidiaries including step down subsidiary	Associate	KMP
Amounts owed to related parties	0.38	-	-	-
Loans to related parties	-	7.70	-	-
Interest receivable on loans	-	0.07	-	-
Other receivables from subsidiaries	-	0.12	-	-
OCRPS	145.56	-	-	-
Interest accrued on OCRPS	5.17	-	-	-

Terms and conditions of transactions with related parties:

Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. Loans to wholly-owned subsidiaries are unsecured, interest bearing and settlement occurs in cash. For the year ended March 31, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial years through examining the financial position of the related party and the market in which the related party operates.

Compensation of KMP of the Company

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term employee benefits	5.25	7.05
Post-employment benefits	0.08	0.51
Employee share based payment	0.25	2.82
Total	5.58	10.38

The amounts disclosed in the table are the amounts recognized as expense during the reporting period related to key managerial personnel.

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NOTE - 40

FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2025 and March 31, 2024 are as follows:

As at March 31, 2025

Particulars	FVTPL	FVTOCI	Amortised cost*	Total carrying	Total fair value	Level 1	Fair value Level 2	Level 3
Financial assets								
Investment in mutual funds (Refer Note - 6(b))	81.02	-	-	81.02	81.02	81.02	-	-
Investment in subsidiaries and an associate (Refer Note 6(a))	19.10	-	-	19.10	19.10	-	-	19.10
Loans (Refer Note - 10)	23.02	-	-	23.02	23.02	-	-	23.02
Trade receivables (Refer Note - 11)	-	-	4.61	4.61	4.61	-	-	-
Cash and cash equivalents (Refer Note - 12)	-	-	0.86	0.86	0.86	-	-	-
Other financial assets includes Derivative instruments (Refer Notes 7 and 13)	117.70	-	1.72	119.42	119.42	-	-	117.70
Total	240.84	-	7.19	248.03	248.03	81.02	-	159.82
Financial liabilities								
Non-current borrowings (Refer Note - 17)	-	-	585.96	585.96	585.96	-	-	-
Current borrowings (Refer Note - 20)	-	-	20.78	20.78	20.78	-	-	-
Loans (Refer Note - 10)	-	-	7.70	7.70	7.70	-	-	-
Trade payables (Refer Note - 21)	-	-	6.94	6.94	6.94	-	-	-
Other financial liabilities (includes Derivative instruments) (Refer Notes 18 and 22)	45.30	-	9.93	55.23	55.23	-	-	45.30
Total	45.30	-	631.31	676.61	676.61	-	-	45.30

As at March 31, 2024

Particulars	FVTPL	FVTOCI	Amortised cost*	Total carrying	Total fair value	Level 1	Fair value Level 2	Level 3
Financial assets								
Investment in mutual funds (Refer Note - 6(b))	5.57	-	-	5.57	5.57	5.57	-	-
Loans (Refer Note - 10)	-	-	7.70	7.70	-	-	-	-
Cash and cash equivalents (Refer Note - 12)	-	-	0.44	0.44	-	-	-	-
Trade receivables (Refer Note - 11)	-	-	2.80	2.80	-	-	-	-
Other financial assets (Refer Note - 7 & 13)	-	-	1.27	1.27	-	-	-	-
Total	5.57	-	12.21	17.78	5.57	5.57	-	-
Financial liabilities								
Non-current borrowings (Refer Note - 17)	-	-	150.73	150.73	-	-	-	-
Current borrowings (Refer Note - 20)	-	-	8.31	8.31	-	-	-	-
Trade payables (Refer Note - 21)	-	-	7.74	7.74	-	-	-	-
Other financial liabilities (Refer Note - 18 & 22)	-	-	8.72	8.72	-	-	-	-
Total	-	-	175.50	175.50	-	-	-	-

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The investments made in subsidiaries and associate as at March 31, 2025 - INR 689.86 (March 31, 2024: INR 479.76) are measured at cost.

Key inputs for level 1 and level 3 fair valuation techniques

Derivative Instruments:

i) Option contracts: Fair value of option contracts is determined basis valuation performed by independent valuer appointed by the Company (level 3)

Investments:

i) Quoted Investment: Valuation has been done based on market value of the investment i.e. fair value (level 1)

ii) Unquoted investment in subsidiary: Fair value of an investment in OCPS, a convertible bond is determined based on valuation performed by independent valuer appointed by the Company (level 3)

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):



Financial instruments measured at fair value

Particulars	Fair Value as at March 31, 2025	Significant unobservable inputs	Fair Value as at March 31, 2025		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Call Option	117.70	Risk adjusted discount rate	121.50	114.70	Increase in discount rate by 0.50% would increase the fair value by INR 3.80 and decrease in discount rate by 0.50% would decrease the fair value by INR 3.00
		EBITDA margin projection	115.10	120.70	Increase in margin by 0.50% would decrease the fair value by INR 2.60 and decrease in margin by 0.50% would increase the fair value by INR 3.00
		Revenue projection	116.50	119.80	Increase in revenue by 0.50% would decrease the fair value by INR 1.20 and decrease in revenue by 0.50% would increase the fair value by INR 2.10
Put Option	45.30	Risk adjusted discount rate	44.60	46.00	Increase in discount rate by 0.50% would decrease the fair value by INR 0.70 and decrease in discount rate by 0.50% would increase the fair value by INR 0.70
		EBITDA margin projection	47.30	43.60	Increase in margin by 0.50% would increase the fair value by INR 2.00 and decrease in margin by 0.50% would decrease the fair value by INR 1.70
		Revenue projection	46.10	44.90	Increase in revenue by 0.50% would increase the fair value by INR 0.80 and decrease in revenue by 0.50% would decrease the fair value by INR 0.40

B. Risk management objectives and policies

The Company's principal financial liabilities, comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2025 and March 31, 2024.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's entire borrowings carried at amortised cost are variable rate instruments and are subject to fluctuation because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate risk. Below are the details of exposure to fixed rate and variable rate instruments:

Particulars	As at		As at	
	0.50%	0.50% decrease	0.50%	0.50%
Basis points (%)				
Increase/ (decrease) on loss before tax	(0.06)	0.06	(0.04)	0.04

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency.

Company's foreign risk for the year ended March 31, 2025 and March 31, 2024 are insignificant.



b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Company periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and security deposits).

The Company's maximum exposure to credit risk for the components of the Standalone Balance Sheet as at March 31, 2025 and March 31, 2024 is the carrying amount as provided in Note - 11.

c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's principal sources of liquidity are cash and cash equivalents, continuing funding from holding company, use of bank overdrafts, bank loans, issue of debentures and preference shares. Approximately, 5.95% of the Company's debt will mature in less than one year (March 31, 2024: 15.20%) based on the carrying value of borrowings reflected in the standalone financial statements. The Company believes that the working capital is sufficient to meet its current requirements. The Company assessed the concentration of risk with respect to refinancing its debts and concluded it to be low.

The below tables summarises the maturity profile of the Company's financial liabilities based on contractual payments.

As at March 31, 2025

Particulars	Carrying amount	Less than 1 years	1 to 5 years	More than 5 years	Total
Non-derivative liabilities					
Borrowings (other than preference shares)	343.59	20.78	322.81	-	343.58
Optionally Convertible Redeemable Preference Shares (OCRPS)	263.15	-	263.15	-	263.15
Lease liabilities	4.43	2.67	2.13	-	4.80
Other financial liabilities - Others	9.93	9.67	0.26	-	9.93
Trade payables	6.94	6.94	-	-	6.94
Total non-derivative liabilities	628.04	40.06	588.35	-	628.41
Derivatives					
Other financial liabilities - Derivative - Liability	45.30	-	45.30	-	45.30
Total non-derivative liabilities	45.30	-	45.30	-	45.30

As at March 31, 2024

Particulars	Carrying amount	Less than 1 years	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)	8.31	8.37	-	-	8.37
Optionally Convertible Redeemable Preference Shares (OCRPS)	150.73	-	150.73	-	150.73
Lease liabilities	6.67	2.96	5.38	-	8.34
Other financial liabilities - others	8.72	8.62	0.11	-	8.72
Trade payables	7.74	7.74	-	-	7.74
Total	182.17	27.69	156.22	-	183.90

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NOTE - 41**CAPITAL MANAGEMENT**

The Company's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure and funding requirements of the Company are approved by the Board of Directors, and is monitored by various metrics.

The following table summarises the capital of the Company (debts excludes lease liabilities):

Particulars	As at March 31, 2025	As at March 31, 2024
Short-term debts (including current maturities of long-term borrowings)	20.78	8.31
Long-term debts	585.96	150.73
Total borrowings	606.74	159.04
Equity	299.29	357.72

NOTE - 42**RATIO DISCLOSURES**

Particulars	As at March 31, 2025	As at March 31, 2024	Variance	Reasons for variance +/- 25%
Current ratio (times) ¹	3.07	1.14	169%	Increase in ratio is on account of increase in current investments (mutual funds) and loans given to related parties.
Debt equity ratio (times) ²	1.73	0.43	303%	Increase in borrowings used for general purposes and investments in subsidiaries and an associate, as a proportion to the total equity, as compared to previous year.
Debt service coverage ratio (times) ³	(1.23)	(17.72)	(93%)	Decrease in Earnings (loss) before interest and tax as compared to previous year mainly due to net gain on derivative instruments held by the Company.
Return On Equity (%) ⁴	(21%)	(30%)	(30%)	Change is on account of increase in turnover but reduction in loss as compared to previous year.
Inventory turnover (times) ⁵	2.13	1.21	76%	Change in ratio is on account of growth in turnover during the year in line with the expansion of business as compared to previous year
Debtors turnover (times) ⁶	2.94	0.72	308%	Change in ratio is on account of growth in turnover during the year in line with the expansion of business as compared to previous year
Trade Payables turnover (times) ⁷	1.50	1.28	17%	Variance is < 25%
Net capital turnover (times) ⁸	0.35	0.92	(61%)	Change in ratio is on account of increase in the Turnover.
Net profit margin (%) ⁹	(637%)	(2385%)	(73%)	Change in ratio is on account of growth in turnover during the year in line with the expansion of business as compared with previous year and due to net gain on derivative instruments held by the Company.
Return On Average Capital Employed (%) ¹⁰	(7%)	(122%)	(94%)	Decrease in Earnings (loss) before interest and tax as compared to previous year
Return On Investment (%) ¹¹	(3%)	24.0%	(113%)	Decrease in Earnings (loss) before interest and tax and increase in average value of total assets, as compared to previous year.

Ratios have been computed as follows:

1. Current ratio = Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)

2. Debt equity ratio = Debt / Equity

Debt = Borrowings (excluding Lease Liabilities accounted as per Ind AS 116) - Cash and Bank Balance (includes fixed deposits) - Liquid Investments

Equity = Equity share capital + Other equity (excluding Ind AS 116)

3. Debt service coverage ratio = Earnings before interest, depreciation & amortisation and tax / [Finance cost* + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]

4. Return on equity ratio = Profit after tax / Average of opening and closing Net Worth

5. Inventory turnover = Revenue from Operations for the year / Average of opening and closing Inventories

6. Debtors turnover = Revenue from Operations for the year / Average of opening and closing Trade Receivables

7. Trade payables turnover = Total Purchases / Average of opening and closing Trade Payables

8. Net capital turnover = Revenue from Operations for the year / Average of opening and closing Working Capital

9. Net profit margin = Profit After Tax / Revenue from Operations

10. Return on Average Capital Employed = Earnings before interest and tax / Average of opening and closing Capital Employed

11. Return on Investment = Earnings before interest and tax / Average of opening and closing Total Assets

* Finance cost/ interest comprises of Interest expense on borrowings and excludes interest expense on lease liabilities and interest charge on fair value of financial instruments.



NOTE - 43

CORE INVESTMENT COMPANIES

The Company is not a Core Investment Company ('CIC') as defined in the regulations of Reserve Bank of India. The Group has four (4) CICs, which are part of the Company.

NOTE - 44

ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS

During the year, the Company has been sanctioned working capital limits in excess of INR 5, in aggregate, from bank, on the basis of security of current assets. The Company has filed quarterly returns or statements with such bank, which are in agreement with the unaudited books of account.

(v) WILLFUL DEFAULTER

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(vi) COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Company has not entered into any scheme of arrangement which has an accounting impact on current financial year.

(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) UNDISCLOSED INCOME

There is no income surrendered or disclosed as income during the current in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the current financial year.

(x) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS) AND INTANGIBLE ASSETS

The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the current financial year. The Company did not have any investment property during the current financial year.

(xi) REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory year.

NOTE 45 :

During the year ended March 31, 2025, no material foreseeable loss (March 31, 2024: Nil) was incurred for any long term contract. The Company has made provision, as required under the India accounting standards, for material foreseeable losses, if any, on derivative contracts as at March 31, 2025.

NOTE 46 :

SUMMARY OF OTHER ACCOUNTING POLICIES

This note provides a list of other accounting policies adopted in the preparation of these standalone financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Segment Information

The segment information as per Ind AS 108 "operating segment" is provided on the basis of consolidated financial statement, hence the same is not provided separately for the standalone financial statement.



(ii) Fair value measurements and hierarchy

The Company measures financial instruments, such as investments (other than equity investments made in subsidiaries and an associate) and derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability; or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(iii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur in the Standalone statement of profit and loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings and OCRPS.

(iv) Taxes

Current tax

The Income tax expense or credit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in India.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or losses at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(v) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the Standalone statement of profit and loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.



For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

(a) Non-derivative financial assets

I) Financial assets at amortised cost

Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Rate (EIR) method:

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in the Standalone statement of profit and loss and is included in the 'Other income' line item.

II) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Financial assets included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Standalone statement of profit and loss. The Company has not designated any debt instrument as at FVTOCI.

III) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (refer above) are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the statement of profit and loss. The net gain or loss recognised in the Standalone statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Call and put options over shares in the acquired subsidiaries and an associate is initially recognised as a financial asset and liabilities respectively at fair value, with subsequent changes in fair value recognised in the standalone statement of profit and loss.

Impairment of financial assets:

The Company follows the simplified approach method for computing the expected credit loss. The Company is majorly having transaction with Business to Business (B2B), market places and with direct to customers (D2C) through payment gateways, hence the Company has assessed the provision for loss allowances on an individual case basis.

The Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries and an associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiaries and an associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiaries and an associate and its carrying value, and then recognises the impairment loss in the Standalone statement of profit and loss.

(b) Non derivative financial liabilities

(I) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(1) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(2) Financial liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial liability does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.



Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading, if:

- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the Standalone statement of profit and loss.

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the statement of profit and loss, in which case these effects of changes in credit risk are recognised in the Standalone statement of profit and loss. The remaining amount of change in the fair value of liability is always recognised in the standalone statement of profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in other comprehensive income under other equity and are not subsequently reclassified to the Standalone statement of profit and loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

(II) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Standalone statement of profit and loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

(III) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost, the exchange differences are recognised in the Standalone statement of profit and loss.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Standalone statement of profit and loss.

De-recognition of financial assets and financial liabilities

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the statement of profit and loss, if such gain or loss would have otherwise been recognised in the Standalone statement of profit and loss on disposal of that financial asset.

The Company de-recognises financial liabilities only when the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Standalone statement of profit and loss.



Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(vi) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Standalone statement of profit and loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (Refer Note 37).

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(vii) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(b) Defined contribution plan

The Company makes defined contribution to the Government Employee Provident Fund, which is recognised in the Standalone statement of profit and loss, on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The gratuity is unfunded and is managed within the Company. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Standalone Statement of balance sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in the 'Employee benefits expense' in the Standalone Statement of Profit and Loss. Re-measurement gains or losses (excluding amounts included in Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under OCI in other equity. Remeasurements gains or losses are not reclassified subsequently to the standalone statement of profit and loss.

(d) Compensated absences

The employees and directors of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash, at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation in the Standalone Statement of Profit and Loss.

The Company presents the provision for compensated absences as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement beyond a period of twelve months after the reporting date.

(viii) Share-based payment

Employees of the Company receive remuneration in the form of equity-settled instruments for rendering services over a defined vesting period. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Standalone Statement of Profit and Loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share options outstanding account.

No expense is recognised for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(ix) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



(x) Property, Plant and equipment

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes taxes, duties, freight and other incidental expenses, related to the acquisition of the asset concerned.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Standalone statement of profit and loss, during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Standalone Statement of Profit and Loss within other gains/(losses).

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(xi) Intangible assets

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Standalone statement of profit and loss, in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful 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 intangible assets are reviewed at least at the end of each reporting period and changes if any, made on prospective basis. The amortisation expense is recognised in the standalone statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Standalone statement of profit and loss when the asset is de-recognised.

(xii) Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised in Standalone statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

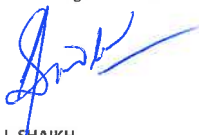
At the acquisition date, goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment annually as at reporting date. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
ICAI Firm Registration No. 304026E/E300C09


A. J. SHAIKH
Partner
Membership No.: 203637

Place: Bengaluru
Date : May 21, 2025

For and on behalf of the Board of Directors of
Aditya Birla Digital Fashion Ventures Limited


PRASHANTH ALURU
(Whole-time Director)
(DIN: 06923683)

Place: Bengaluru
Date : May 21, 2025


MANOJ FITKARIWALA
(Chief Financial Officer)

Place: Mumbai
Date : May 21, 2025


ASHISH DIKSHIT
(Director)
(DIN: 01842066)

Place: Delhi
Date : May 21, 2025


SONIA BHANDARI
(Company Secretary)
(M.No.: A20650)

Place: Mumbai
Date : May 21, 2025

