August 13, 2022

BSE Limited
Scrip code: 535755

National Stock Exchange of India Limited
Symbol: ABFRL

Sub.: Fifteenth Annual General Meeting of the Shareholders of Aditya Birla Fashion and Retail Limited ("the Company")

Ref.:
1. **Regulation 34(1) and 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** ("SEBI Listing Regulations")
2. **ISIN: INE647O01011**
3. **Our intimation dated August 11, 2022**

Dear Sir/ Madam,

Pursuant to the above referred, enclosing herewith the Annual Report including the Notice of the Annual General Meeting ("AGM Notice") of the Company to be held on Monday, September 5, 2022 at 4:00 p.m. IST through Video Conferencing/ Other Audio Visual Means.

The Annual Report including the AGM Notice is being dispatched electronically to those shareholders whose e-mail IDs are registered with the Depository Participant / the Company.

The same is also available on the website of the Company i.e. www.abfrl.com and the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited i.e. at https://instavote.linkintime.co.in/.

This is for your information and records.

Thanking you.

Sincerely,
For **Aditya Birla Fashion and Retail Limited**

Geetika Anand
Digitally signed by Geetika Anand
Date: 2022.08.13 18:56:12 +05'30'

Geetika Anand
Company Secretary and Compliance Officer

Encl.: As above

NEW AGE.
NEW PARADIGMS.
NEW IDEAS.

ADITYA BIRLA

FASHION & RETAIL

ANNUAL REPORT

2021-22

ADITYA BIRLA FASHION AND RETAIL LIMITED

BIG IN YOUR LIFE

Mr. Aditya Vikram Birla

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.

Chairman's Letter to Shareholders

Dear Shareholder,

For many years, we have been talking about increasing volatility and unpredictability. The events of the last 24 months have heralded a new era of uncertainty where both the amplitude and frequency of shifts have vastly exceeded anything we have seen in recent decades. The unprecedented pandemic was followed by supply chain whiplash, and further disruption was brought on by the Russia-Ukraine war. We are now staring at the spectre of a high- interest rate and high-inflation regime globally.

Over the years, corporations have tried to find a balance between efficiency and resilience, with successive decades of growth having swung the pendulum in the direction of efficiency. The events of the last two years have again taught us all the virtues of reserves and resilience.

This era of disruption also presents a unique opportunity for renewal. The exigencies of this disruption have pushed the boundaries of innovation. A world where traditional rules didn't apply, freed thinking from its conventional shackles. And we are clearly staring at a **new age**, with **new paradigms** and **new ideas**.

While the global economic backdrop remains challenging, there are reasons to remain optimistic.

Global Economy: The Storm Before the Calm?

The Global economy recovered from the pandemic shock in 2022 on the back of supportive fiscal and monetary policies and mass vaccination programmes. However, at the end of FY22, the war in Ukraine and the subsequent economic sanctions on Russia posed a large shock. It disrupted energy markets & supply chains and added to the already evolving inflationary pressures and concerns over consumer demand. Consequently, growth forecasts have been slashed. The International Monetary Fund (IMF) now expects the world economy to grow by 3.6% in CY22, which is 0.8 percentage points lower than its pre-war projections.

Many economies have experienced a sharp surge in inflation recently, particularly in food and fuel prices, taking their inflation rates to multi-decade highs. Central banks have been forced to respond to surging prices with aggressive rate hikes. The pace of monetary tightening is turning out to be quite swift as central bankers attempt to catch up with the rising inflation from their ultra-accommodative stance during the pandemic.

As the stance of monetary policy shifts, there is greater turbulence in currency markets. The dollar has strengthened, while emerging economies have witnessed downward pressure on their currencies. At the same time, energy and commodity markets have witnessed heightened volatility. Global supply chain disruptions due to pandemic-induced lockdowns have been replaced by new disruptions caused by the war in Ukraine and the economic sanctions.

While the global economic backdrop remains challenging, there are reasons to remain optimistic. First, despite the slowdown, IMF's projection of world GDP growth in CY22 is still tracking the pre-pandemic average. Second, fiscal support in developed economies remains above the pre-pandemic trend, even if somewhat diluted, versus past years. Third, mega-trends around sustainability, green investments, digitization, and disintermediation remain well-entrenched and will support growth and productivity enhancement in the medium-term.

Thus, while businesses will need to remain on guard regarding financial market volatility and cost pressures this year, one could expect the medium-term growth recovery to remain on track.

India: An engine of global growth

The Indian economy has not remained unscathed by these global developments. Partly on account of the elevated commodity prices in global markets, India's inflation has pushed higher than the target of the Reserve Bank of India (RBI). To control inflationary risks, and reduce the pressure on the rupee, RBI has been selling reserves and unwinding the extraordinary liquidity support provided by it during the pandemic.

On the positive side, economic activity in India has witnessed a sharp recovery to pre-pandemic levels on the back of a rapid and widespread rollout of the vaccination programme. A strong digital ecosystem, fiscal and monetary policy and various government schemes helped small and medium enterprises and the worst affected sections of the population to survive while reviving demand and bringing the economy back on track.

Even as the global headwinds are being felt, India's growth recovery is progressing well, and most estimates peg economic growth during FY23 around the 7% range. India, therefore, is poised to be the fastest-growing major economy in the world and an engine of global growth.

India's exports are exhibiting a strong buoyancy, and economic sentiment has been supported by a robust pipeline of infrastructure projects as well as the government's pragmatic policies, such as the production-linked incentives schemes. Many industries have witnessed fresh project investment announcements. Foreign direct investment flows have remained strong. The burden of non-performing assets in the banking sector seems

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The Aditya Birla Group's pace of activity, range of businesses, and depth of global presence provide a useful compass to navigate this age of disruption. Against the backdrop of our long history as a group, dynamism leaps out as a common theme.

to have peaked out and is easing. Dynamism in India's digital ecosystem, diversification of global supply chains away from China and the greater emphasis of investors on sustainable finance offer new opportunities for India.

The above trends lend confidence to a robust economic narrative for India in the medium-term, which augurs well for the corporate sector as well.

Aditya Birla Group: Dynamism and Resilience at Play

The Aditya Birla Group's pace of activity, range of businesses, and depth of global presence provide a useful compass to navigate this age of disruption. Against the backdrop of our long history as a group, dynamism leaps out as a common theme. Over the years, we have witnessed multiple business cycles. Across businesses and markets, our evolution is a story of continuous renewal and regeneration, as we aggressively invested in growth and created long-term value for all stakeholders.

This institutional dynamism and resilience helped us navigate an unprecedented business environment in FY22.

The pandemic inordinately impacted the future of work, workforce, and workplace. We have moved with the new work ethic by focusing on a holistic employee experience that puts equal emphasis on growth, engagement, and well-being. Our employees value and appreciate the One ABG culture, which is profoundly embedded across the Organization. This culture gives the ultimate competitive edge in a world where business models are easily upended.

It has been a matter of great pride for us that our employee engagement has continued to be strong despite the stresses of the pandemic. 87% of our employees stated in a survey that they have a colleague/friend at work to lean on during difficult times. 96% of our employees experienced considerate behaviour from their managers during this period.

We are only as strong as our people.

The Group's continued focus and investment in its People Processes in good times have helped us build and sustain a robust and agile workforce that is able to be nimble and responsive at all times. When corporates across the world are facing a rather unusual phenomenon – The Great Resignation, our employee survey score for Intent to stay remained strong. It is higher than the Global High Performing organizations and almost similar to pre-covid levels. This strong affinity is a testimony to our relentless commitment to delivering a world of opportunities with care to our employees.

Internal employee movements of over 5000 (within the businesses) were up 18% from the average of the last two fiscals. We also focussed on bringing in young talent, with 73% of new hires being under 35 years of age. Last year, over 9000 new employees joined the Group refreshing our competence base.

Building an aspirational workplace for a diverse workforce was identified as one of the important aspects of our new HR strategy. Enhancing the diversity of our Group is a journey, and it is getting strengthened with targeted efforts over time. Our commitment to gender diversity is evident through the appointment of 7 women to senior leadership roles. 21% of all new hires were women, and we had 102 women engineering graduates join us at plant locations.

We have always looked for opportunities to showcase the power of our women leadership. This year, our cement business, UltraTech launched India's first 'all-women' operated Ready-Mix Concrete (RMC) manufacturing plant at Bhugaon, Pune. Our list of firsts includes Aditya Birla AMC's all-women Mutual Fund branch in Bhilai, Chhattisgarh and Aditya Birla Fashion and Retail's Madura manufacturing plants in the south zone, which has 85% women employees.

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Our learning strategy evolved continually to adapt in response to the dynamic external environment. This was achieved by re-designing innovative learning properties & methodologies focusing on building contemporary & contextual skills. We shifted gears across digital, blended, and now hybrid learning, making it easier to shift across modes of learning for different sets of learners. We strategically increased the adoption and penetration of our digital learning platform (Gyanodaya Virtual Campus) to cover 94% of our employees in the management cadre. Leveraging the power of internal and external networks, 500+ high-quality digital content modules were created on various themes and topics across ABG.

The spirit of ABG's resilience and dynamism was displayed at an individual, team, and business level. This has been reflected in the business results for FY22. This year also saw the launch of new businesses, units, capacity, products, and brands. This happened seamlessly, presenting a unique human story of innovation and grit, and bringing alive our Group values of commitment and passion. We have together navigated an unprecedented period of disruption and emerged stronger and sharper—demonstrating that care, empathy, and results are mutually compatible. And especially so in periods of turmoil.

Your Company's Performance

Your Company is India's leading branded fashion player, with a portfolio of some of the most aspirational brands in the country. It is India's first billion-dollar pure-play fashion powerhouse, spanning across retail space of 9.2 million sq. ft., and offering an elegant bouquet of leading fashion brands and retail formats, established for over 25 years. With its vast network of 3,468 stores across approximately 28,585 multi-brand outlets spanning 900+ cities in India, your Company has built a robust distribution base, to serve its large and fast-growing brand-conscious consumers.

Globally, last two years were most difficult years for the fashion retail industry. The disruption caused by the first wave of COVID was further exacerbated by an even stronger 2nd wave in 2021. This resulted in massive value destruction across the entire apparel industry. And yet, your Company has emerged stronger, by remaining a step ahead with strategic technology interventions in driving sales and aggressive expansion to cater to growing demand across the country.

The Company strengthened its overall competitive position in the market with a diversified product portfolio and superior offerings in every segment. Your Company has almost achieved its pre-pandemic revenues despite tough business environment during the interim period at the back of a razor-sharp focus on growth levers such as distribution expansion, category growth, customer intimacy and brand building.

Your Company's revenue for FY22 stood at ₹ 8,136 Cr, with a 55% growth as compared to last year's ₹ 5,249 Cr. It recorded an EBIDTA margin of 14.8 percent, despite the continuing headwinds caused by the pandemic. A significant part of this turnaround was achieved through considerable cost savings in all parts of operations which includes negotiating large rental savings with landlords and mall owners.

Strong cost control was matched by an equally good reduction in working capital, both through inventory controls and management of payables to release cash from operations. Your Company continued to fortify its balance sheet to stay lean and agile and yet make swift leaps for growth in the upcoming fiscal.

Your Company refreshed its product portfolio swiftly to meet changing consumer requirements. The strong recovery trajectory recorded by your Company in the second half of the year was fuelled by growth in Lifestyle brands and the Super Premium segment who recorded their best-ever profits in the second half of the year.

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Your Company has built a strong omnichannel infrastructure, and a large part of our E-Com throughput is undergoing fulfilment through stores. More than 1000 stores of Madura brands and 300 stores of Pantaloons are now fully omnichannel enabled.

In line with changing consumer affinity towards e-commerce, your Company focused on strengthening the e-commerce play of its brands by upgrading brand websites and developing brand apps to deliver superior consumer experience and complement its offline retail strategy. Your Company has built a strong omnichannel infrastructure, and a large part of our E-Com throughput is undergoing fulfilment through stores. More than 1000 stores of Madura brands and 300 stores of Pantaloons are now fully omnichannel enabled. Your Company's e-commerce channel posted strong growth, with the category growing almost three folds over previous years.

Your Company accelerated the digitization of internal processes across designing, merchandising and marketing to reduce costs and maintain strong competitiveness. To meet ever-changing consumer demand, your company had initiated a new operating model for its design, supply chain and go-to-market strategies to design and offer products 12 times a year, instead of the industry norm of 2 times, through a proprietary digital platform. This has made the business agile and flexible, which has been a source of strength in the current uncertain market conditions.

The pandemic did not deter the physical network expansion plan of your Company, as apparel is a highly underpenetrated category in India. Your Company continued to expand their footprint through a rapid rollout of stores across the length & breadth of the country. Lifestyle brands led this aggressive expansion drive by opening more than 400 stores while Pantaloons also accelerated its expansion drive by opening about 50 stores this year.

Your Company accelerated its play in the branded ethnic wear segment, in line with its strategy to build a strong presence across diverse segments of the apparel fashion market. Your Company entered this segment in FY20 with the acquisition of Jaypore, a premium craft-based artisanal brand, and through an investment in Shantanu & Nikhil, one of India's leading designer-duo with a distinct play in the occasion wear segment. Your Company further followed up by forging new partnerships with two of India's most iconic designers - Tarun Tahiliani & Sabyasachi. These partnerships will allow it to participate strongly in the luxury wedding & designer wear market. In FY 22, your Company also announced a tie-up with one of India's youngest next-gen designer Masaba Gupta. Brand Masaba, with its distinctive bold expression & prints, will enhance your company's play in the young women's segment, an important part of any fashion market.

In line with expanding the portfolio to cover new emerging segments, Your Company made a bold foray into the growing sportswear space through signing up for acquiring the India business of Iconic global sportswear brand, Reebok.

The environment challenges we face today are real and significant. Your Company has a robust governance framework to effectively oversee the sustainability agenda. Your Company continues to align its targets keeping in mind the ESG aspects and develop flexible sustainable business models to deliver long-term shared value for its stakeholders.

Outlook

The next fiscal is going to be a race to normalcy for the industry with re-invigorated market sentiments. Your Company is looking at the new fiscal with cautious optimism around markets and consumer preferences. The Indian economy is headed towards a steady recovery, glimpses of which was evident during the festive season of FY22. As vaccination drives progress throughout the country, consumers are expected to get back to shopping with renewed confidence. As mobility picks up, the demand for categories including formals, occasion wear, festive wear and accessories will recover. For long term, India remains on a strong value creation path considering the underlying growth drivers like favourable demographics, increasing per capita & disposable income and growing consumption. With a

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A strong and healthy balance sheet with a diverse and well-executed portfolio play will enable your Company to position itself as a leader across all fashion and lifestyle segments, ranging from value, premium to luxury brands.

digitally and structurally transformed business, your Company is on a growth trajectory to make the most of post-pandemic opportunities.

Your Company's capital structure has undergone a significant change, and the balance sheet has been further strengthened; giving it the necessary foundation to support the ambitious growth plans that it chases. A strong and healthy balance sheet with a diverse and well-executed portfolio play will enable your Company to position itself as a leader across all fashion and lifestyle segments, ranging from value, premium to luxury brands.

Conclusion

The forces of change engulfing the world are creating a whole new set of exciting possibilities and unbelievable opportunities. Many that didn't even exist yesterday. We are uniquely privileged in that we are not passive recipients of changing circumstances but can actively shape our destiny. And this tomorrow is for us to discover and build.

Across businesses, we are at the cusp of a transformational growth cycle. As a business house, we have always made investment decisions based on long-term fundamental drivers like market opportunity, demography, technology etc. Our strong leadership position across key businesses has come on the back of bold but calibrated long-term bets. Given the inherent strengths of your company, we are again at a moment where we are uniquely positioned to invest for long-term growth and explore new paradigms. An exciting journey beckons.

Yours sincerely,

Kumar Mangalam Birla
Chairman

FY 2021-22 HIGHLIGHTS

₹8,136 CRORE
REVENUE

₹1,203 CRORE
EBITDA

24,500+
EMPLOYEES

3,468
STORES

9.2 MILLION SQ FT
RETAIL SPACE

900+
CITIES

LOUIS PHILIPPE

When fine craftsmanship meets the mark of excellence, a Louis Philippe product is born. Louis Philippe rises to the occasion of adorning men with impeccable taste and with a refined sense of luxury fashion.For more than 30 years, we've been honoring every moment of a man's life with the grandeur it deserves. From weddings, business meetings to wardrobe essentials such as blazers and chinos, there's something for everyone. Welcome to the world of Louis Philippe – a statement woven in perfection, stitched together by passion and styled to perfection

VAN HEUSEN

Van Heusen is India's No. 1 premium lifestyle brand for professionals. With a rich heritage of 128 years in the United States of America, the brand entered India in 1990. Over its 32 years of history in India, Van Heusen has emerged as a fashion authority for the ever-evolving Indian consumer and has established itself as the one-stop destination for the latest trends.

Today, Van Heusen is not only the most preferred workwear brand, but also effortlessly straddles across the entire spectrum of dressing, ranging from casuals, ceremonial, party wear to the recently launched activewear.


#OwnYourShape
Flirt with Style

ALLEN SOLLY

Allen Solly has been revolutionizing work wear expressions for the last 25+ years and has established itself as the go-to brand for unconventional and versatile fashion. Allen Solly has redefined the rules of corporate dressing - ditching blacks, greys and whites, the brand adds a pop and flair to dress young men and women in fashionable yet unconventional for work and beyond.

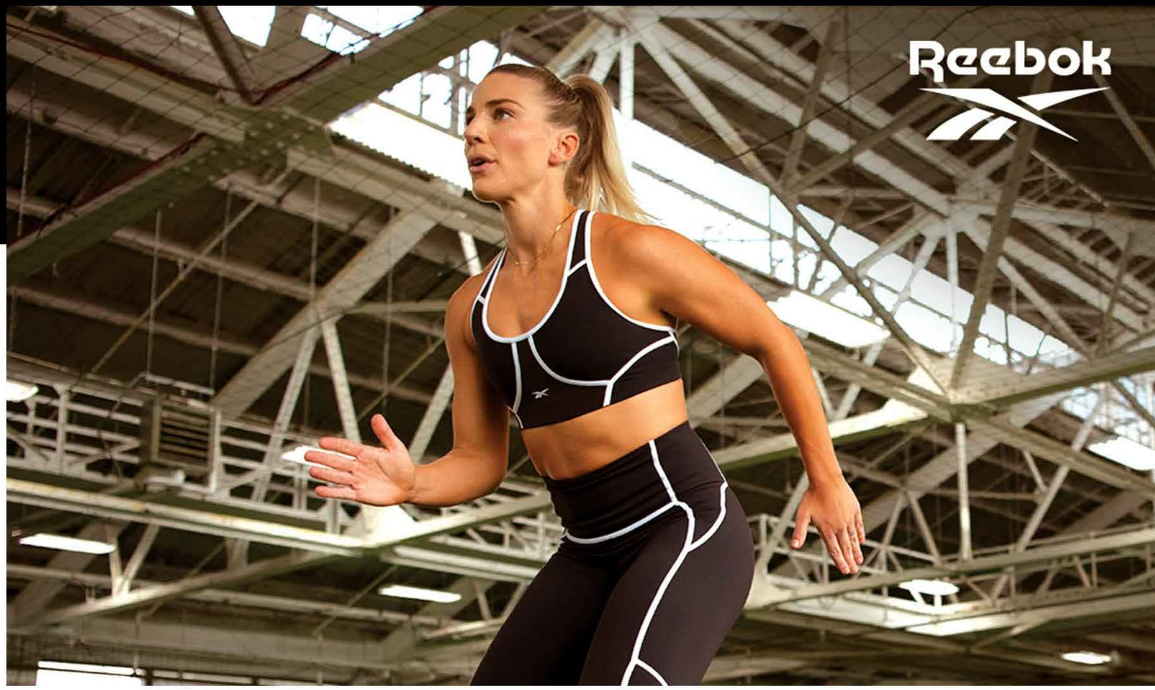
A pioneer for western wear for women in India, Allen Solly offers a versatile collection, ranging from business casuals to denims to fusion. Allen Solly Women extended the Own your shape Proposition to denims enabling women of every body type to find their comfortable pair of denims. Allen Solly Juniors with its wide range of exciting and vibrant clothing helps kids have fun with colours and prints for every lifestyle occasion.

In 2021, Allen Solly launched “Tribe”, targeting young adults, offering an exciting ensemble of swanky t-shirts, sweatshirts, joggers, jeggings and much more, curated to allow young consumers to express individuality and chic fashion. The “Tuxedo Wedding” Campaign this year announced Allen Solly's foray into Suits, Blazers and Tuxedos primarily designed for Occasion wear.
The Collection adds a much-needed sense of vibrancy and colour to the product offering and aims to re-define occasion dressing for men in India.

PETER ENGLAND

Peter England redefines style, attitude and comfort through its unparalleled range of shirts, trousers, denims, suits and blazers, and t-shirts. It is a brand that has transformed the fashion landscape of today's young Indian men. Adding on to the Brand's wide footprint of 1000+ stores panning the length and breadth of the country, over 187 new stores were opened in FY21.
To bring in positivity in the challenging times, the brand associated with the leading fashion icon Ayushmann Khurrana, as the brand ambassador.
Also, Peter England quickly evolved to the needs of its consumers and introduced new categories such as Antiviral Masks, Antiviral Apparel, sanitisers and introduced new services such as hyperlocal service. With this, the brand continues to be one of India's leading fashion brands, pioneering with innovation and unmatched quality.


Reebok



REEBOK

Reebok is a leading worldwide designer, marketer and distributor of fitness and lifestyle footwear, apparel and equipment. An American-inspired global brand, Reebok is a pioneer in the sporting goods industry with a rich heritage. Reebok develops products and technologies that enable movement so people can fulfill their potential.

Reebok connects with consumer wherever they are and however they choose to stay fit – whether it's functional training, running, combat training, walking, dance, yoga or aerobics. Reebok Classics leverages the brand's fitness heritage and represents the roots of the brand in the sports lifestyle market.

pantaloons

PANTALOONS

Pantaloons, a division of Aditya Birla Fashion and Retail Ltd. is a preferred fast fashion destination with over 370+ stores spread across 180+ cities & towns in the country. With its new retail identity, store design and a wide range of trendy merchandise, Pantaloons has become the playground for its customers to come and explore fashion.

As a brand, Pantaloons is vibrant, expressive, spontaneous and fun loving. The brand speaks to the fashion aspirant millennials who are trend seekers and are on the lookout to be at their fashionable best. Pantaloons believes in delivering an experience that is exciting, friendly and uplifting for its customers and helps them look and feel great!

Forever 21 began its journey in 1984 with its first store in Los Angeles, while it started its India Operations in 2011 through Sharaf Retail. The brand was transferred to ABFRL in 2016, while Authentic Brands Group is the current parent company globally. Forever 21 is the destination for Millennials and Gen Z looking for accessible runway styles. At Forever 21, we believe that fashion is for people of every color, shape and size and the reason being we are committed to providing a wide range of trends and styles inclusively to all. We want our customers to be able to have fun, to express themselves and to be, actually themselves!

Be whoever you want to be, in our eyes, that's the real style.
To summarize, Forever 21 is Inclusive, Empowering, Purposeful, Curious, Inspiring, Honest, Accessible and Surprising.

FOREVER 21

Ted Baker London is an elevated fashion and lifestyle brand inspired by the gleaming details of everyday Britain. The brand has a clear and unwavering focus on quality and attention to detail, coupled with a quirky and fun British sense of humour.

The collection is a perfect mix between traditional and modern fashion.

TED BAKER

LONDON

"What I do is about Living. It's about Living the best life you can and enjoying the fullness of the Life around you-from what you wear to the way you live, to the way you love."
- Ralph Lauren.

Ralphn Lauren has created a lifestyle brand to encourage the best kind of living through their introducing apparel, accessories, fragrance collections and home furnishings. Ralph Lauren Corporation has been a global leader in the design, marketing, and distribution of premium lifestyle products since five decades. The brand has had a significant influence on the dressing of people due to its attention to detail, fine quality and timeless design.

POLO
RALPH LAUREN

Fred Perry has created a brand that presents practical, well-fitted sports outfits to the world of fashion. His designs are simple with a streamlined silhouette and a focus on lightweight functionality.

The brand has created a perfect blend between sportswear and street fashion.

FRED PERRY

A quintessential British brand, Simon Carter's uniqueness is embossed in its quirky, yet sophisticated and stylish designs straddling full range of men's clothing and accessories. Launched in London in 1985 and brought to India by ABFRL in 2017, the brand celebrates the spirit of eccentricity and curiosity.

The Simon Carter menswear collection is a playful mix of prints and colours, with designs inspired from Simon's adventures with his pet dog Gervaise. With the Royal Family among its admirers, an award winning retail identity and exuberant merchandise, Simon Carter's exciting journey in India has just began.

SIMON CARTER

LONDON

Jaypore is India's leading destination for craft-based and artisanal products, across Womenswear, Men's wear, Jewelry and Home. As a brand, Jaypore is committed to preserving and reviving authentic Indian products suited for a modern lifestyle. The brand sources from more than 70 craft-clusters to curate exquisite collections, that are featured on its website and are also available in 11 retail stores across Delhi, Bangalore, Mumbai, Pune, Kochi and Trivandrum. In a very short period of time, the business has earned high respect and repute in the craft and artisan community for creating a well-curated platform that showcases their differentiated products with great elan. Jaypore ships worldwide, serving a global audience who seek Indian craft & artisanal finds.

JAYPORE®

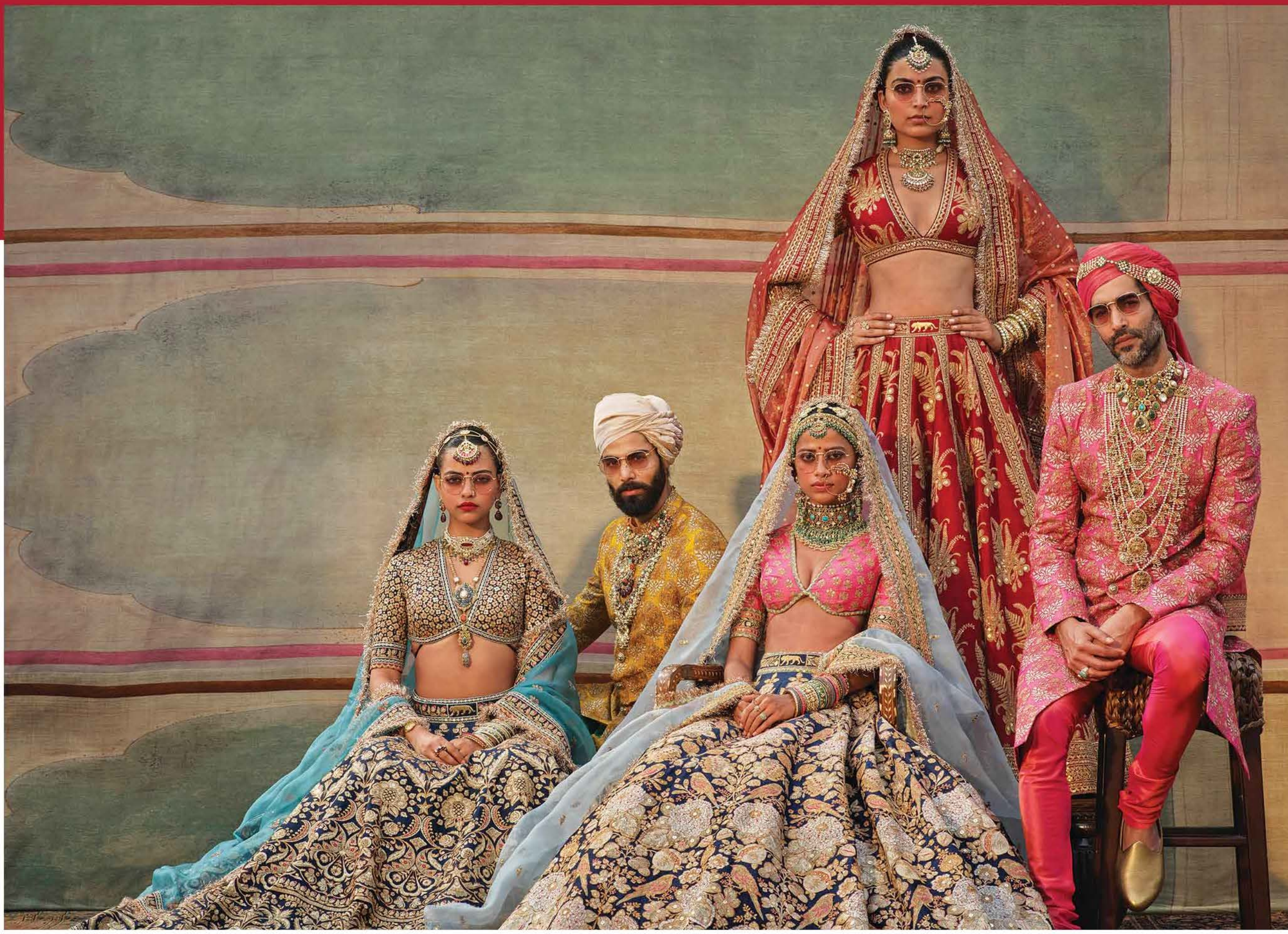
Tasva is a joint venture between ace designer Tarun Tahiliani and Aditya Birla Fashion and Retail Ltd.

Tasva was conceptualized and launched in 2021, to solve for the gap in Indian wear for the modern man, with discerning choices. The brand offers Indian wear that is an exquisite blend of innovation and tradition, with state-of-the-art tailoring and immaculate fits.High quality, sophisticated celebration wear for men at easily accessible price points. With an entire repertoire of occasion wear, it offers a fresh new take on Kurtas, Achkans, Bandhgalas, Jodhpuris, Sherwanis, and all the accessories – shawls, stoles, shoes, and more.

Presently retailing through exclusive stores across the country and at Tasva.com, TASVA is on its path to redefine Men's Indian wear.

"Sada Mast Raho!"

TASVA



Celebration Wear by S&N reinstates the idea of celebrating oneself, the journey and the destination. True to its Indian roots, it is the convergence of two worlds, the old and the new; where design is governed by heritage, art, craft- all with a hint of millennial spirit. With the progressive philosophy of Bridge-to-luxury- S&N by Shantnu Nikhil, the brand has disrupted to advocate a vehement India- proud sentiment that is young, sartorial, gender-fluid and patriotic chic.

The latest collection by the brand- Dawn, symbolises the transition of the seasons.

The collection has been sported by multiple millennial path breakers like Neeraj Chopra, Siddhant Chaturvedi and Shahid Kapoor. In the recent issue of Mansworld magazine, Kartik Aaryan was seen as the cover man wearing SN by Shantnu & Nikhil.

While speaking about the brand, Shantanu & Nikhil said "In the span of two years, S&N by Shantnu Nikhil, Phoenix Market city Bangalore is our 7th door which has been opened. The store is like a contemporary living embodiment of the S&N design virtue and the man and woman itself, celebrating modernity with its style and silhouettes. Following the same energy, we are expanding to new cities like Ahmedabad, Raipur, and more. We hope for the stores to provide an immersive experience which gives an insight into our brand ethos and the philosophy we advocate for."

S N

SHANTNU NIKHIL

Founded in 2009, House of Masaba is the eponymous label by designer Masaba Gupta that is deeply rooted in India with a global heart. The bridge-to-luxury label has been a front runner in the Indian fashion space and offers trendsetting styles of Prêt, Indian and Indo-Western outfits that are age-versatile and functional. Achieving its status as the 'House of Prints', the brand has transformed classic ensembles with quirky motifs and is the perfect choice for the global man and woman who are traditional yet have modern style sensibilities.

House of Masaba's journey in the next few years will evolve into a 360 degree lifestyle brands with multiple product extensions aimed at both, the GenZ consumer as well as the evolved consumer. With the focus being on digital first brands - Athleisure, Fashion, Jewellery, Handbags, Home and Wellness, the vision is to offer something for everyone. Hoise of Masaba is a brand fit for creatures of comfort & luxury.

masaba

Van Heusen innearwear and athleisure is one of the most innovative and fashion forward brands, redefining consumer expectations from the categories that it operates in. Innerwear from Van Heusen is backed with research backed innovations to deliver utmost comfort, ultimate fit and enhanced functionality while uploading the Van Heusen'sfashion quotient. It's athleisure, active and lounge ranges are versatile combination of comfort, style and functional features that cater to the ever changing lifestyle demands of today's consumers. The brand is also in limelight for receiving IFA's Images most admired fashion brand of the year 2021 for innerwear category, repeating the award it received in 2019 for the same category.

VAN HEUSEN

INNERWEAR

ACCELERATING ACTION IN SUSTAINABILITY

At ABFRL, sustainability and fashion are not a paradox. We have integrated sustainability into fashion over decades to delight our customers with some of the most loved fashion brands, and at the same time fulfilled our commitment towards Environmental, Social and Governance (ESG) aspects.

Sustainability has been built into our business strategies, integrated into our brand and tied to our core business. This sustainability maturity has put us on the leadership position in sustainable fashion and earned us some key global recognitions.

This year, we retained our sustainability leadership as **Asia's 'Most Sustainable Company'** in the Textile, Apparel & Luxury Goods Industry by S&P Global CSA. ABFRL was also included in the **S&P Global Sustainability Yearbook 2022,** the world's most comprehensive publication on corporate sustainability and was awarded **'Gold Shield'** for Reporting on Sustainable Development Goals by ICAI Sustainability Reporting Awards.

These recognitions validate our continued commitment towards people and the planet.

ABFRL team receiving Gold Shield Award for reporting on SDGs

ReEarth FOR OUR TOMORROW

Our sustainability journey started in a structured manner, when we launched the first flagship sustainability programme **'ReEarth - For Our Tomorrow'** in FY 2012-13, with the sole aim of giving back more than what we take from our ecosystem.

The tailor-made sustainability programme was devised by drivers that included Aditya Birla Group's sustainability agenda, global sustainability performances, industry trends, expert opinions, Sustainable Development Goals, national and global best practices.

Since then, the sustainability strategy has constantly evolved at ABFRL - from reducing resource consumption in our operations, to driving long-term rejuvenation programmes. Today, we are driving sustainability beyond our operations through three key pillars - product design and development, customer centricity, and supply chain.

In FY 2020-21, we set ourselves on a transition i.e., **Sustainability 2.0 from 'Process-led to Product-led',** with a 2025 agenda focusing on the three pillars. This 2025 roadmap aims to achieve ambitious sustainability targets and business goals while balancing risks and opportunities for all relevant ESG initiatives.

Despite the pandemic, various operational and supply chain constraints, we continued to accelerate towards achieving our 2025 goals by unlocking newer avenues in our sustainability journey. Our overall objective is to nurture an ecosystem that is ethical, equitable and environmentally conscious with digitalisation, innovation and collaborations acting as overarching pillars.

> **Over the past decade, ABFRL has been a pioneer in driving sustainability to the forefront of the Fashion and Retail Industry. As a responsible organisation, we aim to provide thought leadership and accelerate the sustainability drive in the industry.**

Ashish Dikshit | Managing Director, ABFRL

Digitalisation has been a major focus of our innovation efforts. We are working towards leveraging digital opportunities to boost performance, accelerate research and development activities, better manage our supply chain and broaden our product portfolio to include new innovative digital experiences. Digitalisation will also enhance transparency, traceability and agility in a more efficient and effective manner.

We also believe that collaboration and co-creation will help us in achieving newer avenues and striving ahead of our peers and industry swiftly. With 2030 in timeframe, we are working towards accelerating advocacy and exploring innovative solutions with prime focus on circularity, sustainability sourcing and low carbon pathway.

The overarching goal of our strategy evolution is to leverage scale as India's largest fashion and lifestyle powerhouse and demonstrate how the sustainability paradigm can be shifted from niche to mainstream.

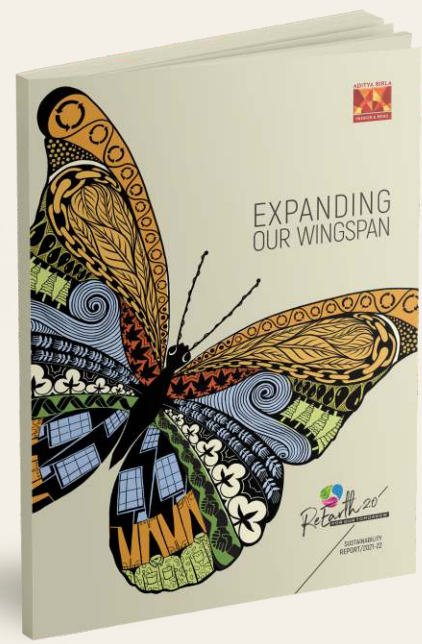
We have formed collaborations with several like-minded entities like Ellen MacArthur Foundation, Sustainable Apparel Coalition and Cotton 2040. We are also part of the 'Circular Apparel Innovation Factory', an industry-led platform that focuses on building a circular apparel and textile industry in India to provide thought leadership, and demonstrate, propagate and accelerate the sustainability movement.

ELLEN MACARTHUR FOUNDATION

Sustainable Apparel Coalition

FORUM FOR THE FUTURE COTTON 2040

CIRCULAR APPAREL INNOVATION FACTORY AN INTELLECAP INITIATIVE



For more details about our sustainability journey, strategy and focus, please refer to this year's sustainability report - Expanding Our Wingspan.

As we celebrate leadership in sustainability, we look forward to fostering a sustainable tomorrow and delivering sustainable fashion. Going ahead, we believe that imperatives for sustainability will only intensify and a collective effort with pragmatic approach shall contribute in holistic growth – taking our business to 2030 and beyond. In this Decade of Action, we are not only expanding our wingspan, but also accelerating effective actions to achieve our ESG ambitions ensuring alignment not just to our sustainability goals but also to regional, national and global goals.

VALUE CREATION MODEL

INPUTS

FINANCIAL CAPITAL

Net Opex	₹ 7,692 Crore
Net Capex	₹ 1,065 Crore
Net Worth	₹ 2,882 Crore
Total Liabilities	₹ 8,719 Crore

INTELLECTUAL CAPITAL

Innovation Centres	Technology Management Centre (TMC), Knowledge Management Centre (KMC), Design Studio, Manufacturing Excellence Centre
Life Cycle Analysis	LCA study conducted for Casual & Formal Shirts category

MANUFACTURED CAPITAL

Factories	9 MFL Factories
Warehouses	3 MFL / 4 Pantaloons / Innerwear Warehouse
Manufacturing Capacity (in-house)	1,97,30,113 Garments
Net Fixed Asset	₹ 2,953 Crore

NATURAL CAPITAL

Solar Installed Capacity	2MW
Energy Consumption	302 TJ
Surface Water Withdrawal	8,726 m^3
Ground Water Withdrawal	1,32,530 m^3
Packaging Tonnage	6,466 tons
Non-hazardous Waste Generated	2,619 MT

HUMAN CAPITAL

Total permanent employees	24,818
Total contractual employees	16,959
Women employees	13,840
Safety trainings (man-days)	14,805

SOCIAL & RELATIONSHIP CAPITAL

Amount spent on CSR	₹ 3.09 Crore
Employee volunteering hours	18,011 hrs
No. of tier 1 suppliers	430+
Retail Stores	3,400+

BUSINESS MODEL SHOWING KEY ASPECTS

ADITYA BIRLA
FASHION & RETAIL

VISION

To passionately satisfy Indian consumer needs in fashion, style and value, across wearing occasions in Apparel and Accessories through strong brands and high-quality consumer experience with the ultimate purpose of delivering superior value to all our stakeholders

ReEarth FOR OUR TOMORROW

We are committed to give back more than what we take from our ecosystem

VALUES

Seamlessness | Passion | Speed | Commitment | Integrity

STAGES IN PRODUCT LIFECYCLE

PRODUCT DESIGN AND DEVELOPMENT
- Close loop design
- Chemical management
- Resource conservation
- Sustainable materials

RAW MATERIAL SOURCING
- Energy management
- Human rights and compliance
- Water management
- Chemical management

MANUFACTURING
- Human rights and compliance
- Energy management
- Water management
- Chemical management
- Zero defects

LOGISTICS, STORAGE AND PACKAGING
- Sustainable packaging
- GHG emission management
- Plastic waste management

MARKETING AND SALES
- Sustainable packaging
- Sustainable product labelling

USE
- Water management
- Energy management
- Plastic free
- Durability

END TO END
- Circularity
- Recycling and upcycling

RISKS & OPPORTUNITIES

PERFORMANCE

STRATEGY & RESOURCE ALLOCATION

OUTLOOK

OUTPUTS

OUTCOME

FINANCIAL CAPITAL

Revenue	₹ 7,824 Crore
Profit/Loss After Tax	₹ -81 Crore
EBITDA	₹ 1,174 Crore
Market Capital	₹ 28,344 Crore

- Sustained growth in revenue driven by operational performance and innovation
- Robust balance sheet, sustained cash flow and strong liquidity position
- Long-term value creation for shareholders through increased returns

INTELLECTUAL CAPITAL

- 61% garments of MFL and PFRL have at least one sustainability attribute (by volume)
- Distributors event to experience our products has been converted into a digital trade show, 3D technology deployed eliminating physical creation of garments anymore
- Process efficiencies measures resulted in reduced environmental impacts; including eco-design and decision-making as part of our LCA approach

Outcome:

- Driving product stewardship, building portfolio encouraging sustainability, innovation and quality
- Spearheading R&D, support prototyping for various categories channelises best practices and drives product benchmarking, development and innovation
- Enhancing share of sustainable raw materials - BCI Cotton, Liva Eco and Liva Reviva as sustainable raw materials

MANUFACTURED CAPITAL

- 5 facilities are certified under green building rating systems i.e., USGBC / IGBC
- 1 facility certified 'LEED Zero Water' under USGBC rating system
- 1,89,50,336 garments manufactured in FY22

Outcome:

- State-of-the-art facilities, improved infrastructure efficiency
- Sustainably built facility ecosystem
- Production of quality garments sustainably, increased operational efficiency
- Capacity to support increasing market growth

NATURAL CAPITAL

Renewable Energy	33%
Y-O-Y reduction in energy intensity	4%
Water Recycled & Reused	72%
Rainwater Harvested	41%
Sustainable Packaging	86%
Biodegradable polybag implementation across lifestyle brands	
Zero Waste to Landfill	

Outcome:

- Reduction in environmental footprint and restoring ecosystem
- Water Positive at an organisation front
- Efforts to alleviate the impact of climate change
- Leveraging on sustainable / alternate packaging material
- Journey to boost cricular ecosystem across operating ecosystems

HUMAN CAPITAL

New joinees	11,871
Employees under age of 30	49%
Women across levels	56%
Differently abled	80
Zero Fatality & Six lost time at workplace	

Outcome:

- Purpose-driven behaviour and delivering high quality
- Engaged and motivated workforce
- Inclusive and diverse culture
- Equal opportunity employer | Safe & healthy workplace

SOCIAL & RELATIONSHIP CAPITAL

- 2,59,000 beneficiaries impacted
- 96% of tier 1 vendors assessed on Vendor Code of Conduct
- 7 lakh consumer conversations through Mission Happiness in the reporting year and collected 3 lakh+ feedback across in-store and online channels

Outcome:

- Active contribution to the social and economic development of the communities operated
- Responsible and sustainable value chain with robust supplier engagement
- Consistent customer satisfaction by providing high-quality customer experience that delivers superior value

SUSTAINABILITY HIGHLIGHTS

ENERGY

33%

of energy coming from renewable energy sources across ABFRL operations

CARBON FOOTPRINT

6.6%

reduction in Scope 1 and Scope 2 emissions across ABFRL operations

WATER

Water Positive

across our facilities

41%

renewable water i.e., 61,827 kl rainwater harvested and artificially recharged within premises

72%

recycle / reuse i.e., 1,08,241 kl wastewater treated and reused within premises

WASTE

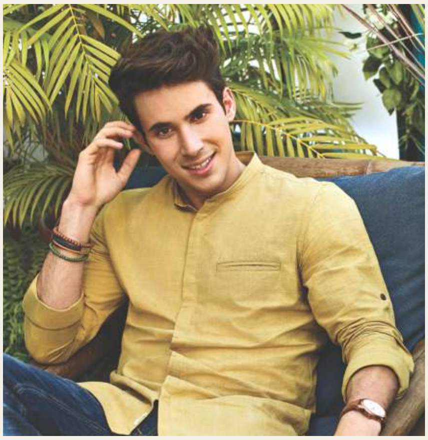
Zero-waste-to-landfill status

achieved across all ABFRL facilities

SUSTAINABLE PRODUCTS

61%

garments of ABFRL have at least one out of five sustainability attributes: Raw Material, Production Process, Farm & Factories, Sustainable Packaging, and People



SUSTAINABLE MATERIAL

Usage of sustainable inputs like BCI Cotton, Live Eco Fibre, Liva, Recycled Polyester, Bamboo, Tencel, Lyocell, Modal and Linen

GREEN BUILDING

2 lakh sq.ft.

of our built environment is under the green building certification process under the IGBC Green Logistics Parks and Warehouses rating system

1 Facility

certified 'LEED Zero Water' under USGBC rating system

The pilot of select certified facilities under the IGBC Net Zero Energy Buildings rating system is in progress

SAFETY

Zero severity -

5 incidents at our premises

PACKAGING

86%

sustainable packaging

CSR

Education	17,333 beneficiaries
Healthcare & Sanitation	1,65,799 beneficiaries
Sustainable Livelihoods	1,163 beneficiaries
Water & Watershed	40,490 beneficiaries
Digitalisation	24,228 beneficiaries
Volunteering	18,011 hours

BOARD OF DIRECTORS

OF ADITYA BIRLA FASHION AND RETAIL LIMITED

MR. KUMAR MANGALAM BIRLA
Chairman &
Non-Executive Director

C E F G H I M R S T

MR. HIMANSHU KAPANIA
Vice-Chairman &
Non-Executive Director

SRC | NRC | CSR | RMSC

C E F G H I M R S T

MR. ASHISH DIKSHIT
Managing
Director

C E F G H I M R S T

MS. SANGEETA PENDURKAR
Whole-time
Director

E F G I M R S T

MR. VISHAK KUMAR
Whole-time
Director

E F G I M R S T

MR. NISH BHUTANI
Independent
Director

ACM | NRC | CSR

E F G H M R T

Average Age

35 YEARS — 58 YEARS — 71 YEARS

Avg Tenure on the Board

01 YEARS — 02 YEARS — 07 YEARS

Avg tenure of Independent Directors on the Board

01 YEARS — 02 YEARS — 10 YEARS

Board Independence

50% INDEPENDENT — 50% NON-INDEPENDENT

BOARD OF DIRECTORS

OF ADITYA BIRLA FASHION AND RETAIL LIMITED

MS. PREETI VYAS
Independent Director

CSR

MS. SUKANYA KRIPALU
Independent Director

ACM | SRC | NRC

MR. SUNIRMAL TALUKDAR
Independent Director

ACM | NRC | RMSC

MR. ARUN ADHIKARI
Independent Director

ACM | NRC

MR. VIKRAM RAO
Non-Executive Director*

SRC | RMSC

*Re-designated as an Independent Director w.e.f May 18, 2022

MR. YOGESH CHAUDHARY
Independent Director

CSR | RMSC

SKILLS & COMPETENCIES

- Corporate Governance, Legal & Compliance
- Expertise - Strategic
- Financial Literacy
- General Management
- Human Resource Development
- Expertise - Strategic
- Marketing
- Risk Management
- Sustainability
- Technology, Digitisation & Innovation

COMMITTEE COMPOSITION

ACM - Audit Committee
CSR - Corporate Social Responsibility Committee
NCR - Nomination and Remuneration Committee
RMSC - Risk Management and Sustainability Commitee
SRC - Stakeholders Relationship Committee

Chairperson | Member

For detailed profile of Directors refer http://www.abfrl.com/corporate-governance/

KEY EXECUTIVES

MR. R SATHYAJIT
Chief Executive Officer, Special Projects

MR. PUNEET KUMAR MALIK
Chief Executive Officer, Innerwear Business

DR. NARESH TYAGI
Chief Sustainability Officer

MR. CHANDRASHEKHAR CHAVAN
Chief Human Resources Officer

MR. PRAVEEN SHRIKHANDE
Chief Digital & Information Technology Officer

MR. SWAMINATHAN RAMACHANDRAN
Chief Supply Chain Officer

KEY MANAGERIAL PERSONNEL

MR. JAGDISH BAJAJ
Chief Financial Officer

MS. GEETIKA ANAND
Company Secretary & Compliance Officer

CONTENTS

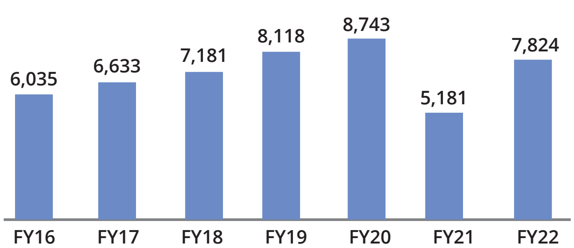
FINANCIAL HIGHLIGHTS

(in ₹ Crore)

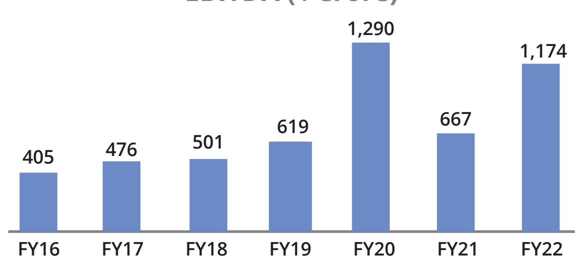
Particulars	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Revenue	6,035	6,633	7,181	8,118	8,743	5,181	7,824
EBITDA	405	476	501	619	1,290	667	1,174
EBIT	67	233	221	337	414	(278)	227
PBT	(110)	54	49	149	(9)	(776)	(113)
PAT	(110)	54	118	321	(145)	(650)	(81)
Revenue Growth		9.9%	8.3%	13.0%	7.7%	-40.7%	51.0%
EBITDA Growth		17.5%	5.4%	23.5%	108.5%	-48.3%	76.0%
EBITDA%	6.7%	7.2%	7.0%	7.6%	14.8%	12.9%	15.0%
EBIT%	1.1%	3.5%	3.1%	4.1%	4.7%	-5.4%	2.9%
PBT%	-1.8%	0.8%	0.7%	1.8%	-0.1%	-15.0%	-1.5%
PAT%	-1.8%	0.8%	1.6%	4.0%	-1.7%	-12.5%	-1.0%
Capital Employed	2,755	3,003	2,955	3,132	6,330	6,188	6,705
Capital Employed*	960	1,143	1,095	1,272	2,296	2,262	2,567
Return on Average Capital Employed ("ROACE")	2.4%	8.1%	7.4%	11.1%	8.7%	-4.4%	3.5%
Return on Average Capital Employed ("ROACE")*	6.7%	22.2%	19.7%	28.4%	11.7%	-19.4%	2.4%
Net Debt Equity Ratio	2.0	2.1	1.6	1.2	2.3	0.2	0.2

**Excluding Goodwill and Right of Use Assets on Pre Ind AS 116 EBIT*
FY20, FY21 and FY22 are post implementation of Ind AS 116, hence not comparable with earlier periods

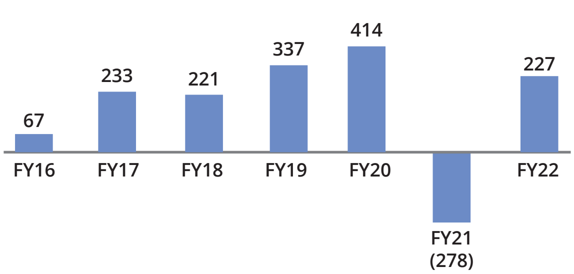
Revenue (₹ Crore)



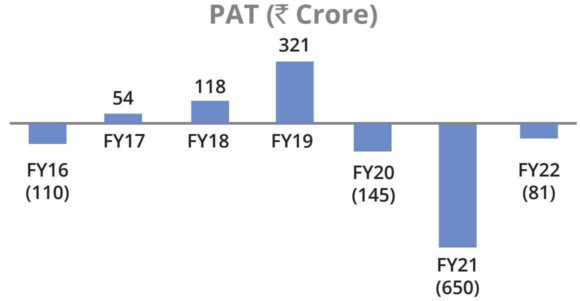
EBITDA (₹ Crore)



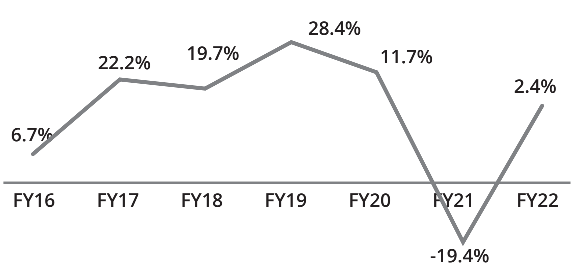
EBIT (₹ Crore)



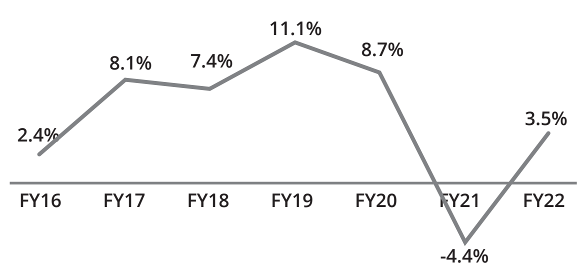
PAT (₹ Crore)



ROACE (excl. G/W and ROU)



ROACE



REPORT OF THE BOARD OF DIRECTORS

(INCLUDING MANAGEMENT DISCUSSION AND ANALYSIS)

Dear Members,

Your Company's directors hereby present the Fifteenth Annual Report together with the audited financial statements of the Company for the financial year ended March 31, 2022 ("year under review / FY 2021-22").

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

This year began with the second wave of the pandemic, where most of the businesses faced challenges brought upon by lockdowns, human distress and deeply impacted consumer confidence. However with large-scale vaccination drive in many countries and drop in severity of cases the world strongly emerged from the fears of the pandemic and gradually moved towards recovery and growth. Global growth is estimated to have surged to 5.9 percent in 2021, as a relaxation of pandemic-related lockdowns in many countries helped boost demand. The geopolitical situation and inflationary pressures has created an uncertainity in growth path but in medium term economies are expected to recover at faster pace. There is demand and positivity across markets depite the various challenges.

Global Economy Overview

According to the **International Monetary Fund** ("IMF") estimates, the global economy entered 2022 on a positive note. In the beginning, when the new Omicron COVID-19 variant spread, some countries had re-imposed mobility restrictions but were withdrawn sooner than in the past. Rising energy prices, commodity prices, and supply disruptions in the backdrop of the geopolitical situation resulted in higher and more broad-based inflation than anticipated. Despite that, private consumption is expected to boost the demand in an amplified manner and this is expected to bring the recovery and growth back.

The IMF estimates suggest that global growth is expected to moderate from 5.9 percent in 2021 to 3.6 percent in 2022 and 2023 on the backdrop of global macro condition.

Indian Economy Overview

The IMF has pegged India's economic growth forecast for CY 2021 to 8.9 percent in its latest world economic outlook report, while it has projected the growth forecast for India in FY23 at 7.4 percent.

Despite withering the pandemic waves 2 & 3 last year, India remains on a strong recovery path. According to the IMF, India's prospects for 2023 are marked by expected improvements to credit growth and, subsequently, investment and consumption, building on the better-than-anticipated performance of the financial sector.

India is expected to become the world's third largest consumer economy in terms of consumption by 2025. Factors that influence this growth include favourable demographics, increasing disposable income and doubling of the consumer class.

Outlook: Cautious Optimism, as we step into FY23

Notwithstanding a highly transmissible third wave driven by the Omicron variant of COVID-19, India is charting a different course of recovery from the rest of the world, and is positioned to grow at the fastest pace year-on-year ("YoY") among major economies, according to projections made by the various international agencies. This recovery is pushed by large-scale vaccination and is sustained by supportive fiscal and monetary support.

According to **the Reserve Bank of India.** In India, real GDP growth at 9.2 percent for 2021-22 takes it modestly above the level of GDP in 2019-20, Private consumption, the mainstay of domestic demand, continues to trail its pre-pandemic level. The persistent increase in international commodity prices, the surge in the volatility of global financial markets, and global supply-chain bottlenecks can aggravate the risks posed to the outlook.

Going forward, the Government's thrust on capital expenditure and exports is expected to enhance production capacity and strengthen aggregate demand. The conducive financial conditions engendered by the RBI's policy actions are expected to provide stimulus to investment activities. Capacity utilization is rising, and the outlook on business and consumer confidence remains in optimistic territory, which should support investment as well as consumer demand.

Overall, there is some loss of the momentum of near-term growth with global factors turning adverse. However, the domestic growth drivers are gradually improving.

Industry Review

Global Apparel Industry

The outbreak of COVID-19 has acted as a massive restraint on the Apparel Industry in 2021, as consumption declined due to lockdowns imposed by governments globally and consequent cut down in discretionary expenditure. However, the industry is gradually recovering with normalcy reinstating in daily lives , alongwith increase in consumption.

Increasing demand for online shopping is expected to help the Apparel Market grow further by driving easy access through larger platforms than before, which will drive market growth by increasing their customer base geographically. In countries such as India, for instance, e-commerce portals have also given boost to the sales of garments by giving larger exposure to artisans and brands in a very large market.

Social commerce is increasingly being used as a sales and engagement channel thanks to growing functionality and user comfort for social channels, which make a seamless shopping experience more feasible.

The Global Apparel Market size is expected to grow from USD 551.36 billion in CY 2021 to USD 605.4 billion in CY 2022 at a compound annual growth rate ("CAGR") of 9.8 percent. This Market is expected to grow to USD 843.13 billion in 2026 at a CAGR of 8.6 percent.

The Indian Apparel Industry

GlobalData said India's apparel market grew to USD 65 billion in 2021 on the back of easing restriction, reopening of retail stores, and return of social gatherings but still remain below 2019 levels. The market is expected to grow at CAGR greater than 10% during the period 2022-2026.

The country has seen the entry of several foreign brands in last few years but Indian lifestyle brands, however, continue to grow rapidly as they leverage deep understanding of consumer trends and uniqueness of India fashion market.

With reduced attention span, increased connectivity and acceptance of new technology, 2021 saw brands launching several digital intiatives to provide enhanced customer experince, personalised marketing and higher brand loyalty.

The Indian e-commerce industry has transformed the way business is done in the country, especially in the last 24 months. Unicommerce's e-commerce fashion report states that the fashion e-commerce industry in India clocked a 51 percent jump in order volumes during 2020-2021 over the previous fiscal year with fashion/apparel being one of the key growth driver. According to a Technopak report, by 2025, close to 20 percent of all apparel sold in India will be online; making it an estimated USD 16 billion market.

Outlook: Indian Apparel Segment

India has a major role to play for the fashion industry due to its fast-growing middle-class consumer segment and uptapped manufacturing potential. These factors, when combined with an improving post-pandemic economy and growing digital consumption, make India an important market for fashion brands - locally as well as at international levels.

The fashion segment has been an early adopter of new technology as it continues to focus on a personalized experience for the customers. There has been a remarkable shift of mindset among brands, with traditional offline retail companies are also building an online D2C presence.

Key Trends in the Indian Apparel Industry

1. **Brick & Mortar bouncing back**

   Brick & Mortar had been impacted by the pandemic with the resultant lockdowns and restrictions on movements. Its struggle had been compounded by an unprecedented transition of customers to e-commerce sales. But as the markets came back to normal with the pandemic waning off, need for a real-life experience brought consumers back to offline retail.

   The pace of recovery has encouraged several retailers to roll out store expansion plans which had been put on hold due to pandemic. The retail sector has witnessed an increase in leasing activity well reflected in the fact that the absorption across malls and high streets had doubled in 2021 compared to 2020 and is expected to increase further.

2. **The Role of Digitalization spurred by the Pandemic**

   Digitalization in the fashion industry as a trend has been on the rise it has become a permanent shift going forward, given the impact of the change in habits pushed by the pandemic.

   As the marketplaces evolved, both legacy and emerging fashion brands looked at increasing their online presence and use Data analytics to offer more data-driven personalized solutions and capture a bigger share of the market. The widespread use of live streaming and customer service video chats are few of the newer ways in which companies are trying to make themselves more relevant in the digital world.

People have experienced the benefits of online shopping, making their appetites for digital consumption grow consistently over time. Pandemic has been a strong catalyst in changing the behavior of consumers globally, and India has been no exception.

As personal hygiene and comfort have become a hot topic for both men and women, Lingerie, Intimate wear & Athleisure saw a gradual surge in digital consumption. Moreover, the lockdown is also one of the reasons for the increasing demand in these comfort-driven categories.

Trending ready-made fashion brands have further occupied a major part of the online retail space. Right from the women's ready-made ethnic Kurtas to men's casual and formal wear, the trend is here to stay in 2022 and thereafter.

The Kidswear segment also gained major traction during the pandemic with consumers getting more comfortable with online apparel shopping in terms of safety and variety.

3. The D2C Disruption transforms the Industry

Direct selling to customers without any intermediaries is an emerging business model. For several brands, the majority of revenue as well as new customers are coming through direct-to-consumer ("D2C") online channels. Many of the successful brands have started with an online-first distribution model before going omnichannel.

While many new brands are adopting this strategy, some established brands are switching from traditional business models to D2C models. D2C model helps companies understand their consumers and demand much better by accessing data to inform their marketing strategies, strengthen and fine-tune their innovation, and ascertain hyper-local demands.

India is home to over 600 D2C brands and growth momentum at this rate suggests that the market will be a more than USD 100 Billion opportunity by 2025.

4. The evolution of the Ethnic wear market

The Indian Ethnic Wear market has evolved into a fashion trend for the past 10-15 years driven by two major factors - first, a shift from tailored wear to ready-to-wear, and second, rising need of young Indians to rediscover their culture and heritage.

Estimates suggest that of India's USD 20 Billion Ethnic Wear Market, 93 percent is women's wear. A change in men's behavior would expectedly give a great push to this segment in the coming years.

The mammoth Ethnic Wear market has pushed big firms to tap the brand value of designer labels, their skills, and knowledge base. It is expected that companies would make use of their design sensibilities and craft strategies to scale operations rather than operate in niches.

5. Sustainability and Social Justice getting wider acceptance

Along with digitalization, another key apparel industry trend is sustainability. Consumers are now concerned about the future of the planet and are putting pressure on fashion companies that do not have eco-friendly practices. As a result, companies are working to modify their business models and develop products more sustainably.

6. Continued Growth in Athleisure

Athleisure represents a hybrid clothing category that combines athletic with casual and everyday styles. Another clear trend from the pandemic has been a boom in athleisure, as consumers swapped business casual and professional garb for yoga pants and T-shirts.

The athleisure trend is by no means new. The growing popularity of wellness gave yoga-inspired clothing unique staying power, and the trend has only continues since then.

The Indian Athleisure Market which is currently around USD 6.8 billion is expected to grow at a CAGR of more than 10% over next 5 years.

7. **A Shift Towards Size-inclusive Fashion**

Rising levels of obesity around the world have spurred the demand for on-trend, plus-size fashion.

In the past, plus-size clothing options have been scarce at many retailers and often relegated to their separate sections next to maternity wear.

However, as per Allied Market Research, the global plus-size clothing market was valued at $481 billion in 2019 and is projected to reach $697 billion by 2027, registering a CAGR of 5.9% from 2021 to 2027. Closer home in India, the market segment for such clothes happens to be a fast-growing one with almost 30 percent of customers demanding plus-size clothing. Plus-size happens to be a latent market with a huge potential opportunity.

This is beginning to change, as size-inclusive initiatives have become more widespread. Major players have now expanded their range of apparel sizes available in stores, but most luxury brands have not made similar moves to normalize double-digit sizing.

Business overview

Your Company is India’s largest pure-play fashion and lifestyle entity with an elegant bouquet of leading fashion brands and retail formats.

A) Madura Segments

Madura Fashion and Lifestyle (“MFL”) segment includes Lifestyle Brands, Youth Western Fashion, Active Athleisure Innerwear, and Super Premium Brands. MFL reported a revenue of INR 5,381 Crore up by 58 percent over the previous year. The EBITDA margin was positive 14.9 percent at INR 804 Crore compared to INR 366 Crore in FY21. MFL continued to expand its presence in the retail channel by opening new stores.

Lifestyle brands

Your Company’s Lifestyle brands house four of India’s iconic apparel brands, addressing diverse customer needs uniquely:

- **Louis Philippe:** To inspire the quest for excellence
- **Van Heusen:** To make professionals fashionable and trendy
- **Allen Solly:** To encourage unconventional thinking in your workplace
- **Peter England:** To bring alive authenticity and trust in our relationships

The Lifestyle business, at the back of its strong brand portfolio and aggressive e-commerce and omnichannel expansion, recovered to pre-pandemic levels, gained market share and achieved record revenues this year despite braving multiple COVID waves.

Each of the brands continued to lead in their respective segments. The brands also expanded their loyal customer base to include over 23.80 million satisfied customers, gaining their trust by providing innovative and premium products and top-notch retail experience across channels. The business added new categories such as sportswear, occasion wear, and ceremonial wear, along with accessories and footwear, propelling its growth manifolds.

With strong investments in digital marketing, brands have not only accelerated digital channel sales but have also created service excellence for digital consumers across their own websites as well as marketplaces. The Buy Online Ship from Store ("BOSS") network has expanded to make Omnichannel scale up rapidly across India.

Overview of Key performance indicators ("KPIs"):

Lifestyle brands	FY17	FY18	FY19	FY20	FY21	FY22
Walk-ins (Crore)	0.79	0.82	0.79	0.72	0.39	0.43
Conversion	44%	46%	50%	55%	83%	89%
Average selling price ("ASP")	1,639	1,747	1,714	1,626	1,680	1,701
Average bill value ("ABV")	3,701	4,211	4,256	4,072	3,693	3,844
Items per bill	2.3	2.4	2.5	2.5	2.2	2.3
like-to-like ("LTL") volume growth	-7%	8%	4%	3%	-9%	25%
LTL ASP growth	2%	0%	1%	1%	-11%	16%
LTL value growth	-5.7%	8.6%	5.3%	4.5%	-19.6%	46%

The identified new growth levers, including, casual wear, activewear, denim, and women's fusion wear have garnered significant traction from consumers in stores and online. After successfully crossing the 400+ stores milestone for Peter England's small-town format and more than 50 stores in Allen Solly Prime, the Lifestyle brands' Business has now piloted similarly modeled small-town formats for Van Heusen and Louis Philippe. This aggressive expansion into newer Indian towns and cities has further augmented Your Company's strong distribution network.

Lifestyle brands aspire to become a significant portfolio of iconic brands across all important occasions and price points.

Van Heusen Activewear, Athleisure, and Innerwear

Your Company forayed into the innerwear and athleisure space in 2016 through its iconic lifestyle brand Van Heusen. The brand is now expanding its EBO as well as multi-brand outlet ("MBO") footprint rapidly across the country, with a presence across more than 27,000 outlets, key departmental stores, and large e-commerce platforms by end of FY22. It is accelerating its e-commerce growth through relevant merchandise assortment curated for specific partner platforms and driving new e-commerce categories such as Women's Sleepwear. Vanheusenintimates.com is becoming the one-stop solution for Women's Lingerie, Lounge, Athleisure, and Activewear needs. Through a seamless online and offline interface and an increasing large network of EBOs, the Innerwear business is building the best omnichannel interface for consumers. Category expansion continues by enhancing the product portfolio across categories and price points catering to wide consumer needs. The e-commerce channel in this segment grew by 44 percent over last year.

The brand is continuously building driving trade channel digitization. Your Company has made significant investments in digitization across the consumer touch-points and back-end operations, and supply chain to enhance value adds to distributors and drive benefecial relationships.

By building on brand awareness and acceptance across segments, laying down a large and deep trade network and driving continuous product innovation to build customer-winning products, Your Company has charted a strong growth trajectory for this segment and the business is going to be one of the largest contributors to growth of the company in future.

Youth Western Fashion

American Eagle is currently among the top denim brands in India, owing to its superior products, brand positioning, and a great shopping experience for its consumers across stores and online channels. The brand is currently expanding its store footprint aggressively to tap into newer markets within India. It is also gaining greater brand awareness and better positioning through its campaigns. It has established itself as a **Premium Denim Brand**, growing both offline and online on the strength of its strong brand and excellent products.

Forever 21 is building a viable retail network and is rapidly evolving as a preferred brand for young, fashionable consumers through its high fashion, sharply priced merchandise.

During the year, Your Company worked towards diversifying its merchandise and is enhancing its men's wear offerings alongside women's wear. It is also building a wide range of non apparel categories such as accessories, footwear, and bags. The brand has redesigned its business model by moving towards local sourcing, making it easily scalable and increasingly profitable in India.

Super Premium Brands

The Global brands portfolio includes **'The Collective'**, one of India's largest multi-brand retailers of luxury brands and select mono brands such as the super-premium brand **Ralph Lauren** and the iconic British brands **Fred Perry, Ted Baker**, and **Hackett London**.

The business in the premium and the super-premium segment has grown impressively during the year, resilient to the demand fluctuations owing to COVID. **The Collective** has significantly transformed its e-commerce operations through a focused improvement in this channel, resulting in its e-commerce revenue increasing manifolds, at the back of a revamped supply chain strategy and distribution. The category is showing increased traction among consumers online as well as offline, along with the potential to grow beyond metros, and would continue to enhance its appeal across markets.

Reebok

Your Company announced the signing of a long-term licensing agreement, which grants it exclusive rights to distribute and sell Reebok products through wholesale, e-commerce and Reebok branded retail stores in India. This deal marks Your Company's foray into India's fast-growing sports and activewear segment.

B) Pantaloons

Pantaloons has been one of the strongest brands in masstige segment of the Indian Fashion Retail Industry over the past two decades. The brand offers fashionable clothing and accessories with superior quality and freshness to the Indian middle-class consumers across the length and breadth of the country. It has built one of India's widest retail network with 377 large format stores. This year, Pantaloons strengthened its private label portfolio through launches across categories such as Men's wear (Street Armor and Ajile Loungewear), designer collaborations in women's ethnic, kids wear (Zero for Pantaloons), as well as increased focus on growing Pantaloons.com, its online store. With a revamped logo, new retail identity across its iconic stores, innovative ad campaigns, product development, agile supply chain, and customer-centric processes, Pantaloons delivers a superior shopping experience to customers across channels and geographies.

Pantaloons reported annual revenue of INR 2626 Crore, up by 41 percent from last year, while the EBITDA stands at INR 368 Crore compared to INR 276 Crore last year. The EBITDA margin was 14.0 percent for FY22.

Pantaloons has a high presence in mall formats and the pro-longed restrictions in malls had an impact on the sales in FY22 but Pantaloons continued a sharp focus on sourcing agility and cost controls to deliver an encouraging performance this year.

Overview of KPIs*:

Pantaloons	FY17	FY18	FY19	FY20	FY21	FY22
Walk-ins (Crore)	4.7	4.6	5.4	5.7	2.3	3.6
Conversion	22.6%	22.4%	24.3%	26.1%	31.5%	26.2%
ASP	668	665	643	665	649	727
ABV	1,725	1,842	1,880	2,001	2,075	2,325
Items per bill	2.6	2.8	2.9	3.0	3.2	3.2
LTL volume growth	6.4%	-3.3%	3.1%	-2.1%	-50.5%	18.0%
LTL ASP growth	-2.9%	0.8%	-1.7%	4.9%	-1.7%	12.7%
LTL value growth	3.3%	-2.6%	1.4%	2.7%	-51.3%	33.0%

**Basis of previous years', numbers have been adjusted to make it comparable with FY21*

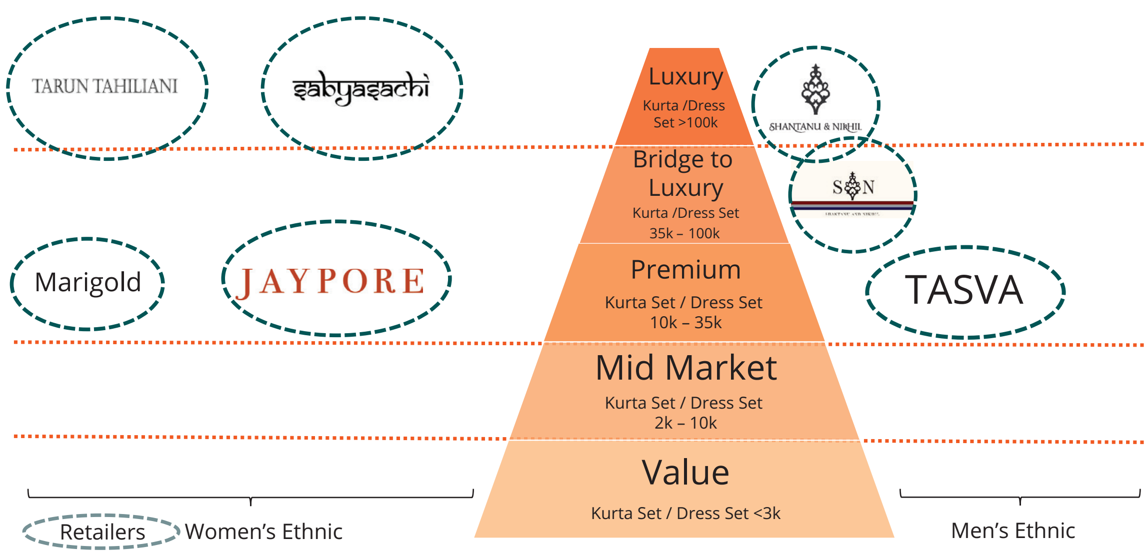
Strong demand resurgence during the festive period combined with focused efforts towards driving alternative channels such as e-commerce and WhatsApp commerce brought the business back on track quite significantly until December, when it was again disrupted by the third wave of COVID and the lockdowns that followed.

Pantaloons e-commerce has grown significantly, recording 63 percent growth over last year. Inventory for e-commerce was managed innovatively to make a wider assortment of merchandise available online. Building truly **'Phygital stores'** through a revamped loyalty program and increased digitalization of shopping experience at stores leveraged Omni-channel play.

Despite continued challenges from the subsequent waves of the pandemic, Pantaloons opened 49 new stores in FY22. It is planning to expand its network with 70-80 new stores in the next fiscal with its new retail identity that will match the fast-changing consumer interests in fashion. The brand continually redesigns its product strategy to meet the changing fashion needs of consumers and is well placed to continue to grow aggressively in FY23.

Ethnic wear

This category accounts for around 28 percent of the overall apparel market in the country and is growing at a CAGR of over 10 percent with no international competition. A large part of this market remains unorganized and unbranded. Consumers are now increasingly shifting to the branded and organized segment, thus increasing the pie for organized players. FY20 was the turning point in the branded ethnic segment when Your Company took definitive steps in this space by acquiring the Jaypore brand and forging a partnership with Shantanu & Nikhil for occasion wear. In FY21, with two fresh partnerships with Tarun Tahiliani and Sabyasachi were announced. Further, during FY22, Your Company announced two new organic forays namely 1. Marigold Lane – Premium women's ethnic wear brand 2. Tasva – Premium Men's ethnic wear brand. Your Company has also signed an agreement to acquire 52.4% stake in House of Masaba Lifestyle and aims to create a young, aspirational and digital-led brand across the affordable luxury segment in the fashion, beauty and accessory categories. Your Company now boasts a comprehensive portfolio of iconic ethnic wear brands across price points.



Jaypore is India's leading destination for craft-based and artisanal products, available in domestic and international markets through its e-commerce channel. **Shantanu & Nikhil** caters to contemporary luxury shoppers by curating design for the millennials' sartorial choices.

Sabyasachi aspires to establish itself as a global Indian luxury brand, offering bridal wear, ethnic wear, handcrafted jewelry, and accessories. It has gradually built a strong play at the back of inspiration that is deeply rooted in the rich Indian heritage. It aspires to become India's first global luxury fashion brand.

Tarun Tahiliani is a renowned couturier in the Indian ethnic wear category. In partnership with him, Your Company forayed into affordable premium men's ethnic wear by launching a new brand, TASVA, in FY22. Tasva addresses the ceremonial wear needs of Indian men through high quality products at sharp prices. The brand that commenced its journey this year started with 7 stores and plans to growth the footprint multifolds by the end of next fiscal.

Marigold Lane is a premium women's ethnic wear brand that is meant for Indian women with distinctly evolved fashion sense. It currently reaches its customers through 50+ Pantaloons stores and 3 EBOs.

Direct to Consumer (D2C)

The D2C market opportunity in India is expected to be USD 100 Billion by 2025.Your Company has announced plans to set up a platform for foraying into the Direct-to-Consumer ("D2C") business with an omnibus approval to set up a new subsidiary towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty, and other allied lifestyle segments. With organic and inorganic build up, this venture will be initially incubated and funded by your Company and will subsequently bring in external capital to accelerate the growth journey at an appropriate time in the future.

The newly incorporated entity, **TMRW**, will organically incubate and acquire promising & distinct digital brands and will scale it up rapidly through strategic and operational interventions and support, closely working with their founding teams. With this, your Company is looking at building the next set of its iconic brands in the portfolio, in the digital space, evolving in line with changing consumers.

Business strategy:

1. **Launching new Brands and Re-energising the Existing Ones**

   Your Company has leading brands such as Louis Philippe, Van Heusen, Allen Solly, and Peter England established for over 25 years. Pantaloons is one of India's largest fast fashion store brands.

   Your Company also holds exclusive online and offline rights to the India network of California-based fast fashion brand Forever 21. The International Brands portfolio includes - The Collective, India's largest multi-brand retailer of international brands, Simon Carter, and select mono-brands such as American Eagle, Ralph Lauren, Hackett London, Ted Baker, and Fred Perry.

   Your Company has successfully forayed into the innerwear business with Van Heusen Innerwear, Athleisure, and Activewear and established itself as India's most innovative and fashionable brand. Your Company's foray into branded ethnic wear business includes brands such as Jaypore, Tasva & Marigold Lane and strategic partnerships with Designers 'Shantanu & Nikhil', 'Tarun Tahiliani', 'Sabyasachi' and 'House of Masaba'. Your Company also acquired Reebok's India operations to build strong play in sportswear.

2. **Building a Robust and Agile Supply Chain with Innovative Marketing**

   To cater to the fast-moving market and customer demand, Your Company enabled a change in market trend by moving to a monthly collection schedule, resulting in '12-seasons in a year' model. Earlier, it was a two-trade show model, wherein orders were taken twice a year from wholesale partners, own retail channels, and the merchandise was produced accordingly. However, Your Company realized the importance of being nimble in the market, being able to respond faster to changes keeping the inventory tighter.

This move benefits our channel partners, as they no longer have to commit to purchases eight to 10 months in advance and can place orders monthly.

3. **Omni-Channel: Coming Closer to Consumers**

   Your Company has revamped its e-commerce websites and also invested in building a distinctive omnichannel presence across the country to provide consumers with an integrated shopping experience. This has further strengthened relationships with major e-commerce players through marketplace integration and converted it into a big opportunity. The Branded Apparel Business Model has transformed from a wholesale-driven business to a multi-channel business. The concept of focusing primarily on exclusive branded stores has paid rich dividends and the business expanded aggressively across the country.

4. **Harnessing the Small town Opportunity**

   Branded apparel has largely been restricted to bigger cities – Metros and Tier 1 and 2 towns – in India. Increasingly, your Company's brands are now tapping the **"Bharat"** opportunity across small towns through exclusive formats, catering to the needs of these geographies. With merchandise customized for local needs and providing quality products at a value, brands are set to scale in small-town India through an asset-light growth model. The brands' focus on fostering local entrepreneurship would drive quick on-boarding of partners leading to rapid scale-up. Your Company plans to tap this opportunity through such specialized small-town formats under **Peter England, Allen Solly, Pantaloons,** and **Style Up** brands.

Digital Transformation Roadmap

The impact of the pandemic and the resultant lockdowns have rapidly changed consumer shopping behavior in the last two years. Your Company is continuing to focus on driving an aggressive digital transformation program across all its businesses, including the new businesses acquired in the last two years. E-commerce business on both brand.com and marketplaces has accelerated this year and is expected to grow rapidly.

Your Company has continued on its journey to build a brand-led e-commerce play that aligns with its offline business model, building on the strength of the brands and enhancing them digitally. The e-commerce platform enables having separate websites, mobile sites and mobile apps for each brand along with seamless integration with over 10 different marketplaces, that are built on a common order management and supply chain system. This enables a single view of inventory in both, warehouses and stores, across all digital channels, enabling seamless omnichannel capabilities.

This year, your Company launched mobile Apps for **Pantaloons and Peter England** and websites / mobile sites for **Tasva**. The Pantaloons website/ app has advanced features such as personalization, which analyses consumer preferences based on past transactions and browsing behavior, to showcase more relevant merchandize, resulting in improved conversion.

Your Company has focused on enhancing customer service capabilities by investing in advanced Customer Relationship Management ("CRM") system, which acts as a single repository for customer feedback and complaints. These can be received on multiple channels including call center, email, website / app, social media, and even on WhatsApp. All customer feedback received in stores and online, as part of Your Company's flagship Net Promoter Score ("NPS") program called **Mission Happiness**, is also captured in the CRM system. This has resulted in significant customer delight.

The **'Customer-360 program'**, enabling personalized communication with 35 million customers, has been rolled out across all major brands. The program leverages Machine Learning capability integrated with a marketing automation platform to enable communication on email, SMS, web / app notifications, social and WhatsApp.

In the last year, Your Company has completed the modernization of its Point-of-sale ("POS") system, which has been rolled out across all brands. The POS system is cloud-hosted, enabling seamless connectivity from stores on multiple devices including billing terminals, tablets, and mobile phones. This has also been integrated with the online stores of various brands enabling the fulfilment of online orders from stores. Going forward, Your Company will leverage this platform for seamless omnichannel customer experiences such as Buy-Online-Pickup-in Store ("BOPIS"), Buy-Online-Return-in-store (BORIS), Hyperlocal shopping, Endless Aisle, etc.

In the last year, Your Company has also focused on extensively building data management and analytics capabilities. A Company-wide data warehouse has been set up to consolidate data across all major systems. This has been used to build common enterprise-wide business intelligence platforms. Furthering the philosophy of data democratization, your Company has developed a **Single View of Customer** mobile app for Store Managers and Customer Service Associates, enabling **Clienteling**. A significant innovation in the backend is the development of a Markdown Management System, which uses AI / ML to derive the optimum pricing for products during the season and discounting during End-of-Season Sale. For the Innerwear business, a demand forecasting model has been implemented combining statistical algorithms and market feedback.

Supply Chain

Your Company has been focusing on digitizing the pre-production supply chain processes with unique initiatives such as digital 3D modeling and digital design collaboration processes. This has improved agility and reduced the market lead time by around 15 to 30 days.

The demand pattern has been shifting quite rapidly with multiple lockdowns in the last year. Your Company with robust demand planning processes has been able to prepare for the shifts on the back of your agile Supply Chain and capitalize on the changing demand pattern.

Your Company is planning to diversify the manufacturing footprint by setting up a state-of-the-art manufacturing plant for suits and trousers at Pulivendula, Andhra Pradesh. This plant will be a benchmark facility in terms of sustainable and safe manufacturing practices.

Human Resources

FY22 Human Resources Achievements

1) Continuous driver on internal talent growth and development, resulting in 15.47 percent of employees getting new roles; of **which 45.5 percent of crucible roles** were occupied by talent.
2) Diversity agenda driven through CEO sponsorship, hiring guidelines, and a healthy mix in hiring, resulting in an overall woman hiring in **FY22 at 38 percent.**

3) Consumer grade experience of key HR processes provided to **16952 retail employees** by implementing **Alt Life HRMS** program through simplified and tech-enabled app-based HR process. Received a score of 55 percent NPS from retail employees on Alt Life.

4) **Agile ramp-up of leadership and managerial capabilities** in new businesses of ethnic, e-commerce, and D2C resulting in targeted quality hiring.

5) Successful pilot across **50 stores** with **500+ gig assignments,** resulting in over (8 percent) savings of manpower budget.

6) Specialist framework for designer community focusing on development has been implemented.

7) **Strengthened our campus brand** through the launch of properties like Next Top Designer ("NTD"), which **resulted in 400 + applications** on NTD and features in leading news websites and campus blogs; masterclass series led by functional leaders on social media - Tales from Heads.

8) Built the foundation of social media by positioning **LinkedIn as an employer brand platform;** resulting in a 51 percent increase in followership with a total of 4000K impressions.

9) **Emotional Wellbeing program @ ABFRL** covered 200+ employees in the Self-care and Grief support program across businesses.

10) **Multiple pilots activated:** Digital Health assessment, multiplier app, eye check-up camp for Karigars, Well O Mania, I Invest psychological safety program, Madura championship, which resulted in an increase in VIBES score under Health & Well-being offerings from **85 percent to 88 percent.**

11) Secured health and safety of our **employees** and family members across **310+ cities** through CAER and a 100 percent vaccination status.

Your Company's People Vision is to "To drive a **High Performing and Customer Centric Culture** with **Happy and Value Oriented Employees"**. Your Company's performance is anchored on capabilities and productivity; customer-centric culture through a strong service orientation; happiness through purposeful behavior by high-quality talent; value-oriented through a deep commitment to the values of the Aditya Birla Group.

Delivering 'Employee Value Proposition' ("EVP") through People Strategy:

The unique Employee Value Proposition – **"A World of Opportunities"** makes your Company a preferred employer for professionals in the industry. You are committed to strengthening your employee value proposition in every aspect – **career growth, learning, and development, rewards and recognition,** and **enrichment of life** through a healthy work environment and well-being programs.

1) Careers:

Your Company believes in harnessing leadership and people capabilities through sharp focus and initiatives on talent development. There is a **well-defined talent and career management** process through potential assessments and talent discussions that take place every year. The company has institutionalized Talent Councils that actively review the Organization's talent pipeline, succession planning for key roles, and requisite development interventions.

Your Company strengthened its partnership with premier institutions across the country by the successful placement of management trainees into meaningful roles aligned with career aspirations. The **Young Talent Program (STRIDERS)** includes hires across multiple streams such as Business and Core Fashion functions, Chartered Accountants, Human Resources, and Retail Operations that has enabled the organization to infuse young bright talent from various institutes and help create a strong future leadership pipeline.

Your Company launched the second batch of **India's Finest Store Manager** ("IFSM") Program, an industry-best learning and development practice for grooming Store Managers to take up senior roles in the organization. IFSM's current batch includes **12 store managers including 2 women.**

2) **Learning & Development:**

Your Company's initiatives equip employees to develop leadership and management capabilities in both domain-specific and behavioral disciplines. Your Company boasts of an advanced learning ecosystem **'Gyanodaya'** which offers a wide array of learning programs to empower employees to grow through a series of expert-led sessions on "Managing Internal Customers", "Being Your Best", "Digital Transformation Journey" among many. The in-house structured learning program **'ABFRL University'** supports organization-wide capability building through market experiences and live projects.

Digital Transformation in your Company was actively driven by deepening the digital capability and quotient of senior management through curated learning series with digital leaders and academicians. Your Company organized an **Advanced E-Commerce Capability Building Program** to deepen functional capability.

3) **Rewards and Recognition**

Your Company's reward philosophy is aligned with driving the culture of meritocracy and ensuring market competitiveness. This philosophy recognizes and celebrates success, therefore, raising the bar on performance and achievement. Your Company adopts a total rewards approach, which covers both monetary (Fixed Compensation, Variable Pay, and Long-Term Incentive Plan) and non-monetary rewards (Benefits Program, Recognition Programs, and Work-life effectiveness program) for its employees.

Celebrating success through recognition platforms are at the core of building a vibrant work culture. Well-entrenched annual engagement events are forums where your Company celebrates and recognizes team and individual achievements, value champions and feats achieved by employees beyond the call of duty. The ultimate celebration of success happens at the Group's annual event – **Aditya Birla Awards,** which recognizes outstanding players and teams, who have displayed commitment and passion towards their craft.

4) **'Enrich your life' program**

Your Company recognizes the importance of different roles that employees play in their personal lives. Your Company actively engages in the art of giving and driving sustainability through CSR programs, which focus on building model villages specifically in the areas of education, digitization, and health among others. Your Company embarks on multiple initiatives to create a wholesome approach for employees through competitive events in sports that enhances bonding and camaraderie. There is also a bouquet of wellness programs being offered through maternity support and flexible working for fostering a robust diverse work environment.

Employee Wellness initiatives

Your Company has strengthened its employee wellness initiatives by: -

- Creation of a holistic health and employee wellness environment
- Adoption of hybrid work models in businesses

Employee productivity was increased through a series of initiatives such as lifestyle habits, grief circles, and emotional and financial wellness programs. The team established a helpline for health counseling; 10000+ lives were covered under voluntary insurance cover (Employee & Family members) and 4800 + beneficiaries were covered under CAER* for the employees' program. The HR Stakeholder survey and Vibes Survey reflected a positive experience with high scores given to Employee Wellness.

Timely and proactive support was delivered to employees across all levels through the Covid Assistance and Emergency Response ("CAER") program. The program covered:

- 4800+ beneficiaries through testing, ambulance services, online doctor consultation, hospital beds, home isolation, and oxygen support.
- 10000+ lives of the employee and their family members were covered under the voluntary insurance cover.
- Financial support was provided for affected employees and their families.
- Caregiver leaves, and assistance to families of deceased employees were provided as part of the Covid care policy.
- Helpline for healthcare established.
- Sanitization drive in villages implemented.
- All employees across stores, factories, and corporate offices were fully vaccinated ensuring 100 percent vaccination coverage by partnering with healthcare service providers.

Values

The organization's core values of **Seamlessness, Passion, Speed, Commitment and Integrity** have guided the actions of your Company and are the key to why your Company attracts the best talent. These values come alive in the daily processes and practices that leaders and employees follow.

Communication

Your Company encourages **open and honest communication** among teams and through leadership. There are various formal and informal platforms including open houses, town halls, and anonymous survey touch points through, which employees are encouraged to ask questions and share feedback. The open work atmosphere across the Company has ensured two-way healthy communication between leadership and employees. The VIBES and HR stakeholder survey have helped management understand the pulse of employees across various experiences and stages.

Your Company has engaged top talent across businesses through a series of interventions planned and implemented for various groups. There were regular leadership connections and development journeys designed for high-performing employees across your Company.

New Businesses

The key focus for FY22 for D2C Businesses has been understanding the Business model and Organisation Creation. Your Company has conducted intensive research on the organizational structure, policies, and practices followed by the competitors and is in the process of creating an HR framework, which would be true to the industry, sector, and organization, thereby increasing the ability of your Company to attract the right set of talent in new age capabilities such as Tech, Digital Marketing, M&A, etc.

With the investments made towards the ethnic portfolio with players such as Sabyasachi, Tarun Tahiliani and Shantanu & Nikhil, the main focus for FY22 had been to build a foundation for the various Human Resource related aspects, ranging from creating policies and processes to rolling out of non-negotiable such as POSH, Code of Conduct, among others and building cadence around them. The HR teams have worked towards not only the creation of a highly inclusive HR Framework but have also ensured proper implementation of the same, resulting in building a sense of equity, fairness, and trust in Aditya Birla Group.

Sustainability

Aditya Birla Group ("ABG") defined a Sustainable Business as one that can continue to operate within the tightening constraints of a future world and thereby adopted a progressive target to become a leading Indian conglomerate for sustainable business practices across global operations. To understand and leverage the nuances that shall exist in the business ecosystem and to get an in-depth understanding of the **Environmental, Social, and Governance** ("ESG") aspects that are relevant for the business and stakeholders, ABG has adopted the **Sustainable Business Framework** through 4 dimensions ("4D") lens approach.

Anchored by the ABG Vision and three pillars of Sustainable Business Framework - **Responsible Stewardship, Stakeholder Engagement, and Future-proofing,** your Company has embarked on the sustainability journey with the launch of the sustainability program **'ReEarth – For our Tomorrow'** in FY13. Your Company considers sustainability as an ability to survive and thrive in the face of growing uncertainty and megatrends to build a sustainable business. Over the years, your Company has achieved significant milestones across ESG aspects to unlock true potential and deliver long-term sustainable value to the stakeholders.

Building on a commitment to foster a sustainable tomorrow and deliver sustainable fashion, your Company successfully transitioned to sustainability 2.0 that is, from **'Process-led to Product-led'** in 2021 with a focus on **product design and development, customer centricity, and supply chain.** This transition shall embed sustainability across the whole spectrum of product life cycle and endorses circularity, recycling, and upcycling across the value chain. This journey aims to achieve ambitious sustainability targets and business goals while balancing risks and opportunities for all relevant ESG initiatives.

Your Company has a **robust governance** mechanism, effectively overseeing a sustainability agenda and building a conducive environment far beyond compliance requirements. In addition to the Management Committee ("ManCom"), which periodically reviews sustainability strategy and initiatives, your Company has evolved its RMC to **Risk Management and Sustainability Committee** ("RMSC"). The RMSC is entrusted with the responsibility of monitoring and reviewing the risk management plan, sustainability, and other such functions, as may be delegated by the Board from time to time.

Your Company believes in the transition towards sustainable fashion which requires local actions with a focus on **creating adaptable and flexible sustainable business models** that build and operate at **high performance, promote life cycle thinking, source regional, embrace circular**

economy principles, and ultimately contribute to **shifting away from fossil fuels** mitigating or eliminating negative impacts of business.

Your Company is **working towards doubling down efforts in decarbonization** through enhancing its share of renewable energy and also further reducing carbon and water footprint at both facility and product levels. With a **vision to accelerate the transition from linear to circular models,** your Company continues to **emphasize integrating circular principles** across the value chain and **establishing last mile traceability** for pre-and post-consumer waste.

In the sustainability journey, the focus on sustainable raw materials has always been incremental every year. Your Company continues its efforts towards sustainable packaging and enhanced **alternate packaging measures** through deploying **bio-degradable polybags** and strengthened plastic waste management in adherence to Extended Producer Responsibility guidelines.

Your Company's sustainability maturity and leadership have contributed to the achievement of global recognition and various accolades in this decade of the sustainability journey. This year, your Company continued to receive accolades from prominent forums and organizations.

- Retained as **Asia's 'Most Sustainable Company'** in the Textile, Apparel & Luxury Goods Industry' by S&P Global CSA 2021
- Included in the **S&P Global Sustainability Yearbook 2022,** the world's most comprehensive publication on corporate sustainability
- Awarded **'Gold Shield'** for Reporting on Sustainable Development Goals by ICAI Sustainability Reporting Awards 2021
- Recognized with **Excellence Award in IGBC Performance Challenge 2021** for the LBRD Warehouse, Bengaluru
- **Sollepura Village,** Tamil Nadu awarded **'PLATINUM' certification** from Indian Green Building Council ("IGBC") – a testament to our social responsibility programs

Taking cognizance of the sustainability philosophy and commitment, Your Company's sustainability strategy has been effectively embedded across core business strategies, operations and investments.

Your Company is working towards accelerating advocacy and exploring innovative solutions with a prime focus on circularity, sustainability sourcing and low carbon pathway. This journey requires deep collaboration across the entire value chain envisaging radical transformation benefiting the entire ecosystem.

Along with existing collaboration and partnerships with the **Ellen McArthur foundation** and **Circular Apparel Innovation Factory ("CAIF"),** Your Company has made a large stride in the circularity journey through its collaboration with the **'GIZ' a German Government agency in a 'private-public development partnership project'** with an aim to strengthen circular business practices for the Indian market. This collaboration shall focus on material innovation, reduce inputs of harmful substances, increase textile-to-textile recycling, develop alternatives to plastic packaging, and foster traceability. This will support the industry to match supply and demand, which was witnessing pressure due to resource constraints.

Over the years, Your Company participated and collaborated with various global platforms and ESG Indices such as **UNEP, SAC, ZDHC, SU.RE, CII, FICCI, IACC, S&P Global.** These strategic collaborations and participation assisted you in staying relevant and also provided an opportunity to benchmark Your Company's sustainability performance with domestic and global peers.

Finally, Your Company believes in adopting a pragmatic approach that will contribute to holistic growth taking the business to 2030 and beyond. In this 'Decade of Action', Your Company shall continue to transform ambition into effective actions ensuring alignment not just to Company's sustainability goals but also to regional, national and global goals.

Risk management

Effective governance and risk management form the bedrock of a Company's sustained performance. Your Company has a robust Enterprise Risk Management framework, which helps in identifying, evaluating, mitigating, and reporting risks. Your Company has adopted a Risk Management Policy in line with provisions of the Companies Act and Listing Regulations. Your Company has constituted a **Risk Management and Sustainability Committee ("RMSC")** to monitor risks on a continuous basis, which is supported by an internal risk management committee comprising experts from various business processes and segments including subsidiaries. The internal risk management committee also reviews developments in the socio-economic environment and identifies internal threats and opportunities, updates the framework, and refines processes and systems for mitigation. The Company has also laid down procedures wherein the committee on a periodic basis informs the Audit Committee as well as the Board of Directors about risk assessment and effectiveness of mitigation plans defined. Details of the composition of the RMSC and the Risk Management Policy, adopted by the board, have been disclosed separately.

Key Risks

1. **Rapidly changing fashion trends and consumer preferences**

   Rapidly changing fashion trends, deeply influenced by social and electronic media is a challenge to apparel business models. Going forward, offerings should be highly nuanced to meet the ever-changing fashion needs of consumers globally. Furthermore, with changing consumer needs, new categories keep gaining relevance from a business perspective.

   To mitigate this, your Company has undertaken various supply chain and digital initiatives, to run an agile model, ensuring merchandise freshness by introducing the 12-season model, and utilizing analytics-based planning tools for smarter merchandise management. In line with its broader strategy, extending the brand into relevant categories, Your Company has evolved its product portfolio, mirroring the changing consumer needs.

2. **Changing consumers buying behavior**

   The consumer digital engagement is rising sharply over last couple of years, as a result of more hours spent online, newer shopping habits and rising interest in virtual worlds. The end consumer today is in want of quicker access to fashion with a personalized and hyper-quick shopping experience. The retail industry is tapping into technology resources to maximize their competitive edge through artificial intelligence, connected stores, and end to end digitalization

   To mitigate this risk, your Company ramped up its online and digital presence with changing consumer buying behavior. Your Company has increased its presence in online and digital platforms through launching of various brands apps and continuously refreshing of ecommerce websites for better customer experience. Your Company has entered into strategic partnership with e commerce players to propagate and distribute its brands along with upscaling of omni channel capabilities and hyper local solutions. Your Company has also entered into its first digital pure play through launch of D2C business.

3. **Global Supply Side Constraints**

The fashion industry is reliant on an intricate web of global supply chain which are seeing unprecedented levels of pressure and disruption due to local social and geo-political factors, adverse climatic conditions, lockdowns, port congestions and logistical lock jams, shortage of global availability of raw material accelerated by various factors and increased costs.

To mitigate this risk, your Company has enabled a change in market trend by moving to a monthly collection schedule, resulting in '12-seasons in a year' model. Your Company has been focusing on digitizing the supply chain processes to improve agility and reduce the market lead time. To deal with constantly changing demand pattern, your Company with robust demand planning processes has been able to prepare for these shifts due to agile supply chain. Your Company continues to monitor changing geopolitical situation and has responded by moving the bulk of your supply chain to India.

4. **Cyber security threats and loss of sensitive data**

Leakage or loss of confidential business information and consumer data is a risk aggravated by higher exposure on digital platforms. Threat of unauthorized elements / persons breaking into IT systems to steal, change, or destroy information or halt the business services showing increasing trends across retail industry

To mitigate this risk, your Company ensures employees handling sensitive and critical data are covered with all information security and data leakage prevention controls, alongside implementation of Information Rights Management ("IRM") tool. Your Company's data centre is run by world class professional service providers and is supported by well managed backup systems and protocols to avoid any unforeseen disruption. Continuous risk assessment exercise is undertaken to review strengths of IT systems with evolving threats and timely implementation of recommendations are made to strengthen the IT systems.

5. **High Attrition in retail industry and Inability to retain talent**

The apparel industry has been facing difficulty in attracting quality talent, due to a highly competitive market ecosystem. The demand for talent exceeds the supply in critical areas such as analytical thinking, technical competency, and leadership skills. The above two factors have made talent development and management an extremely crucial part of the business strategy.

To mitigate this, your Company has a well-crafted and structured approach towards talent retention and development along with leadership grooming of internal talent with periodic focused interventions. Continuous efforts are put in development of existing internal talent through various internal employee development programmes and at the same time also focus on identifying newer talents which will help the organisation achieve its overall objectives.

6. **Inadequate availability of quality retail space**

Commercial real estate in India has seen a slowdown in the past few years. Lack of prime retail land, high-property rates in prime areas, and COVID-related uncertainties in recent times have further discouraged developers from investing in commercial spaces. Further, the demand for prime retail spaces by existing retail players due to aggressive expansion plans and newer market entrants have accelerated the demand and further added to the supply side concerns.

To mitigate this, your Company has strengthened its relationships through regular connect with prominent mall owners and real estate developers across the country to remain a preferred partner of choice in any new ventures. Your Company has kept a close watch on prime retail locations and ensured tapping of opportunities which have opened up over the past year, in wake of exits of other brands that have faced financial pressures due to the pandemic.

7. **Ecommerce and Digital Disruption to established business model**

   Online and digital sales formats are attracting newer entrants. This is coupled with deep discounts on E-Commerce channels that are built around only building scale may hurt the overall fashion retail market in India. With increasing consumer traffic on E-Commerce looking for fashion at value, the demand is growing for cheaper merchandise, which is, in turn, growing a market for low-quality apparel, cannibalizing the market for quality fashion.

   To mitigate this, our strategy has been built around enhancing the price-value equation of products, offering superior quality consumer services that would help us in building stronger and more desirable brands. This is coupled with aggressive expansion plans and building omni channel capabilities ensuring last mile customer delivery through strong supply chain management, which will enable us to deliver our brand promise.

8. **Intensifying competitive landscape**

   The penetration of technology and growing e-retail space in the entire value chain has enabled start-ups to enter the fashion industry with much larger aggression. Major international apparel brands also have forayed into the Indian apparel market, realizing the potential of Indian market. The fashion and apparel industry is highly competitive as large numbers of retailers sell similar-looking products at similar price points. It is becoming increasingly important to develop brand equity at the back of better-quality products and services that could create differentiation.

   To mitigate this, your Company will continue to build its capability in product quality, designs, merchandising, and distribution required to strengthen its portfolio of brands, enabling it to maintain a leadership position in the apparel space. Your Company will also keep on diversifying its portfolio to tap into newer areas of growth leveraging its expertise in its core businesses, to gain profitability.

9. **Pandemic induced disruption with possible fresh waves**

   Subsequent waves of pandemic may further disrupt the Indian apparel industry's operations by way of restrictions on people's movement to contain the spread of the infection which may impact sales, overall consumer sentiments and may also have significant economic impact. To mitigate this, efforts around building digital channels of sales to enable consumers to shop from wherever they are being made continuously. Further, continuous efforts are being made through various cost and cash flow improvement measures to keep the price points competitive and within reach of individual customers for each category of products.

Road Ahead

The recovery trend observed in fourth quarter of this fiscal is a testimony to the temporary nature of the impact of the pandemic and the resilient consumer sentiment, which is pointing towards getting back to the stores and shopping, as soon as it is safe to move outside. The future for the Indian apparel industry looks promising, buoyed by strong domestic consumption and export demand. The per capita consumption of apparel will grow swiftly in the times ahead fuelled by aspirational buying and an organised market play.

Your Company firmly believes that its formidable branded play across categories will drive rapid growth. The post pandemic phase is expected to boost demand, as Indians from all age groups begin moving out for work and travel, leading to sharp recovery of consumption led sectors. As recovery happens, at the back of its bouquet of strong brands, your Company will reinforce its leadership position in the Indian fashion and apparel sector.

Your Company has moved towards a portfolio play led strategy focused on providing a Bouquet of offerings as it plans to take advantage of large growth opportunities across multiple segments in line with rapidly evolving consumer shifts. Your Company will continue investing in building its digital capabilities to make it intrinsic to its business model going forward.

Financial Performance and Analysis

(₹ in Crore)

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from Operations	**7,824**	5,181	**8,136**	5,249
EBITDA [1]	**1,174**	667	**1,203**	628
Finance Costs	**340**	498	**351**	503
Depreciation	**947**	945	**997**	963
Profit / (Loss) Before Tax [1]	**(113)**	(776)	**(145)**	(838)
Current Tax	**-**	-	**21**	40
Deferred Tax Assets / (Liabilities)	**33**	196	**47**	211
Deferred Tax Assets / (Liabilities) - One time [2]	**-**	(69)	**-**	(69)
Net Profit / (Loss) After Tax [1]	**(81)**	(650)	**(118)**	(736)

(₹ in Crore)

Particulars	Standalone (Comparable)*		Consolidated (Comparable)*	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from Operations	**7,824**	5,181	**8,136**	5,249
EBITDA [1]	**273**	(222)	**275**	(271)
Finance Costs	**132**	274	**134**	275
Depreciation	**215**	221	**235**	231
Profit/ (Loss) Before Tax [1]	**(74)**	(717)	**(94)**	(778)
Current Tax	**-**	-	**21**	40
Deferred Tax Assets / (Liabilities)	**33**	196	**47**	211
Deferred Tax Assets / (Liabilities) - One time [2]	**-**	(69)	**-**	(69)
Net Profit/ (Loss) After Tax [1]	**(41)**	(590)	**(67)**	(676)

**Comparable refers to Pre Ind AS 116 numbers.*

Standalone performance

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Net Working Capital [3]	**705**	636
Net Fixed Assets (including capital work-in-progress)	**674**	614
Deferred Tax Asset [2]	**353**	321
Capital Employed	**1,732**	1,572
Investments [4]	**835**	690
Right-of-use assets	**2,279**	2,067
Goodwill [5]	**1,860**	1,860
Total Capital Employed	**6,705**	6,188
Net Worth	**2,882**	2,685
Debt	**1,207**	1,118
Lease Liabilities	**2,616**	2,386

Notes:

(1) Includes other income of ₹ 94 Crore (Previous year: ₹ 73 Crore).

(2) One-time impact of creation of deferred tax liability of ₹ 69 Crore as at March 31, 2021 is on account of amendment to Section 32 of the Income Tax Act, 1961, whereby Goodwill of a business will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective April 1, 2020.

(3) Net working Capital

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Inventory	2,729	1,743
Trade Receivables	754	600
Cash and Bank Balances	108	164
Other Assets	2,009	1,581
Less: Trade Payables	3,336	2,114
Less: Other Liabilities	1,560	1,338
Net Working Capital	705	636

(4) Investments includes ₹ 828 Crore towards investments in Subsidiaries and Joint Venture (Previous year: ₹ 683 Crore).

(5) As on March 31, 2022, goodwill (after testing for impairment in accordance with the Ind AS - 36 issued by the Institute of Chartered Accountants of India) stands at ₹ 1,860 Crore.

Revenue

Your Company reported revenue of ₹ 7,824 Crore during the financial year, recording a growth of 51% over the previous year.

Earnings before interest, tax, depreciation and amortization *("EBITDA")*

EBITDA of the Company, including other income is ₹ 273 Crore on comparable basis (previous year negative EBITDA of ₹ 222 Crore). The reported EBITDA of the Company is ₹ 1,174 Crore (previous year ₹ 667 Crore) factoring impact of Ind AS 116. The EBITDA margin for the Company improved from 12.9% to 15.0% during the year.

Finance cost

Finance cost for the year was ₹ 132 Crore on a comparable basis, decreased from ₹ 274 Crore in previous year, as a result of lower average borrowings primarily on account of amounts raised through Rights and Preferential Issue during the previous year and final call of Rights Issue during the year. The average borrowing cost for the Company marginally increased to 7.67% as compared to 7.36% in the previous year due to higher proportion of long-term borrowings. The reported finance cost of the Company is ₹ 340 Crore (previous year ₹ 498 Crore) due to the impact of Ind AS 116.

Depreciation

Depreciation reduced from ₹ 221 Crore in the previous year to ₹ 215 Crore during the year on comparable basis. The reported depreciation of ₹ 947 Crore (previous year ₹ 945 Crore) includes the impact of Ind AS 116.

Dividend

In view of accumulated losses of previous years, your directors have not recommended payment of any dividend for the year under review.

Borrowings

Borrowings have increased marginally from ₹ 1,118 Crore in the previous year to ₹ 1,207 Crore though the Net Debt has reduced from ₹ 654 Crore in the previous year to ₹ 562 Crore. The Company has raised ₹ 803 Crore through fresh borrowings and have repaid borrowings of ₹ 714 Crore during the year with average borrowing cost at 7.67%.

There is no change in the credit ratings of the Company during the year and it continues to be AA (Stable) by CRISIL Limited, ICRA Limited and India Ratings & Research.

Non-Convertible Debentures

During the year under review, the Company has issued and allotted 4,000 Listed, Unsecured, Rated, Redeemable Non-Convertible Debentures ("NCDs") of the face value of ₹ 10,00,000 (Rupees Ten Lakh only) aggregating to ₹ 400 Crore (Rupees Four Hundred Crore only) on Private Placement Basis, under Series 8. The details of outstanding NCDs as on March 31, 2022 are disclosed in the Section 'Shareholders' Information' forming part of this Annual Report.

Standalone Key financial ratios

Particulars	As at March 31, 2022	As at March 31, 2021
Debtors Turnover Ratio (times) (1)	**11.55**	8.02
Inventory Turnover Ratio (times) (1)	**3.50**	2.53
Interest Coverage Ratio (times) (1)	**0.14**	(1.83)
Current Ratio (times)	**1.03**	1.08
Debt Equity Ratio (times)	**0.17**	0.22
EBITDA Margin (%)	**15.00**	12.87
Operating Profit Margin (%) (1)	**2.90**	-5.37
Net Profit Margin (%) (1)	**-1.03**	-12.54
Return on Net Worth (%) (1)	**-2.89**	-34.46
Return on Average Capital Employed (%) (1)	**3.52**	-4.44

The formulae used in the computation of the above ratios are as follows:

Ratio	Formula
Debtors Turnover Ratio	Revenue from Operations / Average of opening and closing Trade Receivables
Inventory Turnover Ratio	Revenue from Operations / Average of opening and closing Inventories
Interest Coverage Ratio	Earnings Before Interest* and Tax / Finance Costs*
Current Ratio	Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)
Debt Equity Ratio	Debt# / (Net Worth+ Lease Liabilities – Right of use)
EBITDA Margin	EBITDA / Revenue from Operations
Operating Profit Margin	Earnings Before Interest and Tax / Revenue from Operations
Net Profit Margin	Profit After Tax / Revenue from Operations
Return on Net Worth	Profit After Tax / Average net worth
Return on Average Capital Employed	Earnings Before Interest and Tax / Average Capital Employed

**Finance cost / interest comprise of interest expense on borrowing and excludes interest on lease liabilities and interest charge on fair value of financial institution.*

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

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios:

1. Debtors Turnover Ratio, Inventory Turnover Ratio, Interest Coverage Ratio, Operating Profit Margin, Net Profit Margin, Return on Net Worth and Return on Average Capital Employed - Ratios have improved due to increase in revenue and profitability as FY 21 was impacted on account of COVID-19 and due to reduction in borrowings as the Company had raised the funds during the previous year by way of Rights and Preferential Issue and Final call of Rights issue during the year.

Consolidated performance

At consolidated level, your Company reported a revenue of ₹ 8,136 Crore (previous year ₹ 5,249 Crore) and EBITDA of ₹ 1,203 Crore with EBITDA margin at 14.8% (previous year ₹ 628 Crore with EBITDA margin at 12.0%).

DIRECTORS' RESPONSIBILITY STATEMENT

The audited financial statements of your Company for the year under review ("financial statements") are in conformity with the requirements of the Companies Act, 2013 read with the rules made thereunder ("Act") and the Indian Accounting Standards. The financial statements reflect the form and substance of transactions carried out during the year under review and present your Company's financial condition and results of operations, fairly and reasonably.

Your directors confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) accounting policies selected have been applied consistently and reasonable and prudent judgments and estimates were made, so as to give a true and fair view of the state of affairs of your Company as at the end of the year under review and the profit and loss of your Company for the year under review;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts of your Company have been prepared on a 'going concern' basis;

e) adequate internal financial controls were laid down and followed by your Company and such internal financial controls were operating effectively;

f) proper systems have been devised by your Company to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively and

g) the Company has been in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

SHARE CAPITAL

a) Equity share capital

Details of changes in paid-up share capital during the year under review, are as under:

Paid-up Equity Share Capital	₹ in Crore
At the beginning of the year, i.e., as on April 1, 2021	**915.05**
Changes made during the year: Allotments made pursuant to:	
1.1. Employee Stock Option Scheme, 2013 & 2017	0.49
1.2. Rights Issue	
(i) Receipt of final call money	22.47
(ii) Receipt of call money pursuant to annulment of forfeiture	0.28
At the end of the year, i.e., as on March 31, 2022	**938.29**

b) Preference share capital

The paid-up preference share capital of your Company as at the end of the year under review stood at ₹ 50.50 Lakh *(same as at the end of previous year)*. The details of Preference shares is as below:

Class of preference shares	Redemption date
5,00,000, 8% Redeemable Cumulative Preference Shares of ₹ 10/- each	March 29, 2024
500, 6% Redeemable Cumulative Preference Shares of ₹ 100/- each	October 12, 2024

DISCLOSURES IN TERMS OF THE PROVISIONS OF THE ACT & SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI Listing Regulations")

A. Board of Directors ("Board")

(i) Number of meetings

The Board met 7 (seven) times during the year under review. The details of such meetings are disclosed in the Section 'The Board of Directors' of the Corporate Governance Report forming part of this Annual Report.

(ii) Appointments and resignations

a) Appointments

Mr. Arun Adhikari, Independent Director (DIN: 00591057) was appointed w.e.f. May 19, 2021. His appointment was approved by the Shareholders at the last Annual General Meeting held on September 9, 2021.

The Board at its meeting held on May 18, 2022, based on the recommendation of the Nomination and Remuneration Committee approved the following, subject to shareholders approval:

i. Re-appointment of Mr. Ashish Dikshit (DIN: 01842066) as a Managing Director of the Company for a further period of 5 years w.e.f. February 1, 2023 and

ii. Re-designation of Mr. Vikram Rao (DIN: 00017423) as an Independent Director for a period of 5 years w.e.f. May 18, 2022.

b) Resignations / Retirements / Retirement by Rotation

i. During the year under review, no director has resigned.

ii. Further, in accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Kumar Mangalam Birla, Non-executive Director (DIN: 00012813) and Ms. Sangeeta Pendurkar, Whole time Director (DIN: 03321646), are due to retire by rotation at the ensuing Fifteenth Annual General Meeting and being eligible, have offered themselves for re-appointment.

Resolutions seeking their re-appointments alongwith their profiles as required under Regulation 36(3) of SEBI Listing Regulations form part of the Notice of Fifteenth Annual General Meeting.

(iii) Board evaluation

The Company has devised a framework for performance evaluation of Board, its committees and individual directors in terms of the provisions of the Act, SEBI Listing Regulations and the Nomination Policy of the Company.

During the year under review, the Board carried out the evaluation of its own performance and that of its committees and the individual directors. The performance evaluation of

Non-Independent Directors and the Board as a whole was carried out by the Independent Directors.

The evaluation process consisted of structured questionnaires covering various aspects of the functioning of the Board and its committees, such as composition, experience and competencies, performance of specific duties and obligations, governance issues etc. The Board also carried out the evaluation of the performance of Individual Directors based on criteria such as contribution of the director at the meetings, strategic perspective or inputs regarding the growth and performance of the Company etc.

Further, pursuant to the applicable provisions of the Act, the performance evaluation criteria for the Independent Directors is disclosed in the Section 'Directors Details as on March 31, 2022' of the Corporate Governance Report forming part of this Annual Report.

(iv) Declaration of independence

The Company has received necessary declaration from each Independent Director of the Company stating that:

(i) they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations ("said declarations").

(ii) they have registered their names in the Independent Directors' Databank.

Based on the said declarations received from the Directors, the Board confirms, that the Independent Directors fulfill the conditions as specified under Schedule V of the SEBI Listing Regulations and are independent of the management.

B. Committees of the Board

The Board has constituted five committees, viz. Audit Committee, Corporate Social Responsibility Committee, Risk Management and Sustainability Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and is authorised to constitute other functional Committees, from time to time, depending on business needs.

Details of all the committees, along with their charters, composition and meetings held during the year, are provided in the Section 'The Board Committees' of the Corporate Governance Report forming part of this Annual Report.

C. Corporate Social Responsibility ("CSR")

The Board has, pursuant to the recommendation of the CSR Committee, with a vision "to actively contribute to the social and economic development of the communities in which your Company operates and in doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index", adopted a CSR Policy and the same is available on the website of the Company i.e. www.abfrl.com

The scope of the CSR Policy is as under:

i. Planning Project or programmes which the Company plans to undertake falling within the purview of Schedule VII of the Act and

ii. Monitoring process of such projects or programmes.

The CSR Policy of the Company *inter alia* includes the process to be implemented with respect to the identification of projects and philosophy of the Company, alongwith key endeavours and goals i.e.

- **Education** - to spark the desire for learning and knowledge;
- **Health care** - to render quality health care facilities to people living in the villages and elsewhere through our hospitals;
- **Sustainable livelihood** - to provide livelihood in a locally appropriate and environmentally sustainable manner;
- **Infrastructure development** - to set up essential services that form the foundation of sustainable development and
- **Social cause** - to bring about the social change we advocate and support.

<u>CSR initiatives taken during the year</u>

Your Company's CSR activities are mainly focused towards Education, Health and Sanitation, Water, Digitalisation, Sustainable livelihood, Institutional Building and Social Causes.

An annual report on CSR activities of the Company for the financial year 2021-22 is annexed as **Annexure I** to this Report.

D. Key Managerial Personnel

Pursuant to Section 203 of the Act, the Key Managerial Personnel ("KMP") of the Company as on March 31, 2022 are:

i. Mr. Ashish Dikshit, Managing Director;

ii. Ms. Sangeeta Pendurkar, Whole-time Director;

iii. Mr. Vishak Kumar, Whole-time Director;

iv. Mr. Jagdish Bajaj, Chief Financial Officer and

v. Ms. Geetika Anand, Company Secretary and Compliance Officer.

E. Remuneration of Directors and Employees

Disclosure comprising particulars with respect to the remuneration of directors and employees, as required to be disclosed in terms of the provisions of Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure II** to this Report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

F. Employee Stock Option Scheme and Share Based Employee Benefits

Grant of share-based benefits to employees is a mechanism to align the interest of the employees with those of the Company, to provide them with an opportunity to share the growth of the Company and also to foster long-term commitment.

Employee Stock Option Scheme and Restricted Stock Units

Your Company regards employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come. Accordingly, in terms of the provisions of applicable laws and pursuant to the approval of the Board and the members of the Company, the Nomination and Remuneration Committee ("NRC") has duly implemented the:

(a) 'Employee Stock Option Scheme - 2013' ("Scheme 2013");

(b) 'Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017' ("Scheme 2017") and

(c) 'Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019' ("Scheme 2019"), to grant the stock options, in the form of Options and Restricted Stock Units ("RSUs"), to the employees of the Company.

All the Schemes of the Company i.e. Scheme 2013, Scheme 2017 and Scheme 2019 are governed by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations") and in terms of the approvals granted by the shareholders of the Company, the NRC *inter alia* administers, implements and monitors the aforesaid schemes, thereby governing the grant of share based benefits to its employees, in the form of RSUs.

Stock Appreciation Rights

Your Company has also instituted a 'Plan for Stock Appreciation Rights Plan, 2013' ("SAR Plan 2013") in the year 2013, which is a cash-based plan linked to the actual stock price movement over the plan tenure. Further, pursuant to the enforcement of SEBI SBEB & SE Regulations, in the event of transfer of employee to any Group Company ("said transfer"), all the options and RSUs granted to an employee under the employee stock option scheme of the Company, if not exercised by such employee before the last working day in the Company shall lapse as on the date of said transfer.

In view of the above, in order to compensate the loss to an employee due to the lapse of Options and RSUs in the event of said transfer, your Company has instituted and implemented the 'Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019' ("SAR Scheme 2019"), to grant SARs in the form of 'Option SARs' (in place of Options) and 'RSU SARs' (in place of the RSUs), to such employees. During the year under review, your Company has revised the SAR Scheme 2019 to the extent of the grant cycle, from a Biennial grant (i.e. once in 2 years) to an Annual grant cycle in the form of Option SARs and RSU SARs.

The SAR Plan 2013 and SAR Scheme 2019, do not give rise to any right towards any equity share of the Company and hence, they are not covered under the provisions of SEBI SBEB & SE Regulations. On exercise of the SARs granted under the said plan / scheme, the employee exercising the SARs becomes entitled to receive cash, in terms of the respective plan / scheme.

In terms of the provisions of Regulation 14 and Part F of Schedule I of the SEBI SBEB & SE Regulations, details of the aforesaid schemes can be accessed at www.abfrl.com

A certificate from the Secretarial Auditor of the Company, confirming that the aforesaid schemes have been implemented in accordance with the SEBI SBEB & SE Regulations, will be open for inspection at the ensuing Fifteenth Annual General Meeting.

G. Related Party Transactions

All related party transactions entered into during the year under review were approved by the Audit Committee and the Board, from time to time and the same are disclosed in the financial statements of your Company for the year under review. Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has, on recommendation of its Audit Committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company i.e. www.abfrl.com. Also, during the year under review, pursuant to the amendments in the SEBI Listing Regulations, the aforesaid policy was reviewed and amended by the Board.

Further, in terms of the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, all contracts / arrangements / transactions entered into by the Company with its related parties, during the year under review, were:

- in "ordinary course of business" of the Company;
- on "an arm's length basis" and
- not "material".

All transactions with related parties are in accordance with the policy on related party transactions formulated by the Company.

Accordingly, Form No. AOC-2, prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of related party transactions, which are "not on arm's length basis" and also which are "material and on arm's length basis", is not provided as an annexure to this Report.

H. Dividend Distribution Policy

In terms of Regulation 43A of the SEBI Listing Regulations, your Company has formulated a Dividend Distribution Policy, with an objective to provide the dividend distribution framework to the Stakeholders of the Company. The policy sets out various internal and external factors, which shall be considered by the Board in determining the dividend pay-out. The policy is annexed as **Annexure III** to this Report and is also available on the website of the Company i.e. www.abfrl.com

I. Strategic Initiatives during the year

a) Strategic partnership with 'Reebok':

On December 14, 2021, the Board of Directors approved a strategic partnership with the global brand 'Reebok' for the Indian market and purchase of assets / liabilities of Reebok India Company subject to the successful completion of due diligence, necessary statutory approvals and signing of definitive agreements. The said partnership was executed by way of entering into a Licensing Agreement and a Purchase Agreement, respectively through:

(i) acquiring the exclusive online and offline rights to the global brand 'Reebok' for the Indian market and

(ii) purchase of certain assets of 'Reebok India Company' including inventory, currents assets / liabilities.

As on the date of this report, Implementation agreement, Management agreement and Sourcing agreement have been signed as part of global transaction between Authentic Brand Group & Adidas for taking over / assuming local control of business.

b) Proposal for acquisition of stake in brand "Masaba"

On January 14, 2022, the Board of Directors approved the proposal for acquisition of 51% stake in House of Masaba Lifestyle Private Limited ("HOMLPL") by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any.

On May 18, 2022, the Board of Directors noted the effectiveness of the transaction w.r.t. acquisition of 52.4% stake in Brand 'Masaba' by noting completion of the closing conditions precedent (under the definitive agreements) and authorised officers of the Company to take necessary actions to close the acquisition by signing definitive agreements, post which the Company will hold 52.4% stake in HOMLPL making it a subsidiary of the Company.

J. Proceeds from Rights Issue and Non-Convertible Debentures:

The utilization of funds raised have been mentioned hereunder:

(₹ in Crore)

Mode	Object	Amount allocated	Amount utilized
Rights Issue	Repayment of certain borrowings of the Company	745.00	745.00
	General corporate purpose	244.26	242.25
Non-Convertible Debentures	Refinancing of existing debt and General corporate purpose	400.00	400.00

There has been no deviation in the use of proceeds of the Rights Issue and Non-Convertible Debentures from the objects stated in the respective Offer document as per Regulation 32 of the SEBI Listing Regulations. The Company has been disclosing on a quarterly basis to the Audit Committee, the uses / application of proceeds / funds raised from Rights Issue and Non-Convertible Debentures and also filed with the Stock Exchanges on a quarterly basis, as applicable.

K. Subsidiaries, Joint Ventures, Associate Companies

As on March 31, 2022, the Company has 5 (five) subsidiaries and 1 (one) associate company. During the year under review, no company became / ceased to be a subsidiary / associate / joint venture of the Company. Also, the Company did not become a part of any joint venture during the year.

Pursuant to the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014 and in accordance with applicable accounting standards, a statement containing the salient features of financial statements of your Company's subsidiaries and associate in Form No. AOC-1 is annexed as **Annexure IV** to this Report.

In accordance with the provisions of Section 136 of the Act and the amendments thereto, and the SEBI Listing Regulations, the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of your Company's subsidiaries, joint ventures / associate companies have been placed on the website of your Company viz. www.abfrl.com.

Your Company has formulated a Policy for determining Material Subsidiaries. The said policy is available on the website of the Company i.e. www.abfrl.com. However, the Company does not have any material subsidiary as defined under Regulation 16(1)(c) of the SEBI Listing Regulations.

L. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Your Company consciously makes all efforts to conserve energy across all its operations. A report containing details with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is annexed as **Annexure V** to this Report.

M. Vigil Mechanism

The Board, on recommendation of its Audit Committee, has adopted a Vigil Mechanism / Whistle Blower Policy and the details of which are provided in the Corporate Governance Report forming part of this Annual Report.

Adequate safeguards are provided against victimization to those who avail of the mechanism and direct access to the Chairperson of the Audit Committee is provided to them. The details of establishment of vigil mechanism is also available on the website of the Company i.e. www.abfrl.com

N. Risk Management

Your Company has framed and implemented a Risk Management Policy in terms of the provisions of Regulation 21 of the SEBI Listing Regulations, for the assessment and minimization of risk, including identification therein of elements of risk, if any, which may threaten the existence of the Company.

The policy is reviewed periodically by the Risk Management and Sustainability Committee along with the key risks and related mitigation plans. More details on risks and threats have been disclosed hereinabove, as part of the Management Discussion and Analysis.

Further, in view of the ever-increasing size and complexity of the business operations, your Company is exposed to various risks emanating from frauds. Accordingly, the Board, on recommendation of the Audit Committee, has adopted an Anti-Fraud Policy and a Whistle Blower Policy, to put in place, a system for detecting and / or preventing and / or deterring and / or controlling the occurrence of frauds.

O. Nomination Policy and Executive Remuneration Policy / Philosophy

In terms of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Board of your Company, on recommendation of the NRC, had adopted a Nomination Policy, which *inter alia* enumerates the Company's policy on appointment of directors, KMP and senior management. Further, the Board, on recommendation of NRC, has also adopted a policy entailing Executive Remuneration Philosophy, which covers remuneration philosophy covering the directors, KMP, senior management and other employees of the Company.

Both the aforesaid policies, as amended from time to time pursuant to the amendment in the applicable regulatory provisions, are available on the website of the Company i.e. www.abfrl.com

Salient features of the aforesaid policies are as under:

(a) Nomination Policy

The Nomination Policy is enacted mainly to deal with the following matters, falling within the scope of the NRC:

- To institute processes which enable the identification of individuals who are qualified to become directors and who may be appointed as key managerial personnel and / or in senior management and recommend to the Board of Directors their appointment and removal from time to time;

- To devise a policy on board diversity;
- To review and implement the succession and development plans for managing director, executive directors and officers forming part of senior management;
- To formulate the criteria for determining qualifications, positive attributes and independence of directors;
- To establish evaluation criteria of board, its committees and each director and
- To recommend the board, all remuneration, in whatever form, payable to senior management.

(b) Executive Remuneration Policy / Philosophy

This Policy supports the design of programmes that align executive rewards - including incentive programmes, retirement benefit programmes, promotion and advancement opportunities - with the long-term success of the Stakeholders of the Company.

The executive remuneration program of the Company is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders and intends to:

- Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis and
- Emphasize "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

P. Business Responsibility and Sustainability Report

Your Company's sustainability initiatives are aligned with the Aditya Birla Group's sustainability vision, which mainly comprises of responsible stewardship, stakeholder engagement and future-proofing. Accordingly, under the aegis of the Aditya Birla Group's sustainability vision, your Company is strengthening its 'ReEarth' programme, to design a roadmap, which will align with the group level sustainability policies and international frameworks.

Through this mission, we hope to create a future ready organisation, which can pre-empt imminent challenges and address the needs of all stakeholders.

In accordance with our sustainability vision and in terms of Regulation 34(2)(f) of the SEBI Listing Regulations, a Business Responsibility and Sustainability Report forms part of this Annual Report.

Q. Auditors and Auditors Report

(i) Statutory Auditor

Price Waterhouse & Co Chartered Accountants LLP (FRN: 304026E/E-300009), were appointed as the Statutory Auditors of the Company at the 14^{th} Annual General Meeting ("AGM"), for a term of five consecutive years, till the conclusion of the 19^{th} AGM to be held in the year 2026.

Further, the Auditors' Report "with an unmodified opinion", given by the Statutory Auditors on the financial statements of the Company for financial year 2021-22, forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report for the year under review.

The notes to the financial statements are self-explanatory and do not call for any further comments.

(ii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, M/s. Dilip Bharadiya & Associates, Company Secretaries (CP No: 6740), were appointed as the Secretarial Auditor of the Company, to conduct secretarial audit for the year under review.

The Secretarial Audit Report given by the Secretarial Auditor of the Company is annexed as **Annexure VI** to this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in his Report for the year under review.

(iii) Cost Auditor

During the year under review, your Company was not required to maintain cost records under Section 148(1) of the Act. Hence, the provisions related to appointment of Cost Auditor is not applicable.

Further, no fraud in terms of the provisions of Section 143(12) of the Act, has been reported by the Auditors in their reports for the year under review.

R. Material Changes and Commitment Affecting Financial Position of the Company

With a large section of the population being vaccinated and evolving impact of the pandemic, management has determined that COVID-19 is unlikely to have a material impact on the future operations of the Company. Management continues to closely monitor any material changes to future economic conditions.

S. Other Disclosures

In terms of the applicable provisions of the Act and the SEBI Listing Regulations, your Company additionally discloses that, during the year under review:

- there was no change in the nature of business of your Company;
- it has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2022, there were no deposits which were unpaid or unclaimed and due for repayment, hence, there has been no default in repayment of deposits or payment of interest thereon;
- it has not issued any shares with differential voting rights;

- it has not issued any sweat equity shares;
- no significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status operations of your Company in future;
- it has not transferred any amount to the Reserves;
- it has not raised any funds through qualified institutions placement as per Regulation 32(7A) of the SEBI Listing Regulations;
- it does not engage in commodity hedging activities;
- it has not made application or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 and
- it has not made any one-time settlement for the loans taken from the Banks or Financial Institutions.

It is further disclosed that:

- there is no plan to revise the financial statements or directors' report in respect of any previous financial year;
- particulars of the loans, guarantees and investments as required under Section 186 of the Act are disclosed in the financial statements of your Company for the year under review and
- details pertaining to unclaimed shares demat suspense account of your Company are disclosed in the Shareholders' Information forming part of this Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the SEBI. The report on Corporate Governance as stipulated under the SEBI Listing Regulations forms part of this Annual Report.

Your Company has duly complied with the Corporate Governance requirements as set out under Chapter IV of the SEBI Listing Regulations and M/s. Dilip Bharadiya & Associates, Company Secretaries, *vide* their certificate dated May 18, 2022, have confirmed that the Company is and has been compliant with the conditions stipulated in the Chapter IV of the SEBI Listing Regulations. The said certificate is annexed as **Annexure VII** to this Report.

ANNUAL RETURN

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return in Form no. MGT-7 can be accessed on the website of the Company i.e. www.abfrl.com

DISCLOSURES PURSUANT TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place a policy on Prevention of Sexual Harassment at Workplace, which is in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). The objective of this policy is to provide an effective complaint redressal mechanism if there is an occurrence of sexual harassment.

This policy is applicable to all employees, irrespective of their level and it also includes 'Third Party Harassment' cases i.e. where sexual harassment is committed by any person who is not an employee of the Company.

Your Company has also set up an Internal Complaints Committee at each of its administrative office(s) which is duly constituted in compliance with the provisions of the POSH Act. Further, the Company also conducts interactive sessions for all the employees, to build awareness amongst employees about the policy and the provisions of the POSH Act.

During the year under review, the Committee has received 16 complaints, all of which were resolved with appropriate action.

AWARDS AND RECOGNITIONS

Your Company has been a proud recipient of many awards and recognitions during the year under review and significant ones amongst them are as under:

- Diamond in the "**Digital Newsletter (English)**" at the 11th Public Relations Council of India (PRCI) Excellence Awards 2021.
- "**Best Newsletter (English)**" at The Public Relations Society of India (PRSI) National Awards 2021.
- Gold for "**Excellence in Internal Communications**" at Imagexx 2021 Awards.
- Silver for its "**Internal Communication Campaign**" at Velocity Awards 2021.
- Award in the "**Internal Communications Campaign**" category at the 11th Public Relations Council of India (PRCI) Excellence Awards 2021.
- **Asia's most sustainable company in textiles, apparels and luxury goods industry** by S&P Global Corporate Sustainability Assessment (CSA), an annual evaluation of companies' sustainability practices. ABFRL has also been included in the S&P Global Sustainability Yearbook – the world's most comprehensive publication on corporate sustainability.
- Gold Shield Award in Category III for "**Reporting on Sustainable Development Goals**" by ICAI Sustainability Reporting Awards 2020-21.
- Madura Clothing was recognized with the Excellence Award in "**IGBC Performance Challenge 2021 for the LBRD Warehouse, Bengaluru**".
- 'PLATINUM' certification from Indian Green Building Council (IGBC) for its **"Sollepura Village project in Tamil Nadu for achieving Green Building Standards"**.

- Fashion Craft won Gold in the **"India Green Building Manufacturing Challenge** (IGMC) **2021-22".**
- Madura Clothing received the CII-ITC Scale Award 2021 for **"Supply Chain and Logistics Excellence in the Garments and Textiles"** category.
- Madura Clothing won Gold under the "**ESG Sustainability & CSR Domain"** at Corporate Excellence Awards 2022 from Symbiosis.
- Crafted Clothing won a GOLD Medal for **"Manufacturing Competitiveness 2021"** by International Research Institute for Manufacturing (IRIM).
- Madura Clothing won Gold for its "**Kaizen & Poka yoke concepts"** at the Quality Circle Forum of India (QCFI) in 2021.
- Madura Clothing was awarded "**Water Management Company of the year, 2021"** by CII.
- Van Heusen adjudged the **"IMAGES Most Admired Retailer: Best Turnaround story- Fashion"** at IMAGES Retail Awards 2021.
- Pantaloons bagged an award for "**Best Store Design"** in the category "**Images Most Admired Fashion Design Concept of the year**" at IMAGES Retail Awards 2021.
- Jaypore bagged Silver for its "**Consumer Relation Campaign (Artisans campaign)**" at the 11th Public Relations Council of India (PRCI) Excellence Awards 2021.
- Jaypore bagged Bronze in the "Excellence in Communication PR Event for its Artisans campaign" at Imagexx 2021 Awards.

ACKNOWLEDGEMENT

We take this opportunity to thank all the customers, members, investors, vendors, suppliers, business associates, bankers and financial institutions for their continuous support. We also thank the Central and State Governments and other regulatory authorities for their co-operation.

We acknowledge the patronage of the Aditya Birla Group and above all, we place on record our sincere appreciation for the hard-work, solidarity and contribution of each and every employee of the Company in driving the growth of the Company.

For and on behalf of the Board of Directors

	Ashish Dikshit	**Sangeeta Pendurkar**
Place : Mumbai	Managing Director	Whole-time Director
Date : May 18, 2022	DIN: 01842066	DIN: 03321646

Disclaimer:

Certain statements in the "Management's Discussion and Analysis" may not be based on historical information or facts and may be "forward looking statements" within the meaning of applicable laws and Regulations, including but not limited to those relating to general business plans and strategy of the Company, its future outlook and growth prospects, future developments in its businesses, its competitive and regulatory environment and management's current views and assumptions, which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government Regulations, tax regimes, competitor's actions, economic developments, within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise. The "Management's Discussion and Analysis" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's securities. The financial figures have been rounded off to the nearest Rupee One Crore.

Source:

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ANNEXURE I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company:

   - To actively contribute to the social and economic development of the communities in which the Company operates. In doing so, build a better, sustainable way of life for the weaker sections of society, to contribute effectively towards inclusive growth and raise the country's human development index.
   - Projects of the Company focus on education, healthcare & sanitation, sustainable livelihood, water and digitalisation, epitomising a holistic approach to inclusive growth.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Nature (Designation*)	Meetings during the year	
			Held	Attended
1.	Mr. Himanshu Kapania	Chairperson (Vice-Chairman and NED)	1	1
2.	Mr. Nish Bhutani	Member (ID)	1	0
3.	Mr. Yogesh Chaudhary#	Member (ID)	1	1
4.	Ms. Preeti Vyas^	Member (ID)	1	1

Note:

** NED: Non-Executive Director; ID: Independent Director*

 # appointed w.e.f. April 1, 2021

^ appointed w.e.f. May 28, 2021

3. Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company as mentioned below:

   i. Composition of CSR Committee : www.abfrl.com/corporate-governance/

   ii. CSR Policy : www.abfrl.com/docs/corporate_governance/policies/Corporate_Social_Responsibility_Policy_new.pdf

   iii. CSR Projects : www.abfrl.com/sustainability/corporate-social-responsibility/

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : ***Not Applicable***

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: ***NIL*** *(The Company has spent more than the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set-off)*

6. Average net profit of the company as per section 135(5): ₹ ***(227.13) Crore***

7. (a) Two percent of average net profit of the Company as per Section 135(5): ***Nil***

   (b) Surplus arising out of the CSR projects or Programmes or activities of the previous financial years: ***Nil***

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

   (d) Total CSR obligation for the financial year (7a+7b-7c): ***Nil***

8. FY 2021-22 : CSR amount
   a) Spent : ***₹ 3.09 Crore***
   b) Unspent: ***Not Applicable***
   c) Spent against ongoing projects: ***Not Applicable***
   d) Spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Crore)	Mode of implemen-tation Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR registration number
1.	School Transformation Project			Maharashtra	Raigad District, Navi Mumbai	0.19		Aditya Birla Fashion and Retail Jan Kalyan Trust	CSR00005147
2.	Gyanarjan	Education	Yes	Karnataka	Ramanagara District, Mysuru District and Bangalore	0.60	No	Sri Venkateshwara Educational Trust	CSR00011621
								Rashtreeya Shikshana Samithi Trust	CSR00012218
3.	Kasturba Gandhi Balika Vidyalaya			Karnataka and Tamil Nadu	Ramanagara District and Krishnagiri District	0.06		Aditya Birla Fashion and Retail Jan Kalyan Trust	CSR00005147
4.	Village Development Project, Karnataka and Tamil Nadu *("Project")*								
4. 1	Project- Education	Education				0.06			
4.2	Project- Health & Sanitation	Health Care including Preventive health care and sanitation				0.53		Aditya Birla Fashion and Retail Jan Kalyan Trust	CSR00005147
4.3	Project- Sustainable Livelihood	Special education and employment enhancing vocation skills and livelihood enhancement projects. Promoting gender equality and empowering women.	Yes	Karnataka and Tamil Nadu	Bangalore, Ramanagara District and Krishnagiri District	0.21	No	Edunet Foundation	CSR00001388
4.4	Project- Water & Watershed					0.16			
4.5	Project- Digitalisation	Rural Development Projects	Yes	Karnataka and Tamil Nadu	Bangalore, Ramanagara District and Krishnagiri District	0.06	No	Aditya Birla Fashion and Retail Jan Kalyan Trust	CSR00005147
4.6	Project- Others					0.49			

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Crore)	Mode of implementation Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR registration number
5.	Village Development Project, Odisha *("Project Odisha")*								
5. 1	Project Odisha-Education	Education				0.07			
5.2	Project Odisha-Health and Sanitation	Health Care including Preventive health care and sanitation				0.16			
5.3	Project Odisha-Sustainable Livelihood	Livelihood enhancement projects. Promoting gender equality and empowering women.	Yes	Odisha	Khurda District	0.05	No	Aditya Birla Fashion and Retail Jan Kalyan Trust	CSR00005147
5.4	Project Odisha-Water & Watershed	Rural Development Projects				0.09			
5.5	Project Odisha-Digitalisation					0.03			
6	Kaushalya Project	Special education and employment enhancing vocation skills and livelihood enhancement Projects.		Karnataka	Bangalore	0.21		Labour Net Services India Private Limited	
TOTAL						**2.97**			

e) Spent in Administrative Overheads: ***₹ 0.12 Crore***

f) Spent on Impact Assessment, if applicable: ***Nil***

g) Total amount spent (8d+8e): ***₹ 3.09 Crore***

h) Excess amount for set off, if any: ***Nil***

Sr. No.	Particulars	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	Nil
(ii)	Total amount spent for the financial year	3.09
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.09
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.09*

**The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off.*

9. (a) Details of Unspent CSR amount for the preceding three financial years: ***Not Applicable***

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): ***Not Applicable***

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

    (a) Date of creation or acquisition of the capital asset(s): ***Not Applicable***

    (b) Amount of CSR spent for creation or acquisition of capital asset: ***Not Applicable***

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: ***Not Applicable***

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): ***Not Applicable***

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5): ***Not Applicable***

	Himanshu Kapania	**Ashish Dikshit**
Place : Mumbai	Chairperson of the CSR Committee	Managing Director
Date : May 18, 2022	DIN: 03387441	DIN: 01842066

INFORMATION: REMUNERATION OF DIRECTORS & EMPLOYEES

As per Section 197(12) of the Act & Rule 5(1) of Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) **Total number of permanent employees as on March 31, 2022:** 24,818

b) **Median remuneration of employees for FY 2021-22:** ₹ 1,54,593 *(PY: ₹ 1,49,788)*

c) **Percentage increase in the median remuneration of employees:** ~3.21%

d) **Average percentile increase in the salaries of employees other than the managerial personnel:** ~26.35%

e) **Average percentile increase in the managerial remuneration:** ~130.30%

f) **Justification for the exceptional increase in the managerial remuneration:**

Increase in managerial remuneration is not comparable for financial year 2021-22 as increment and Annual Incentive Pay ("AIP") was not processed in financial year 2020-21 in view of COVID-19 pandemic. During the year under review, AIP and Increment have been processed and paid to the Managerial Personnel [i.e. Managing Director (MD) / Whole-time Directors (WTDs)].

g) **Ratio of the remuneration of each director to the median remuneration of the employees; and percentage increase/ (decrease) in remuneration of each Director and KMPs:**

Sr. no.	Name	Designation	Remuneration FY 2021-22 (₹ in Lakh)	Increase / (decrease) %	Ratio to median remuneration
Non-Executive Directors (1) (Including Independent)					
1	Mr. Kumar Mangalam Birla	Chairman & NED	3.00	N.A. (2)	1.94
2	Mr. Himanshu Kapania	Vice-Chairman & NED	5.75	(43.90)	3.72
3	Mr. Nish Bhutani	ID	8.70	N.A. (2)	5.63
4	Ms. Preeti Vyas	ID	4.90	N.A. (2)	3.17
5	Ms. Sukanya Kripalu	ID	10.25	(29.55)	6.63
6	Mr. Sunirmal Talukdar	ID	10.25	(23.51)	6.63
7	Mr. Arun Adhikari (3)	ID	8.55	N.A. (2)	5.53
8	Mr. Vikram Rao	NED	6.85	N.A. (2)	4.43
9	Mr. Yogesh Chaudhary	ID	6.45	N.A. (2)	4.17

Sr. no.	Name	Designation	Remuneration FY 2021-22 (₹ in Lakh)	Increase / (decrease) %	Ratio to median remuneration
Managerial Personnel [4]					
10	Mr. Ashish Dikshit	MD	707.13	130.30	457.41
11	Ms. Sangeeta Pendurkar [5]	WTD	935.85	N.A.	605.36
12	Mr. Vishak Kumar [6]	WTD	590.77	N.A.	382.15
KMPs [4]					
13	Mr. Jagdish Bajaj	CFO	257.27	65.25	166.42
14	Ms. Geetika Anand [7]	CS	124.11	156.48	80.28

Notes:

(1) The remuneration paid comprises of sitting fees paid for attending the meetings of the board and / or its committees.

(2) Remuneration for part of the current year / previous year. Hence, percentage increase / decrease in remuneration in the year under review is not applicable.

(3) Appointed w.e.f. May 19, 2021.

(4) During the year FY 2020-21, increment and AIP was not paid. Hence, percentage increase in remuneration in the year under review is strictly not comparable.

(5) Ms. Sangeeta Pendurkar was appointed as Whole-time Director of the Company with effect from February 24, 2021. The remuneration paid to her is strictly not comparable with remuneration paid to her for the previous year, since the amount of remuneration paid to her in the previous year was for ~ 1 month only.

Further, the remuneration paid to her during the year included the total value of the perquisites arising pursuant to the exercise of 2,71,421 Stock Options ("Options") of the Company (vested unto her on February 2, 2019, February 2, 2020, December 2, 2021 and January 21, 2022, out of 5,66,006 Options granted to her) and 60,698 Restricted Stock Units ("RSUs") of the Company (vested unto her on February 2, 2021).

(6) Mr. Vishak Kumar was appointed as Whole-time Director of the Company with effect from February 24, 2021. The remuneration paid to him is strictly not comparable with remuneration paid to him for the previous year, since the amount of remuneration paid to him in the previous year was for ~ 1 month only.

Further, the remuneration paid to him during the previous year included the total value of the perquisites arising pursuant to the exercise of 75,033 Options (vested unto him on September 8, 2018 out of 3,00,130 Options granted to him).

(7) The remuneration paid to Ms. Geetika Anand during the year under includes the total value of the perquisites arising pursuant to the exercise of 32,554 Options (vested unto her on September 8, 2018, September 8, 2019, September 8, 2021, December 2, 2021 and January 21, 2022, out of 58,875 Options granted to her) and 6,070 RSUs of the Company (vested unto her on September 8, 2020).

h) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid to:

a. directors, KMPs and members of senior management is as per Executive Remuneration Philosophy / Policy of the Company and

b. other employees of the Company are as per the Human Resource Philosophy of the Company.

ANNEXURE III

DIVIDEND DISTRIBUTION POLICY

Introduction

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, this Dividend Distribution Policy was approved by the Board of Directors of the Company ("the Board") at its meeting held on February 3, 2017.

The objective of this policy is to provide the dividend distribution framework to the Stakeholders of the Company.

The Board shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

Target Dividend Payout

Dividend will be declared out of the current year's Profit after Tax of the Company.

Only in exceptional circumstances, including but not limited to loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.

'Other Comprehensive Income' (as per applicable Accounting Standards) which mainly comprises of unrealized gains / losses, will not be considered for the purpose of declaration of dividend.

Subject to the leverage position and the availability of cash flows, the Board will endeavour to achieve a dividend payout ratio in the range of 15% to 25% of the Standalone Profit after Tax, net of dividend payout to Preference Shareholders, if any. Subject to the dividend payout range mentioned above, the Board will strive to pass on the dividend received from material Subsidiaries, Joint Ventures and Associates (as defined in the Companies Act, 2013).

Factors to be considered for Dividend Payout

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividends:

- Stability of earnings
- Cash flow from operations
- Future capital expenditure, inorganic growth plans and reinvestment opportunities
- Industry outlook and stage of business cycle for underlying businesses
- Leverage profile and capital adequacy metrics
- Overall economic / regulatory environment
- Contingent liabilities
- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other contingency plans.

General

Retained earnings will be used *inter alia* for the Company's growth plans, working capital requirements, debt repayments and other contingencies.

If the Board decided to deviate from this policy, the rationale for the same will be suitably disclosed. This policy would be subject to revision / amendment on a periodic basis, as may be necessary. This policy (as amended from time to time) will be available on the Company's website and in the Annual Report.

ANNEXURE IV

FORM AOC - 1

PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013 READ WITH RULE (5) OF COMPANIES (ACCOUNTS) RULES, 2014

Statement containing salient features of the consolidated financial statement of Subsidiaries or associate companies / Joint Ventures

Part "A" - Subsidiaries :

(₹ in Crore)

Sr. No.	Particulars	Name of the subsidiary companies				
		Jaypore E-Commerce Private Limited	TG Apparel & Decor Private Limited	Finesse International Design Private Limited	Sabyasachi Calcutta LLP (formerly M/s. Sabyasachi Couture)*	Indivinity Clothing Retail Private Limited
1	Date since when subsidiary was acquired	July 02, 2019	July 02, 2019	July 26, 2019	February 24, 2021	March 26, 2021
2	Reporting period	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
3	Reporting currency	INR	INR	INR	INR	INR
4	Share capital / Partner's capital account	14.70	0.01	1.47	799.91	35.00
5	Reserves & surplus	58.46	(0.46)	16.62	(3.76)	3.62
6	Total assets	144.64	1.69	89.27	999.50	136.96
7	Total liabilities	71.48	2.14	71.18	203.35	98.34
8	Investments	38.21	-	13.02	7.15	12.34
9	Turnover	39.85	-	46.22	229.42	1.57
10	Profit / (Loss) before taxation	(34.43)	(0.21)	(10.73)	44.67	(30.59)
11	Provision for taxation	(8.71)	-	(3.19)	16.95	-
12	Profit / (Loss) after taxation	(25.72)	(0.21)	(7.54)	27.72	(30.59)
13	Proposed Dividend	-	-	-	-	-
14	% of shareholding	100.00%	100.00%	58.69%	51.00%	80.00%

** Financial Statement of Sabyasachi Inc. has been consolidated with Sabyasachi Calcutta LLP.*

Part "B" - Joint Ventures :

(₹ in Crore)

Sr. No.	Particulars	Goodview Fashion Private Limited (formerly known as Goodview Properties Private Limited)
1	Date since when joint venture	March 19, 2021
2	Reporting period	2021-2022
3	Shares of Joint Ventures Held by the Company on year end - Nos.	3,579
4	Amount of Equity Investment in Joint Venture	67.18
5	Extent of Holding (%)	33.50
6	Networth attributable to shareholding as per latest Audited Balance Sheet	4.89
7	Profit / (Loss) for the Year	6.98
8	Considered in Consolidation	2.34
9	Not considered in Consolidation	4.64

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

Energy conservation measures at your Company are looked at in synergy with Carbon Footprint and Green Building initiatives and your Company has taken actions to reduce its energy & carbon footprint.

Energy conservation measures are taken during the financial year 2021-22

- Your Company's constant endeavor is to reduce energy consumption and implement various initiatives across the operations, including ensuring optimum internal and external lighting, installation of LED lights, VFDs and efficient equipment's and also designing new facilities and stores embracing green concepts.
- The operational efficiency initiatives across our manufacturing units have yielded a year-on-year reduction of **~4%** in energy intensity at a garment level.
- As a result of these initiatives taken, your Company has saved ~ **0.69 Lakh units** of energy during the year which resulted in a reduction of **~54 tCO2e** (tons of Carbon Dioxide equivalent) emissions.
- Your Company continues to innovate scalable opportunities to enhance the operational efficiency across its facilities and retail spaces to cut down on overall energy usage and progress further in the decarbonization journey.

Renewable energy initiatives taken by the Company for utilizing & enhancing alternate sources of energy

- **~33%** of our total energy requirement (i.e. in TOE) is met **through renewable energy sources** with help of increasing use of renewable electricity and renewable fuel.
- Solar rooftop plant with capacity of more than **2 MWp** has been operational across **6 facilities** (i.e. 4 factories and 2 warehouse) enabling us to generate more than ~**22 Lakh units** (kWh) which resulted in reduction of **~1,721 tCO2e** (tons of Carbon Dioxide equivalent) emissions.
- Further, usage of **4,821 Tons of briquettes** (biomass and wood) in the boilers, as a renewable fuel for steam generation at the manufacturing units of the Company, has cut down significant amount of Greenhouse Gas emissions.

Investment done on energy conservation equipments

- Your Company has invested in energy conservation measures, which includes moving towards energy-efficient lighting systems.

B. TECHNOLOGY ABSORPTION

- There has been no import of technology in the financial year 2021- 22.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Foreign exchange earnings for the year under review: ₹ 159.54 Crore (vis-à-vis ₹ 103.09 Crore during the previous year).
- Foreign exchange outgo for the year under review: ₹ 808.46 Crore (vis-à-vis ₹ 418.27 Crore during the previous year).

ANNEXURE VI

FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
ADITYA BIRLA FASHION AND RETAIL LIMITED
Piramal Agastya Corporate Park,
Building A, 4th and 5th Floor,
Unit No. 401, 403, 501, 502, L.B.S Road,
Kurla Mumbai -400070

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Aditya Birla Fashion and Retail Limited (hereafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

On account of the ongoing and evolving COVID-19 pandemic and consequent lockdown as directed by the Central and State Government(s), the process of audit has been modified. Some of the documents / records / returns / registers / minutes were not verified physically, however, the documents were made available in electronic mode and were verified based on the representations received from the Company for its accuracy and authenticity. Our report also covers the due adherence of the miscellaneous circulars / notifications / guidelines as issued by the regulatory bodies from time to time. Further, we have verified books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the financial year ended on March 31, 2022 ("the Audit period"), the Company has complied with the statutory provisions listed hereunder and has proper Board processes and compliance mechanism, in place, to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit period, and have relied on the records, documents and information shared electronically with us by the Company due to extra-ordinary circumstance of COVID-19, according to the applicable provisions of:

    (i) The Companies Act, 2013 ("the Act") and the rules made thereunder and the Companies Act, 1956;

    (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

    (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

    (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

    (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and circulars issued under:

        (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities Regulations, 2008 and The SEBI (Issue and Listing of Non-Convertible Securities Regulations, 2021; and

(g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");

2. We have relied on the representations made by the Company and its officers and report of the Statutory Auditor, Internal Auditor and other designated professionals for systems and mechanism formed by the Company for compliances under the following other applicable Laws, including but not limited to:

(a) Acts prescribed related to Retail activities.

(b) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, Employees' State Insurance Corporation, compensation etc.;

(c) Local Municipal Corporation Act & Bye Laws (city-wise);

(d) Shops and Establishment Act & Rule (State wise);

(e) The Consumer Protection Act, 2019 and rules made thereunder;

(f) Legal Metrology Act, 2009;

(g) Acts prescribed under prevention and control of pollution;

(h) Acts prescribed under Environmental protection;

(i) Acts as prescribed under Direct Tax and Indirect Tax including GST and others;

(j) Land Revenue laws of respective States;

(k) Labour Welfare Act of respective States;

(l) Local laws as applicable to various stores as per the respective Municipal Authority;

(m) The Indian Copyright Act, 1957;

(n) The Patents Act, 1970;

(o) The Trade Marks Act, 1999.

3. We have also examined compliance with the applicable clauses of the following:

(i) The Secretarial Standards issued by 'The Institute of Company Secretaries of India' with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (hereinafter collectively referred to as "Stock Exchanges"), read with the Listing Regulations.

During the period under review, the Company has complied with all the applicable provisions of the above Regulations and circulars/ guidelines issued thereunder except Regulation 17(1)(b) upto May 19, 2021 pursuant to which it has paid the fine to the Stock Exchanges and delay in filing application for trading approval of right issue where the Company has paid the fine imposed by Bombay Stock Exchange. In this matter, the Company has approached BSE Limited for waiver of the said fine levied. The Company is in due compliance with the above mentioned regulations as on the date of this report.

We further report that the Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors (except to the extent mentioned above). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice was given to all Directors w.r.t. the Board / Committee Meetings held during the year. Agenda and detailed notes on agenda were sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All resolutions / decisions, including Circular Resolutions of the Board of Directors and its Committees are approved by the requisite majority and are duly recorded in the respective minutes.

Majority decisions are carried through, while the dissenting views of the Directors / Members, if any, are captured and recorded as part of the minutes.

We further report that

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

We further report that in terms of Clause 21 of the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited and their respective shareholders and creditors, the Company has kept allotment of 37,82,178 Equity Shares of ₹ 10/- each, pertaining to 3,475 Non-Resident Shareholders of ABNL holding shares on repatriation basis, pending, until receipt of applicable regulatory approval(s).

We further report that during the year under review, the Company had undertaken the following activities:

A. <u>Rights Issue of Partly-paid shares</u>

   i. On July 02, 2021, the Company dispatched notices for the final call money of ₹ 27.50 per partly paid shares (of which ₹ 2.50 is towards face value and ₹ 25 towards premium) ("PPS").

   ii. On September 01, 2021, the Company annulled the forfeiture of 3,67,542 PPS which were forfeited due to non-payment of first call money.

B. <u>Allotment of Equity shares pursuant to Employee Stock Option Plan(s)</u>

   During the financial year, the Stakeholders Relationship Committee approved allotment of:

   i. 4,88,268 equity shares of ₹ 10/- each to the eligible employees of the Company, pursuant to the exercise of stock options granted to them under the Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 and

   ii. 4,603 equity shares of ₹ 10/- each to an eligible employee of the Company, pursuant to the exercise of stock options granted to them under the Employee Stock Option Scheme 2013

C. Issue of Non-Convertible Debentures

i. On September 09, 2021 the Company allotted 4,000 Listed, Unsecured Rated, Redeemable Non-Convertible Debentures aggregating to ₹ 400 Crores on Private Placement basis.

D. Strategic Partnerships / Acquisitions:

i. The Company entered into a Strategic Partnership with 'Reebok International Limited' (Licensor) by acquiring the exclusive online and offline rights to the global brand 'Reebok' for the Indian market and also by purchasing certain assets of 'Reebok India Company' including inventory, currents assets / liabilities by way of entering into a Licensing Agreement and a Purchase Agreement, respectively as approved by the Board of Directors in its meeting held on December 14, 2021.

ii. On January 14, 2022 the Company proposed to acquire 51% stake in 'House of Masaba Lifestyle Private Limited' by way of entering into a Binding Term Sheet.

This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

For **DILIP BHARADIYA & ASSOCIATES**

DILIP BHARADIYA
Partner
FCS No.: 7956, C P No.: 6740
UDIN: F007956D000338220

Place: Mumbai
Date: May 18, 2022

Annexure - A

To,

The Members,
ADITYA BIRLA FASHION AND RETAIL LIMITED

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed by us provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4) Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

6) Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

7) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **DILIP BHARADIYA & ASSOCIATES**

DILIP BHARADIYA
Partner
FCS No.: 7956, C P No.: 6740
UDIN: F007956D000338220

Place: Mumbai
Date: May 18, 2022

CORPORATE GOVERNANCE REPORT

Company's Governance philosophy

Aditya Birla Group ("Group") is committed towards the adoption of the best Corporate Governance practices and its adherence in the true spirit, at all times.

As a part of the Group, at Aditya Birla Fashion and Retail Limited ("Your Company" / "ABFRL") we feel proud to belong to a Group whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business, as demonstrated in our Group Chairman's Vision, Group's purpose and Group's values mentioned below:

"Great businesses are never built on the quick sands of opportunism. I reiterate that, if living by our values means, perhaps growing at a pace slower than we would otherwise have liked, so be it. For us, leadership lies at the heart of knowing what we stand for."

- Mr. Kumar Mangalam Birla
Chairman, Aditya Birla Group

"To enrich lives, by building dynamic and responsible businesses and institutions, that inspires trust."

- ABG Group Purpose

Integrity

Acting and taking decisions in a manner that is fair and honest. Following the highest standards of professionalism and being recognised for doing so. Integrity for us means not only financial and intellectual integrity, but encompasses all other forms as are generally understood.

Commitment

On the foundation of integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those on the part of the organisation for which we are responsible.

Passion

An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm.

Seamlessness

Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organisational unity through sharing and collaborative efforts.

Speed

Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimise organisational efficiencies.

- ABG Values

Your Company's philosophy on Corporate Governance enshrines the goal of achieving the highest level of transparency, accountability, sustainability and ethical behaviour in all aspects. It is always ensured that the performance is driven by integrity & values and that business is done in the right way. It treats all its stakeholders fairly and equitably. It respects minority rights and aims to enhance long-term stakeholder value without compromising on ethics. We believe that if something is important enough to be done, it is important that we do it ethically.

Your Company at all times strives to develop, strengthen and uphold the abovementioned corporate governance principles, systems and processes, in practice. Your Company keeps its governance practices under continuous review and benchmarks itself to best practices across the globe.

Also, your Company ensures that its governance framework incorporates the amendments introduced from time to time in various laws applicable to the Company and that the same is complied with on or before the relevant due dates.

Your Company's governance rests on the highest standards of business ethics and corporate governance. The governance philosophy of the Group and your Company rests on following basic tenets viz.

Accountability and Interests

Our practices ensures accountability towards all stakeholders. And protection of minority interests and rights.

Monitoring

Effective monitoring and reviewing the risk management framework and associated practices is ensured.

Control

Effective control systems are maintained to ensure efficient conduct of business and discharge of responsibilities.

Transparency and Disclosure

Transparency, integrity and disclosures are keys to corporate governance practices. Our practices ensure that we make timely and accurate disclosures.

Ethics

Our practices ensure that we maintain high standards of ethics.

Review

Regular review of processes and management systems for improvement are ensured.

The distilled wisdom of your Company has reinforced stakeholders trust and confidence, attracting and retaining financial and human capital and has helped us enormously in fulfilling societal aspirations.

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our stakeholders.

In line with the above philosophy, your Company continuously endeavours for excellence and focuses on enhancement of long-term stakeholders' value through adoption of and adherence with the best governance practices, in true spirit at all times.

A report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is given herein below:

The Board of Directors ("The Board")

The Board is at the core of the corporate governance system of the Company. The Board is committed towards compliance of sound principles of corporate governance and plays a crucial role in overseeing how the management serves the short and long-term interests of the members and other stakeholders. This belief is reflected in the governance practices of the Company, under which it strives to maintain an effective, informed and independent Board.

The Boards operations are duly supported by the Managing Director, Whole-time Directors, Key Managerial Personnel ("KMPs") and the Senior Management, while discharging its fiduciary duties and in ensuring effective functioning of your Company.

Committees of the Board viz. Audit Committee ("AC"), Stakeholders Relationship Committee ("SRC"), Nomination and Remuneration Committee ("NRC"), Corporate Social Responsibility Committee ("CSRC") & Risk Management and Sustainability Committee ("RMSC") handle specific responsibilities and empower the functioning of the Board through flow of information amongst each other and by delivering a focussed approach and expedient resolution on diverse matters. Non-statutory Committees of the Board, are formed from time to time, basis the requirements of the Company. Details of the aforesaid Committees are covered in the Section 'the Board Committees' of this report.

The Company strives to maintain an appropriate balance of skills and experience within the organisation and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity.

Board Composition

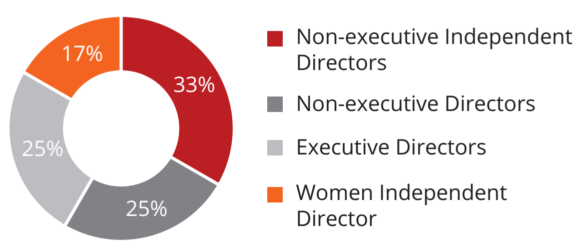
An independent and well-informed Board goes a long way in protecting the stakeholders' interest.

The composition of your Company's Board represents an optimal mix of professionalism, knowledge, experience that enables the Board in discharging its responsibilities and providing effective leadership and support to the business. The composition, diversity and strength of the Board is reviewed from time to time for ensuring that the same is in line with the applicable laws and also that it remains aligned with the strategy and long term needs of the Company.

Detailed profile of the Board of Directors of the Company along with skills/expertise/ competencies pursuant to Schedule V of the SEBI Listing Regulations, is provided separately in the 'Corporate Information' Section of this Annual Report.

As on March 31, 2022, the Board comprised of 12 members (as against 11 members as on March 31, 2021), consisting of 3 Non-Executive Directors (including one Chairman), 3 Executive Directors and 6 Independent Directors.

Percentage of Board Positions

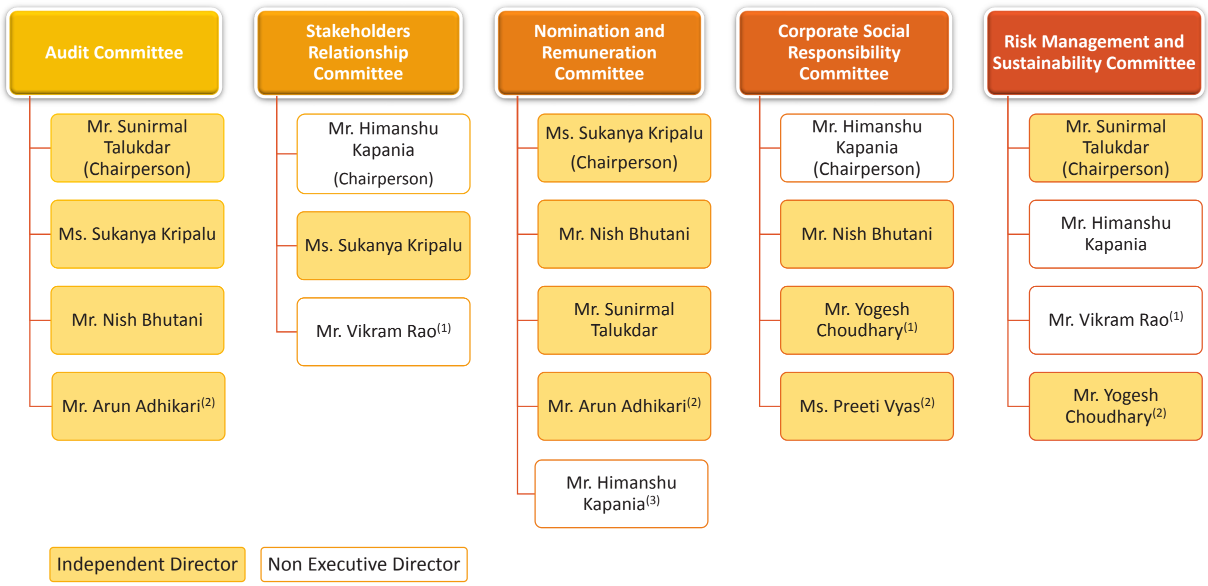


The Board Committees ("Committees")

The Committees play a crucial role in the governance structure of the Company. The Committees are formed with the approval of the Board and function under their respective terms of references framed in accordance with the Companies Act, 2013 ("Act") and the SEBI Listing Regulations.

The Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. Each Committee demonstrates highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields. These Committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these Committees lend immense value and support, enhancing the efficiency of the decision-making process of the Board. The Board reviews the functioning of these Committees from time to time.

Committees' Composition:



(1) w.e.f. April 1, 2021

(2) w.e.f. May 28, 2021

(3) w.e.f. November 3, 2021

Mr. Ashish Dikshit, Managing Director of your Company, is a Permanent Invitee of all the Committees. Ms. Geetika Anand, Company Secretary of your Company, acts as the Secretary to all the Committees. They attended all the meetings / matters of the Board and Committees held during the financial year, except those in which they were interested.

A. Audit Committee ("AC")

Your Company has a qualified and independent AC, which acts as an interface between the statutory and internal auditors, the management and the Board. All the members of the AC have the ability to read and understand the financial statements. The Chairman of the AC possesses professional qualifications in the field of Finance and Accounting.

The AC is governed by a Charter, which is in line with Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations. The AC Charter was revised on February 4, 2022. The scope, functions and overall responsibility of the AC is to supervise the Company's internal controls and financial reporting process. The brief description of the terms of reference is available on the website of the Company i.e. www.abfrl.com.

Your Company also has in place a Forex policy, which mentions measures to protect cash flows and shareholder value by reducing the adverse effect of currency rate fluctuations on the Company's profitability, business plans and sustainability of operations.

The quorum and composition of the AC are in accordance with Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

B. Nomination and Remuneration Committee ("NRC"):

The composition, quorum, powers, role and scope of the NRC are in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The Committee is governed by a Charter which is also in line with the Section 178 of the Act. The NRC Charter was revised on February 4, 2022.

The overall responsibility of the NRC is to approve and recommend to the Board matters relating to the appointment and remuneration of the Company's Executive Directors, KMP and senior management, in line with the Nomination Policy and Executive Remuneration Policy of the Company.

The broad terms of reference of the NRC, in terms of the Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations is available on the website of the Company i.e. www.abfrl.com.

C. Stakeholders Relationship Committee ("SRC"):

The composition, quorum, powers, role and scope of the SRC are in accordance with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

Ms. Geetika Anand, Company Secretary, being the Compliance Officer of your Company, is responsible for the redressal of grievances of the shareholders, debenture holders and other security holders.

In terms of the applicable provisions of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations, the scope, functions and overall responsibility of the SRC is to oversee various aspects of interests of stakeholders of the Company. The term 'stakeholder' includes shareholders, debenture holders and other security holders. The brief description of the terms of reference is available on the website of the Company i.e. www.abfrl.com.

D. Corporate Social Responsibility Committee ("CSRC"):

Your Company has a Corporate Social Responsibility Policy in place, duly approved by the Board on recommendation of the CSRC, details of which are disclosed in the 'Directors Report' forming part of this Annual Report.

The composition, quorum, powers, role and scope of the CSRC are in accordance with Section 135 of the Act.

In terms of the applicable provisions of Section 135 read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSRC is inter alia entrusted with the responsibility of monitoring and implementing the CSR projects / programmes / activities of your Company. The brief description of the terms of reference is available on the website of the Company i.e. www.abfrl.com.

Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development and Dr. (Mrs.) Pragnya Ram, Group Executive President & Group Head - CSR, Legacy Documentation & Archives, are the permanent invitees to the meetings of CSRC.

E. Risk Management and Sustainability Committee ("RMSC"):

Since your Company is in the retail industry, it is prone to inherent business risks. Your Company has in place a Risk Management Policy that covers the inherent business risks and appropriate measures to be taken, to manage uncertainty, changes in the internal and external environment to limit negative impacts and capitalise on opportunities along with minimisation of identifiable risks by the Company.

The composition, quorum, powers, role and scope of the RMSC are in accordance with the applicable provisions of the Act and Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations. The RMSC Charter was revised on February 4, 2022.

Business risk evaluation and its management is an on-going process within the Company. The RMSC is *inter alia* entrusted with the responsibility of monitoring and reviewing the risk management plan, sustainability and the cyber security of the Company and such other functions as may be delegated by the Board from time to time. The brief description of the terms of reference is available on the website of the Company i.e. www.abfrl.com.

Meetings: Board & Committees

The Board meets at regular intervals to discuss and decide on strategies, policies and reviews the financial performance of the Company.

Annual Calendar: The meetings of the Board & Committees are pre-scheduled. A tentative annual calendar of the meetings is circulated to the Directors well in advance to facilitate them to plan their schedules.

Meetings at shorter notice & Circular Resolutions: In case of business exigencies, the Board and / or Committee's approval is taken either by holding meetings at shorter notice or through Circular Resolutions, which are noted at the subsequent meetings thereof.

Information provided to / placed before the Board / Committees

Following information is provided to the Board (including Committees thereof), adequately in advance, of its Meetings / consideration (in case of Circular Resolutions), as per regulatory timelines, to enable them to take well informed decisions:

a) The notice and detailed agenda along with relevant explanatory notes;

b) Material information, to the extent applicable and relevant, as prescribed under:

- The Companies Act, 2013;
- Secretarial Standard - 1 on Meetings of the Board of Directors ("SS-1");
- Securities and Exchange Board of India ("SEBI") Laws, more particularly, the Listing Regulations, Issue of Capital and Disclosure Requirements, Prohibition of Insider Trading Regulations and SEBI Circulars issued, from time to time and
- Other applicable laws.

c) Presentations on various functional and operational areas of the Company and other business development activities as well as on major projects, financial highlights, etc.

Any information which involves unpublished price sensitive information and in exceptional cases, certain additional matters are tabled at the meeting with the approval of the Chairman and the Board, more particularly the Independent Directors. An approval from the Board for circulating such information at a shorter notice is obtained every year, in terms of SS-1.

Mode

The Board meets at regular intervals as per the pre-scheduled Calendar to discuss and decide on strategies, policies and reviews the financial performance of the Company, in person or through the Video-conferencing facility (to enable the directors travelling abroad or present at other locations to be able to participate in the meetings). Such meetings, if conducted physically, are convened generally at the Registered Office / Corporate office of the Company / Group.

Paperless Meetings

In line with our sustainability vision and with a view to reducing paper consumption and leveraging technology, a paperless mechanism of conducting Meetings was set-up in the year 2018. Since then, the Company has been conducting all its meetings through a web-based application. The Directors have been provided with iPads to enable smooth and safe access to information at all times. All the information relating to a meeting (as detailed in the section 'Information provided to / placed before the Board / Committees' above), is provided to the Directors by uploading through the application. The said application meets high standards of security and integrity required for storage and transmission.

The Chief Executive Officers of various businesses, Chief Financial Officer, Senior Management Personnel of the Company are also invited to the Board / Committee meetings.

In addition, representatives of the Statutory Auditors and Internal Auditors of your Company are also invited to the Committee meetings for providing such information as may be necessary.

Your Company has provided an avenue to the Statutory Auditors to have a separate discussion with the Chairperson and members of the AC without the presence of executives, prior to declaration of the financial results, whenever requested.

Meetings held: FY 2021-22

In view of the health risks associated with Covid-19 pandemic and travel restrictions / lock-down imposed by the Central and State Government and in compliance with the regulatory relaxations provided by SEBI and Ministry of Corporate Affairs and the Institute of Company Secretaries of India, all the Board and Committee Meetings held during the year were conducted virtually.

Extreme precautions and safeguards were put in place to ensure security and confidentiality of discussions and smooth conduct of such meetings. Continuous engagement with the Board Members were done to facilitate their attending and effective contribution during such meetings. The Company complied with all the procedures stipulated under the Act and rules made thereunder and SS-1.

Details of Board and Committee Meetings held during FY 2021-22

Meeting Date(s)	Board	AC	NRC	SRC	RMSC	CSRC
May 18, 2021	-	-	1st	-	-	-
May 28, 2021	1st	1st	-	-	-	-
Jun 28, 2021	-	-	-	-	-	1st
Jul 30, 2021	2nd	2nd	-	-	-	-
Aug 17, 2021	-	3rd	-	1st	1st	-
Aug 18, 2021	3rd	-	2nd	-	-	-
Nov 3, 2021	4th	4th	3rd	-	-	-
Dec 14, 2021	5th	-	-	-	-	-
Jan 14, 2022	6th	-	-	-	-	-
Feb 4, 2022	7th	5th	-	-	-	-
Feb 11, 2022	-	-	-	-	2nd	-
Mar 28, 2022	-	6th	-	2nd	-	-

Attendance at Meetings of Board, Committees and Shareholders'

Director	Board (7)	Audit (6)	CSRC (1)	NRC (3)	RMSC (2)	SRC (2)	14th AGM
Ms. Preeti Vyas	6 / 7	*	1 / 1	*	*	*	Y
Ms. Sukanya Kripalu	7 / 7	6 / 6	*	3 / 3	*	2 / 2	Y
Ms. Sangeeta Pendurkar	6 / 7	*	*	*	*	*	Y
Mr. Arun Adhikari	7 / 7	5 / 5	*	2 / 2	*	*	Y
Mr. Nish Bhutani	6 / 7	6 / 6	0 / 1	3 / 3	*	*	Y
Mr. Sunirmal Talukdar	7 / 7	6 / 6	*	3 / 3	2 / 2	*	Y
Mr. Yogesh Chaudhary	7 / 7	*	1 / 1	*	2 / 2	*	Y
Mr. Himanshu Kapania (Vice-Chairman)	5 / 7	*	1 / 1	*	2 / 2	2 / 2	Y
Mr. Kumar Mangalam Birla (Chairman)	4 / 7	*	*	*	*	*	Y
Mr. Vikram Rao	7 / 7	*	*	*	2 / 2	2 / 2	Y
Mr. Ashish Dikshit	7 / 7	*	*	*	*	*	Y
Mr. Vishak Kumar	6 / 7	*	*	*	*	*	Y

*Not a member of the Committee

(1) The maximum gap between no two consecutive Board and Audit Committee meetings was less than 120 days.

(2) The necessary quorum was present for all the Board and Committee meetings.

Directors Details as on March 31, 2022

In terms of the provisions of Section 165 and 184 of the Act and Regulation 17A and 26 of the SEBI Listing Regulations, the Directors provide necessary disclosures regarding positions held by them on the Board and / or Committees of other public and/or private companies in the first Meeting of the Board every financial year and post change in such disclosures, from time to time. The said disclosures are placed before the Board in its next Meeting (post receipt of disclosures) for noting.

Category	Name of the Director	At ABFRL		In other companies		
				Directorships		Committees[2]
		Tenure (in ~ yrs)	Shareholding	Total[1]	In listed entities	
Non-Independent Non-Executive	Mr. Kumar Mangalam Birla	1.1	33,966	7	As NED[3]: 1) Aditya Birla Capital Ltd. 2) Century Textiles and Industries Ltd. 3) Grasim Industries Ltd. 4) Ultratech Cement Ltd. 5) Hindalco Industries Ltd. 6) Aditya Birla Sun Life AMC Ltd.	-
	Mr. Himanshu Kapania	2.2	-	2	As NED[3]: Vodafone Idea Ltd.	1M
	Mr. Vikram Rao	1.0	-	-	-	-
Independent Non-Executive	Mr. Arun Adhikari	0.10	-	5	As ID[3]: 1) Aditya Birla Capital Ltd. 2) Ultratech Cement Ltd. 3) Vodafone Idea Ltd. 6) Voltas Ltd.	3M

Category	Name of the Director	At ABFRL		In other companies		
				Directorships		Committees[2]
		Tenure (in ~ yrs)	Shareholding	Total[1]	In listed entities	
	Mr. Nish Bhutani	1.9	-	-	-	-
	Ms. Preeti Vyas	0.12	-	1	As ID[3]: Century Textiles and Industries Ltd.	1M
	Ms. Sukanya Kripalu	7.4	-	5	As ID[3]: 1) Ultratech Cement Ltd. 2) Colgate - Palmolive (India) Ltd. 3) Entertainment Network (India) Ltd.	6M
	Mr. Sunirmal Talukdar	2.0	-	7	As ID[3]: 1) India Carbon Ltd. 2) Clariant Chemicals (India) Ltd. 3) Titagarh Wagons Ltd. 4) Sasken Technologies Ltd.	7M (including 4 as Chairman)
	Mr. Yogesh Chaudhary	1.0	-	1	-	-
Executive	Mr. Ashish Dikshit	4.1	1,29,588	4	-	-
	Ms. Sangeeta Pendurkar	1.1	-	5	-	2M
	Mr. Vishak Kumar	1.1	1,37,915	-	-	-

(1) Computed basis directorships in all public limited companies (including deemed public company), whether listed or not and excludes this Company, foreign companies, private limited companies and Section 8 companies.

(2) in Audit Committee and Stakeholders Relationship Committee of other public limited companies (including deemed public).

(3) NED: Non-Executive Director; ID: Independent Director; M: Member.

Basis the disclosures received from the Directors as on March 31, 2022, it is confirmed that none of the directors:

(a) is on the Board of more than:

i. 20 (twenty) companies;

ii. 10 (ten) public limited companies;

iii. 7 (seven) listed entities;

(b) is a member in more than 10 (ten) Audit and / or Stakeholders Relationship Committees, across all public limited companies (including deemed public);

(c) is a Chairperson of more than 5 (five) Audit and / or Stakeholders Relationship Committees across all public limited companies (including deemed public) and

(d) have any inter-se relationship with the Board members.

Appointment, tenure and remuneration

All the Directors of the Company are appointed / re-appointed by the Shareholders on the basis of recommendations of the NRC and Board.

Executive Directors:

The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of their contract of service with the Company. They are appointed by the Shareholders for a period of five years but can be re-appointed on completion of the term, if eligible. Either party may terminate their employment by giving three months' notice.

Non-Executive Directors (other than Independent Directors):

As per the Articles of Association of the Company, at least two-third of the Board members shall be retiring Directors, excluding Independent Directors. One-third of such Directors are required to retire every year and if eligible, the retiring Directors qualify for re-appointment.

Independent Directors:

As trustees of shareholders, Independent Directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision-making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance.

All Independent Directors on the Board are Non-Executive Directors as defined under Regulation 16 of the SEBI Listing Regulations. Independent Directors hold office for upto two terms of five years each. As regards the appointment and tenure of the Independent Directors, the Company has complied with the provisions of the Act and the SEBI Listing Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations.

Further, in opinion of the Board, the Independent Directors fulfil the conditions specified in Regulation 16 and 25 of the SEBI Listing Regulations and are independent of the management.

The Independent Directors on the Board of your Company are experienced, competent and highly respected individuals in their respective fields, which brings an ideal mixture of expertise, professionalism, knowledge and experience to the table.

- Databank registration:

  Further, pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the Independent Directors in this regard.

- Separate meeting of Independent Directors:

  Pursuant to Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, the Independent Directors met once during the year i.e. on March 28, 2022, without the presence of Non-Independent Directors, Executive Directors or management representatives. The Independent Directors *inter alia* discussed the performance of the Board, Non-Independent Directors and the management of the Company and assessed the quality, quantity and timeliness of flow of necessary information between the management and the Board, required for the Board to effectively and reasonably perform its duties.

- Evaluation criteria for Independent Directors:

  The performance of the Independent Directors of the Company is evaluated on the criteria more particularly as to how an Independent Director:

  i. invests time in understanding the Company and its unique requirements;

  ii. brings in external knowledge and perspective to the table for discussions at the meetings;

  iii. expresses his / her views on the issues discussed at the Board and

  iv. keeps himself / herself current on areas and issues that are likely to be discussed at the Board level.

Pursuant to the amendment in the SEBI Listing Regulations, in addition to the above criteria the evaluation criteria for Independent Directors also include fulfilment of the independence criteria as specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and their independence from the management.

Remuneration:

In terms of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, your Company has a Nomination Policy in place, which *inter alia* enumerates the appointment of directors, KMP's and senior management. Further, the Company also has an Executive Remuneration Policy, which indicates the remuneration philosophy covering the directors, KMP's, senior management and other employees of the Company.

Both the aforesaid policies, as amended from time to time, are available on the website of the Company i.e. www.abfrl.com.

The Policies and the NRC Charter broadly lay down the guiding principles, philosophy and the basis for payment of remuneration to the Executive Directors (comprises of salary, allowances, perquisites, stock options, performance linked income/ bonus and other retirement benefit funds, as may be approved by the members of the Company), KMP's and senior management. Further, the Company has in place a system where all the Directors, KMP's and senior management of the Company are required to disclose all pecuniary relationships or transactions with the Company. Also, the Company does not pay any severance fees to its directors.

Sitting fees to the Non-Executive Directors and Independent Directors are recommended by the NRC and approved by the Board.

Annual increments to Executive Directors are linked to performance and are decided by the NRC and recommended to the Board for approval thereof. The performance review system is primarily based on competencies and values. The Company closely monitors the growth and development of top talent in the Company to align personal aspirations with the organisational goals and objectives.

Also, your Company has a policy of not advancing any loans to its directors, except to the Executive Directors, in the normal course of employment.

Your Company does not have any pecuniary relationship with any of the Non-Executive Directors and they do not hold any convertible instruments in the Company.

Further, requisite disclosure with respect to the details of fixed component and performance linked incentive, in terms of the provisions of Part C of the Schedule V of the SEBI Listing Regulations and in terms of the provisions of sub-clause (IV) of the second proviso to clause (B) of Section II of Part - II of Schedule V of the Act, have been made in the Annual return in Form no. MGT- 7 disclosed on the website of the Company i.e. www.abfrl.com.

Details of Remuneration to Directors for the financial year 2021-22:

(₹ in lakhs)

	Designation(1)	Salary / other compensation	Sitting fees(2)
Mr. Kumar Mangalam Birla	Chairman and NED	-	3.00
Mr. Himanshu Kapania	Vice - Chairman and NED	-	5.75
Mr. Ashish Dikshit	MD	707.13	-
Mr. Nish Bhutani	ID	-	8.70
Ms. Preeti Vyas	ID	-	4.90
Mr. Arun Adhikari	ID	-	8.55
Ms. Sangeeta Pendurkar	WTD	935.85	-
Ms. Sukanya Kripalu	ID	-	10.25
Mr. Sunirmal Talukdar	ID	-	10.25
Mr. Vishak Kumar	WTD	590.77	-
Mr. Vikram Rao	NED	-	6.85
Mr. Yogesh Chaudhary	ID	-	6.45

(1) NED: Non-Executive Director; ED: Executive Director; ID: Independent Director; MD: Managing Director; WTD: Whole-time Director.

(2) Gross amount of sitting fees paid for attending the Board and Committee meetings held during the financial year (without deducting TDS).

(3) Any pecuniary transaction, if so undertaken between a Director and the Company in the ordinary course of business is reflected in the related party disclosure in the notes to the financial statements.

(4) In addition to the stock options / RSU granted earlier, following are the grant under the SAR Scheme 2019 during the financial year 2021-22:

Name	Option SARS	RSU SARS	Option SARS	RSU SARS
	Tranche 2	Tranche 2	Tranche 3	Tranche 4
	August 18, 2021		November 3, 2021	
Ashish Dikshit	-	-	2,04,546	56,533
Sangeeta Pendurkar	1,36,365	37,688	-	-
Vishak Kumar	1,36,365	37,688	-	-

Board induction, training and familiarisation

In terms of the provisions of Regulation 25 of the SEBI Listing Regulations, your Company has framed a Familiarisation Programme for Independent Directors of the Company, structured into two parts i.e. 'Induction' and 'Ongoing interaction'. This Programme aims to provide insights into the business of the Company, to enable the Independent Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, its business in depth and contribute significantly to the Company.

By way of an introduction / induction to the Company, presentations are also made to the newly appointed Independent Director (including Non-Executive Directors) on relevant information such as overview of the Company's business, offerings, market and business environment, growth and performance, organisational set up of the Company, governance and internal control processes. As a part of their induction process, the newly appointed Directors are taken through 'Corporate familiarization' and 'Business familiarization'. These initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively discharge his / her role as a Director of the Company.

Further, as provided in the Act, a formal letter of appointment has been issued to the Independent Directors and the same is also disclosed on the website of the Company i.e. www.abfrl.com.

Further, on an ongoing basis as a part of the agenda of meetings of the Board / Committee(s), presentations are regularly made to the Independent Directors on various matters *inter alia* covering the Company's businesses and operations, strategy, risk management framework, industry and regulatory updates and other relevant matters. These presentations enable one-on-one interaction between the Independent Directors and the senior management of the Company / statutory auditor / internal auditor of the Company. Additionally, visits to the stores of the Company, trade shows, etc. are also arranged to apprise them of the actual operations of the Company.

The details of the 'Familiarisation Programmes for Independent Directors' are also available on the website of the Company i.e. www.abfrl.com.

GENERAL BODY MEETINGS

A. Annual General Meetings *("AGM"):*

The 14th AGM of the Company was held on September 9, 2021 *via* Video-conferencing, in terms of General Circular no. 02/2021 dated January 13, 2021 read with General Circular no. 20/2020 dated May 5, 2020, General Circular no. 14/2020 dated April 8, 2020 and General Circular no. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs.

The respective Chairpersons of the Committees of the Board i.e. Audit Committee (Mr. Sunirmal Talukdar), NRC (Ms. Sukanya Kripalu) and SRC (Mr. Himanshu Kapania), were present at the AGM, to answer the queries of the members of the Company. Details of attendance of Directors at the AGM forms part of this report.

Details of location, date, time and special resolutions passed in previous three annual general meetings of the Company, are tabled herein below:

AGM No.	Location / Venue	Date and Time	Particulars of special resolution(s) passed
12th	Swatantryaveer Savarkar Rashtriya Smarak, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028	August 21, 2019 at 3:00 p.m.	(i) Continuation of directorship of Mr. Arun Thiagarajan, Independent Director. (ii) Re-appointment of Ms. Sukanya Kripalu as an Independent Director. (iii) To approve the offer or invitation to subscribe to non-convertible debentures for an amount of upto ₹ 1,250 Crore, on private placement basis. (iv) Introduction of the 'Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019'.

AGM No.	Location / Venue	Date and Time	Particulars of special resolution(s) passed
			(v) Extension of benefits of the Scheme 2019 to the employees of the holding and subsidiary company(ies) of the Company. (vi) Implementation of Scheme 2019 through trust and consider: (a) authorising the trust for secondary acquisition of the equity shares of the Company; and (b) extending financial assistance/ provisioning of money by the Company to the trust to fund the acquisition of its equity shares, in terms of the Scheme 2019.
13th	Video Conferencing/ Other Audio-Visual Means	September 7, 2020 at 4:00 p.m.	(i) Enhancement of borrowing limit of the Company up to ₹ 4,500 Crore (Rupees Four Thousand and Five Hundred Crore only). (ii) Creation of charge on movable and immovable properties of the Company up to ₹ 4,500 Crore (Rupees Four Thousand and Five Hundred Crore only).
14th	Video Conferencing/ Other Audio-Visual Means	September 9, 2021 at 4:00 p.m.	(i) Fixing remuneration limits for Mr. Ashish Dikshit, Managing Director for the remaining term of 2 years. (ii) Appointment of Ms. Sangeeta Pendurkar as a Whole-time Director of the Company. (iii) Appointment of Mr. Vishak Kumar as a Whole-time Director of the Company.

B. Postal Ballot

For matters which are urgent and require shareholders' approval in the period between the AGMs, the Company seeks the approval of shareholders through postal ballot. In compliance with Sections 108 and 110 and other applicable provisions of the Act, read with the related Rules, the Company also provides electronic voting (e-voting) facility to all its members.

During the year under review, no resolution was passed through postal ballot and as on the date of this report no special resolution is proposed to be conducted through postal ballot.

MEANS OF COMMUNICATION

The Company uses the following means for communication with investors/ shareholders:

Website	www.abfrl.com	A separate dedicated Section 'Investors' is maintained on the website of the Company for ease of the shareholders. The information required to be disseminated by the Company in terms of Regulation 46 and 30 of the SEBI Listing Regulations are uploaded on the website of the Company. These include, more particularly, the following: i. Quarterly financial results and annual financial statements; ii. Investor presentations, press releases, earnings call transcripts; iii. Details of corporate governance policies, Board committee charters and iv. Other quarterly filings and Stock Exchange disclosures.
Newspaper	'The Business Standard' and 'Navshakti'	The quarterly financial results of the Company are published within the stipulated timeline, in 1 (one) English language national daily newspaper and regional language daily newspapers.
E-mail IDs	i. invrelations.abfrl@adityabirla.com ii. secretarial@abfrl.adityabirla.com	The Company has designated e-mail ids for investor relations and shareholders assistance.
Portal	NEAPS (NSE Electronic Application Processing System) & NSE Digital Portal, BSE Corporate Compliance & the Listing Centre	NEAPS & NSE Digital Portal and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, *inter alia*, shareholding pattern, corporate governance report, corporate announcements, amongst others, are filed electronically in accordance with the SEBI Listing Regulations. All the disclosures made to the stock exchanges are in a format that allows users to find relevant information easily through a searching tool.
Investor Redressal system	SEBI Complaints Redress System (SCORES)	The Company makes use of this system which is a centralised database of all complaints and enables on-line upload of Action Taken Reports by the Company on complaints received, on line viewing by investors of actions taken on the complaints and their current status.

GENERAL SHAREHOLDER INFORMATION

Your Company has provided the details required under this as a separate section on 'General Shareholder Information', which forms a part of this Annual Report.

OTHER AFFIRMATIONS AND DISCLOSURES

a. No material transaction has been entered into by your Company with the promoters, directors or the management or relatives, etc. that may have a potential conflict with interests of the Company.

b. Compliance with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the SEBI Listing Regulations:

During the year under review, the Company has complied with all the applicable provisions of the above Regulations and circulars/ guidelines issued thereunder except to the extent of compliance with Regulation 17(1)(b) of the SEBI Listing Regulations w.e.f. February 24, 2021. The Company is in due compliance with the said regulation w.e.f. May 19, 2021.

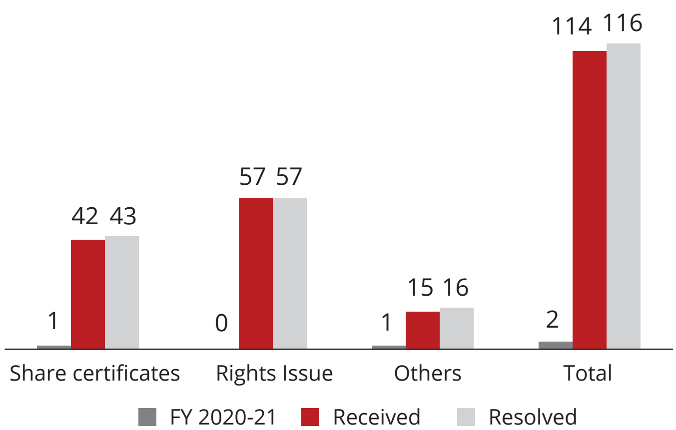
c. There were no material significant Related Party Transaction ("RPTs") that had/ may have potential conflict with the interests of the Company at large.

d. The Company has complied with all applicable provisions of the SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI and Stock Exchanges, other than that stated in point no. b of 'Other Affirmations and Disclosures'. No penalties or strictures are imposed on your Company by SEBI or the Stock Exchanges or any statutory authority on any matter related to the capital markets during the last 3 years.

e. Shareholders' complaints as on March 31, 2022

During the year under review, the Company received total of **114** complaints from the shareholders.

The Company addressed all the investor complaints received as indicated above, along with two from the previous years.



f. Vigil Mechanism / Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee

The Company has in place a Vigil Mechanism / Whistle Blower Policy which facilitates the stakeholders to have direct access to the management and the Audit Committee, to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It is hereby affirmed that no employee has been denied access to the Audit Committee. The said policies are also available on the website of the Company i.e. www.abfrl.com.

Also, the Company has adopted 'Policy for Prevention of Sexual Harassment at Workplace' and 'Anti-fraud Policy' which specifically guarantee the right to 'blow the whistle'. The said policies are also available on the website of the Company i.e. www.abfrl.com. This ensures a work environment that is professional and mature, free from animosity and one that reinforces ABFRL's value of integrity, which includes respect for the individual.

Without prejudice to and in addition to the same, your Company has established a policy for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. The mechanism provides adequate safeguards against any victimisation of the persons who use this mechanism.

g. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to corporate governance except to the extent of Regulation 17(1)(b) details of which form part of 'Other Affirmations and Disclosures'.

In addition to the above, your Company also strives to adhere and comply with the following discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of the SEBI Listing Regulations, to the extent applicable:

(i) Modified opinion(s) in Audit Report: Company's financial statements have unmodified audit opinions.

(ii) Reporting of Internal Auditor: Internal auditor of the Company directly reports to the Audit Committee.

h. Commodity price risk and commodity hedging activities:

Your Company does not engage in commodity hedging activities.

i. Certificate from Practicing Company Secretary regarding Non-Debarment and Non-Disqualification of Directors

A certificate from M/s. Dilip Bharadiya & Associates, Company Secretaries, (CP No: 6740) has been obtained, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of a Company by SEBI and Ministry of Corporate Affairs or any other statutory authority and accordingly the same forms part of this report as **Annexure C**.

j. Details of recommendation of any Committee of the Board not accepted by the Board and reasons thereof

During the year under review, the Board of your Company has accepted all the recommendations made by its Committee(s), from time to time.

k. Total fees paid, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity of which the statutory auditors are part

During the financial year 2021-22, M/s. S R B C & Co LLP, Chartered Accountants, were the Statutory Auditor of the Company until the 14th AGM held on September 9, 2021 and Price Waterhouse & Co, Chartered Accountants LLP were appointed as the Statutory Auditors at the same AGM.

Total fees of ₹ 1.97 Crore has been paid by the Company to the Statutory Auditors and all the entities in the network firm/network entity of which statutory auditors is a part, for the services provided by them during the year under review. The segregation of which is mentioned below:

(₹ in Crore)

Sr. no.	Firm Name	By Company	By Subsidiary	Total
1	S R B C & Co LLP	0.26	-	0.26
2	Price Waterhouse & Co, Chartered Accountants LLP	1.53	0.18	1.71
	Total	**1.79**	**0.18**	**1.97**

Note: Amount of ₹ 0.43 Crore pertains to the audit fees of statutory auditors of Subsidiary Companies which is not included in the above disclosure.

l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has adopted 'Policy for Prevention of Sexual Harassment at Workplace' *("POSH")* on a company-wide level to ensure the respect and dignity of all its employees. POSH is applicable not only to employees but also to third parties or clients and vendors of the Company.

The details of complaints related to sexual harassment, during the financial year 2021-22:

Sr. no.	Particulars	Pending as on March 31, 2021	Received during the year	Disposed off during the year	Pending as on March 31, 2022
1	Employees (On roll)	-	8	8	-
2	Others (Off roll/ 3rd party)	-	8	8	-
	Total	**-**	**16**	**16**	**-**

m. Disclosure of accounting treatment:

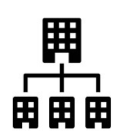
The Company has followed all applicable accounting standards while preparing the financial statements.

OTHER POLICIES AND CODES OF THE COMPANY

Your Company has various policies and codes, duly adopted pursuant to the approval of the Board and the same are periodically reviewed by the Board, to incorporate any changes required either in terms of the business of the Company or pursuant to the amendment in the applicable Acts and Regulations including but not limited to the Act and the SEBI Listing Regulations. Click to view details of the policies and codes adopted by the Company:

CSR Policy

RPT Policy



Policy for Determining of Material Subsidiary Companies

Policy for determination of materiality of information or event

Policy for archival of documents

Policy on Preservation of documents

Code of practices and procedures for fair disclosure of unpublished price sensitive information

Code of Conduct for Board of Directors and Senior Management

Anti-fraud Policy

Sustainability Policy

Environmental Policy

Tax Policy

Human Rights Policy

Safety Policy

Dividend Distribution Policy

Vendor Code of Conduct Policy

Your Company also has a 'Code of Conduct to regulate, monitor and report trading by Designated Persons in listed or proposed to be listed securities of Aditya Birla Fashion and Retail Limited' which is followed by designated persons for dealing in securities of the Company.

SUBSIDIARY & ASSOCIATE COMPANIES

The Audit Committee and Board of Directors review the financial statement and investments made, if any, on quarterly basis and also the annual financial statements of subsidiaries and associate which are duly consolidated with annual financial statements of the Company. The Board of Directors of the Company also reviews minutes of the Board Meetings of all subsidiaries.

Regulation 16 of the SEBI Listing Regulations defines a 'material subsidiary' as a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. As per this definition, the Company does not have any unlisted material subsidiary company.

As on March 31, 2022, the Company has 5 *(five)* subsidiaries and 1 *(one)* associate company, namely:

<table>
<tr><th>Sr. No</th><th>Subsidiary</th><th>% stake held</th></tr>
<tr><td>1.</td><td>Jaypore E-Commerce Private Limited</td><td rowspan="2">100.00</td></tr>
<tr><td>2.</td><td>TG Apparel & Décor Private Limited</td></tr>
<tr><td>3.</td><td>Indivinity Clothing Retail Private Limited</td><td>80.00</td></tr>
<tr><td>4.</td><td>Finesse International Design Private Limited</td><td>58.69</td></tr>
<tr><td>5.</td><td>Sabyasachi Calcutta LLP</td><td>51.00</td></tr>
<tr><td></td><td>Associate</td><td></td></tr>
<tr><td>6.</td><td>Goodview Fashion Private Limited</td><td>33.50</td></tr>
</table>

Details of the Subsidiaries and Associate Companies forms part of the Directors Report.

CEO/ CFO CERTIFICATION

As required under the provisions of Regulation 33 of the SEBI Listing Regulations, Mr. Ashish Dikshit, Managing Director and Mr. Jagdish Bajaj, Chief Financial Officer have reviewed the audited financial statements and cash flow statement for the financial year ended March 31, 2022 and accordingly have provided a certificate, which is enclosed separately at the end of this Report as **Annexure A**.

REPORT ON CORPORATE GOVERNANCE

As required under Regulation 27 of the SEBI Listing Regulations, your Company has been duly submitting the quarterly compliance report in the prescribed format and within the required timelines to the Stock Exchanges and the same are available on their websites. The said reports are also available on the website of the Company i.e. www.abfrl.com.

The compliance certificate received from M/s. Dilip Bharadiya & Associates Company Secretaries, (CP No: 6740), regarding compliance of corporate governance requirements is annexed as **Annexure VII** to the Report of the Board of Directors.

ANNEXURE A

CEO - CFO CERTIFICATION

To the Board of Directors

Aditya Birla Fashion and Retail Limited

(1) We have reviewed the Audited Financial Statements and the cash flow statement of Aditya Birla Fashion and Retail Limited ("Company") for the financial year ended on March 31, 2022 and to the best of our knowledge and belief:

   I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

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

(2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2022 which are fraudulent, illegal or violative of the Code of Conduct of the Company.

(3) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.

(4) We have indicated to the Auditors and the Audit Committee:

   I. significant changes in the Company's internal control over financial reporting, during the financial year ended on March 31, 2022;

   II. significant changes in accounting policies, if any, during the financial year ended on March 31, 2022 have been disclosed in the notes to the Financial Statements; and

   III. instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai	**Ashish Dikshit**	**Jagdish Bajaj**
Date: May 18, 2022	Managing Director	Chief Financial Officer

ANNEXURE B

DECLARATION

To the Members of Aditya Birla Fashion and Retail Limited

I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed Compliance with the Code of Conduct for the year ended March 31, 2022.

Place: Mumbai	**Ashish Dikshit**
Date: May 18, 2022	Managing Director

ANNEXURE C

CERTIFICATE FROM PRACTICING COMPANY SECRETARY W.R.T. CONFIRMATION OF DIRECTORS' NON-DISQUALIFICATION

To,
The Members,
ADITYA BIRLA FASHION & RETAIL LIMITED

This Certificate is being issued to the Members of Aditya Birla Fashion and Retail Limited, bearing Corporate Identity Number (CIN) - L18101MH2007PLC233901, having its registered office address at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla, Mumbai - 400070 ("the Company") in terms of Regulation 34(3) read with Schedule V para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We believe it is the responsibility of the Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Companies Act, 2013 ("Act") and SEBI Listing Regulations.

We have examined the documents and disclosures provided by the following Directors (as on March 31, 2022) in electronic mode, for the purpose of issuing this Certificate, in accordance with the requirements under the Act and the SEBI Listing Regulations:

Sr. No.	Name of the Director	DIN
1.	Ms. Preeti Vyas	02352395
2.	Ms. Sukanya Kripalu	06994202
3.	Ms. Sangeeta Pendurkar	03321646
4.	Mr. Arun Adhikari	00591057
5.	Mr. Nish Bhutani	03035271
6.	Mr. Sunirmal Talukdar	00920608
7.	Mr. Yogesh Chaudhary	01040036
8.	Mr. Himanshu Kapania	03387441
9.	Mr. Kumar Mangalam Birla	00012813
10.	Mr. Vikram Rao	00017423
11.	Mr. Ashish Dikshit	01842066
12.	Mr. Vishak Kumar	09078653

Based on our examination of relevant documents made available to us by the Company and such other verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, **we certify that as on date of this certificate, none of the directors on the Board of the Company, as listed hereinabove, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.**

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

For **DILIP BHARADIYA & ASSOCIATES**

DILIP BHARADIYA
F.C.S No. 7956 C.O.P No. 6740
UDIN: F007956D000338231

Place: Mumbai
Date: May 18, 2022

SHAREHOLDERS' INFORMATION

DETAILS OF FUNDS RAISED THROUGH RIGHTS ISSUE AND PREFERENTIAL ISSUE

a) Your Company approved raising of funds to the extent of ₹ 995 Crore by way of Rights Issue at an issue price of ₹ 110 per Equity Share (including a premium of ₹ 100 per Equity Share) as per the payment schedule mentioned in the letter of offer dated June 28, 2020. The Company called up the first call and final call money on January 11, 2021 and July 5, 2021 respectively. On September 1, 2021, the Board of Directors approved annulment of 3,67,542 partly paid-up shares ("PPS") which were earlier forfeited and the Company has received payment towards 2,80,504 PPS. The details w.r.t Rights Issue have been included in the Financial Statements forming part of this Annual Report.

b) Your Company issued and allotted 7,31,70,731 Equity Shares of face value of ₹ 10 each on preferential basis at a per share price of ₹ 195 fully paid-up, which *inter-alia* includes a share premium of ₹ 185 aggregating to ₹ 1500 Crore to Flipkart Investments Private Limited *("Flipkart")* in pursuance of the subscription agreement entered into between the Company and Flipkart. The allotment of the aforesaid shares was made on January 28, 2021. Consequently, as on March 31, 2022, Flipkart holds 7.80% of equity share capital of the Company.

There is no deviation in the use of proceeds of the Rights Issue and Preferential Issue, from the objects as stated in the respective Offer documents.

GENERAL INFORMATION

[IN TERMS OF PART C, SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

(i) Meeting Calendar for Financial Year (April - March)

a) Ended March 31, 2022

i. **Annual General Meeting** (15th)

Day and date : Monday , September 5, 2022

Time : 4:00 p.m.

Venue / Mode : Video Conferencing / Other Audio Visual Means[1].

ii. **Board / Committee Meeting(s)**

Dates of the meetings of the Board of Directors and Committees, held for consideration of quarterly / half- yearly / annual financial results for the financial year ended on March 31, 2022, have been disclosed as a part of the Corporate Governance Report forming part of this Annual Report.

b) Ending March 31, 2023 (Tentative)

i. **Annual General Meeting** (16th): August / September, 2023.

ii. **Board Meetings**

For considering Results for the	Month
Quarter ending June 30, 2022	July / August, 2022
Quarter and six months ending September 30, 2022	October / November, 2022
Quarter and nine months ending December 31, 2022	January / February, 2023
Quarter and year ending March 31, 2023	April / May, 2023

[1] MCA General Circular no. 02/2022 dated May 5, 2022 read with General Circular no. 20/2020 dated May 5, 2020, General Circular no. 02/2021 dated January 13, 2021, General Circular no. 19/2021 dated December 8, 2021 and General Circular no. 21/2021 dated December 14, 2021.

(ii) Dividend payment date: Not Applicable

(iii) Stock Exchanges where securities of the Company are listed:

(a) Equity shares:

Stock Exchange	Stock Code
BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	535755 & 890148*
National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	ABFRL & ABFRLPP1*

**Suspended on June 30, 2021*

(b) Non-convertible debentures: -

Unsecured, rated, redeemable, non-convertible debentures *("NCDs")* of face value of ₹ 10,00,000/- each issued by the Company from time to time, are listed on BSE, details of which are as under:

Year of issue	Series	Scrip code	ISIN	Principal amount (₹ in Crore)	Date of maturity	Debenture Trustee
2018	5(1)	958228	INE647O08073	300	14-Aug-21	**Axis Trustee Services Limited** 2^{nd} Floor 'E', Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 Phone: +91 22 2425 5215/5216 Fax: +91 22 2425 4200 Email id: debenturetrustee@axistrustee.com
2019	6	959076	INE647O08081	435	11-Nov-22	
2020	7	959492	INE647O08099	325	22-May-23	
2021	8(2)	973442	INE647O08107	400	09-Sep-24	

Notes:

(1) Redemption of Series 5 NCDs was due on August 14, 2021. Accordingly, the redemption amount has been duly paid.

(2) Series 8 NCDs was issued on September 9, 2021.

(c) Commercial Papers: BSE. The Company has no outstanding Commercial Paper as on 31^{st} March 2022.

(iv) Credit ratings:

There was no change in the credit ratings of the Company during the financial year.

As on March 31, 2022, the Company had the following credit ratings:

Instrument issued by / on behalf of the Company	Amount (₹ in Crore)	Credit Rating		
		CRISIL Limited	ICRA Limited	India Ratings & Research
Total Bank Loan Facilities	2,500	CRISIL AA/Stable	[ICRA] AA/ Stable	IND AA/Stable
NCDs Series 6 - 2019	435			-
NCDs Series 7 - 2020	325		-	IND AA/Stable
NCDs Series 8 - 2021	400		-	
Commercial Paper	2000	CRISIL A1+	[ICRA] A1+	IND A1+
Overall Rating	-	CRISIL AA/Stable	[ICRA] AA/ Stable	IND AA/Stable

(v) Designated depository for the purpose of monitoring of Foreign Investment limits on behalf of the Company: Central Depository Services (India) Limited *("CDSL")*

(vi) Annual listing fees for the financial year 2022-23: Has been paid to both the Stock Exchanges.

(vii) Stock market price data:

(a) Fully paid-up equity shares:

Month – Year	BSE				NSE			
	High (in ₹)	Low (in ₹)	Close (in ₹)	Traded volume (No. of shares in lakh)	High (in ₹)	Low (in ₹)	Close (in ₹)	Traded volume (No. of shares in lakh)
April-2021	207.00	163.30	175.35	53.09	207.00	163.10	175.00	440.81
May-2021	196.80	171.60	195.15	38.31	196.70	171.70	195.15	424.81
June-2021	224.60	193.85	215.65	51.82	224.75	193.65	215.75	735.21
July-2021	234.35	205.20	224.80	51.17	234.50	205.10	224.25	884.70
August-2021	229.40	189.50	207.85	36.96	229.50	189.35	208.10	471.09
September-2021	249.90	198.00	246.45	50.00	249.90	198.00	246.35	860.11
October-2021	276.00	234.40	262.95	67.62	276.15	234.45	263.00	1061.80
November-2021	310.00	246.30	255.30	42.47	310.00	245.95	255.10	1055.49
December-2021	292.90	252.90	272.35	38.92	293.00	252.70	272.25	834.83
January-2022	318.55	269.10	293.45	39.01	318.70	269.15	293.55	821.78
February-2022	310.40	249.75	269.05	37.44	310.50	250.00	268.40	600.29
March-2022	305.50	252.10	302.00	20.01	305.55	252.00	302.10	501.90

Source: BSE and NSE websites.

(b) Partly paid-up equity shares*:

Month – Year	BSE				NSE			
	High (in ₹)	Low (in ₹)	Close (in ₹)	Total traded volume (No. of shares in lakh)	High (in ₹)	Low (in ₹)	Close (in ₹)	Total traded volume (No. of shares in lakh)
April-2021	174.95	131.00	145.80	0.69	167.00	116.00	145.25	1.82
May-2021	159.40	137.40	158.45	0.71	159.40	135.20	158.35	14.57
June-2021	197.50	157.00	187.45	1.51	195.05	155.70	185.30	13.68

**Suspended on June 30, 2021*
Source: BSE and NSE websites.

Closing price of your Company's equity shares and the market capitalisation as on the last trading day of the financial year 2021-22 i.e. March 31, 2022, were as under:

Particulars	BSE		NSE	
	535755	890148*	ABFRL	ABFRLPP1*
Closing price (in ₹)	302.00	187.45	302.10	191.80
Market capitalisation (₹ in Crore)	28,334.23	1,685.35	28,343.61	1,666.02

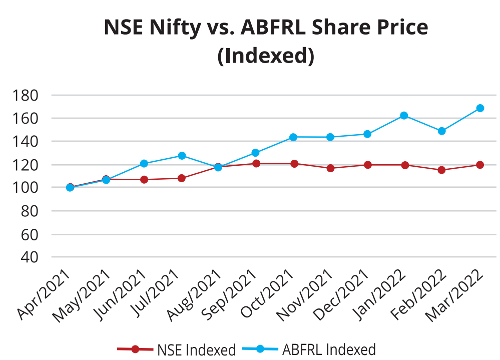
* *Suspended on June 30, 2021*

(viii) Stock performance:

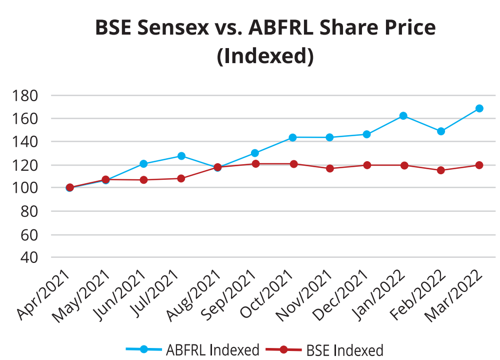
(a) Fully paid-up equity shares:

Month – Year	ABFRL		BSE		NSE	
	NSE closing price (in ₹)	Indexed	SENSEX (in ₹)	Indexed	CNX Nifty (in ₹)	Indexed
April-2021	177.75	100.00	48,782.36	100.00	14,631.10	100.00
May-2021	191.05	107.48	51,937.44	106.47	15,582.80	106.50
June-2021	213.60	120.17	52,482.71	107.59	15,721.50	107.45
July-2021	227.20	127.82	52,586.84	107.80	15,763.05	107.74
August-2021	208.15	117.10	57,552.39	117.98	17,132.20	117.09
September-2021	231.65	130.32	59,126.36	121.20	17,618.15	120.42
October-2021	255.55	143.77	59,306.93	121.57	17,671.65	120.78
November-2021	254.25	143.04	57,064.87	116.98	16,983.20	116.08
December-2021	261.35	147.03	58,253.82	119.42	17,354.05	118.61
January-2022	287.75	161.88	58,014.17	118.92	17,339.85	118.51
February-2022	265.20	149.20	56,247.28	115.30	16,793.90	114.78
March-2022	299.10	168.27	58,568.51	120.06	17,464.75	119.37

Source: BSE and NSE websites



Base 100 = Friday, April 30, 2021



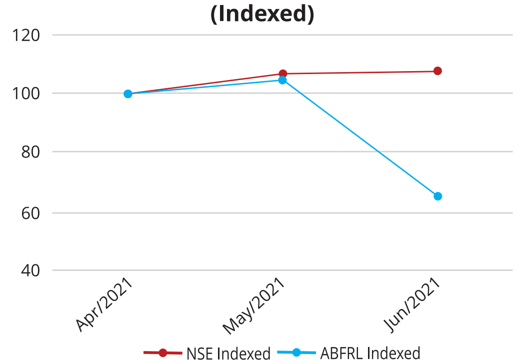
Base 100 = Friday, April 30, 2021

(b) Partly paid-up equity shares*:

Month – Year	ABFRL		BSE		NSE	
	NSE closing price (in ₹)	Indexed	SENSEX (in ₹)	Indexed	CNX Nifty (in ₹)	Indexed
April-2021	147.05	100.00	48,782.36	100.00	14,631.10	100.00
May-2021	154.05	104.76	51,937.44	106.47	15,582.80	106.50
June-2021	95.45	64.91	52,482.71	107.59	15,721.50	107.45

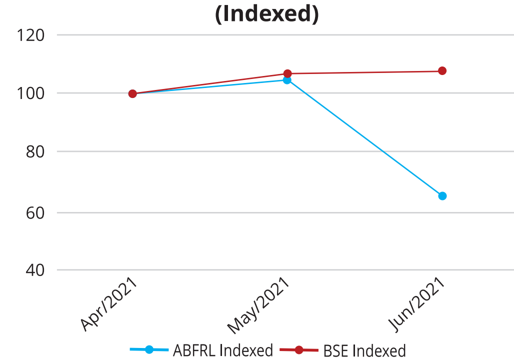
** Suspended on June 30, 2021*
Source: BSE and NSE websites

NSE Nifty vs. ABFRL Share Price (Indexed)



Base 100 = Friday, April 30, 2021

BSE Sensex vs. ABFRL Share Price (Indexed)



Base 100 = Friday, April 30, 2021

(ix) Distribution of shareholding as on March 31, 2022:

Range of no. of shares held	Fully paid-up		Partly paid-up		Total		% of total Shares
	Folios	Shares	Folios	Shares	Folios [1]	Shares	
1 to 500	2,02,696	1,70,62,547	709	33,108	2,03,115	1,70,81,393	1.82
501 to 1000	14,321	1,03,70,674	14	11,586	14,336	1,03,81,921	1.11
1001 to 2000	7,390	1,05,50,975	5	8,085	7,396	1,05,57,359	1.13
2001 to 3000	2,433	60,60,795	1	2,500	2,436	60,68,621	0.65
3001 to 4000	1,090	38,21,914	-	-	1,093	38,32,240	0.41
4001 to 5000	703	32,23,196	-	-	703	32,23,196	0.34
5001 to 10000	1,238	86,17,580	-	-	1,238	86,18,230	0.92
10001 and above	1,018	87,85,12,483	1	26,400	1,019	87,85,38,883	93.63
Total	**2,30,889**	**93,82,20,164**	**730**	**81,679**	**2,31,336**	**93,83,01,843**	**100.00**

[1] *Consolidated on basis of Folio / DP ID and Client ID.*

Category-wise shareholding pattern of the Company as on March 31, 2022:

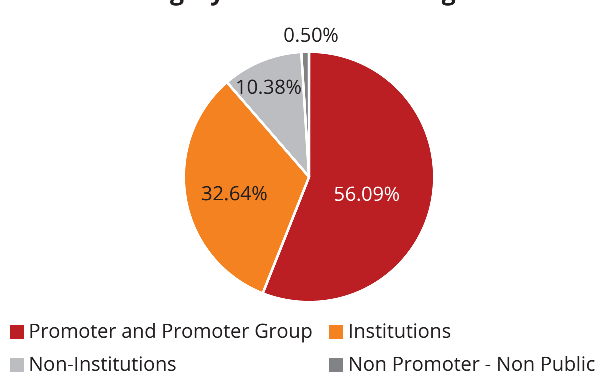
Category	No. of shareholders [1]	No. of shares (Fully paid-up)	No. of shares (Partly paid-up)	Total No. of shares (Fully & Partly paid-up)	%
Promoter and Promoter Group	**15**	**52,62,99,516**	**-**	**52,62,99,516**	**56.09**
Public	**2,25,368**	**40,72,66,576**	**81,679**	**40,73,48,255**	**43.41**
Institutions	**245**	**30,68,15,751**	**-**	**30,68,15,751**	**32.70**
Mutual Funds	42	12,74,47,473	-	12,74,47,473	13.58
Foreign Portfolio Investors	105	12,36,46,092	-	12,36,46,092	13.18
Insurance Companies	18	5,50,48,506	-	5,50,48,506	5.87
Alternate Investment Funds	6	4,59,175	-	4,59,175	0.05
Financial Institutions / Banks	40	1,00,113	-	1,00,113	0.01
Others	34	1,14,392	-	1,14,392	0.01
Central / State Government(s)	**6**	**36,90,452**	**-**	**36,90,452**	**0.39**
Non-Institutions	**2,25,117**	**9,67,60,373**	**81,679**	**9,68,42,052**	**10.32**
Individuals	2,15,299	7,64,98,615	50,287	7,65,48,902	8.16
Body Corporates	1,032	1,18,90,174	28,980	1,19,19,154	1.27
Others	8,786	83,71,584	2,412	83,73,996	0.89
Non Promoter - Non Public	**1**	**46,54,072**	**-**	**46,54,072**	**0.50**
Total	**2,25,384**	**93,82,20,164**	**81,679**	**93,83,01,843**	**100.00**

[1] *Consolidated on basis of Permanent Account Number (PAN).*

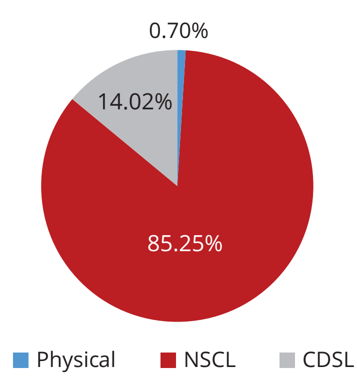
(x) Dematerialisation of shares and liquidity:

Particulars	Fully paid-up		Partly paid-up		Total	
	Shares	%	Shares	%	Shares	%
Physical	65,37,621	0.70	-	-	65,37,621	0.70
Dematerialised mode:	93,16,82,543	99.30	81,679	100.00	93,17,64,222	99.30
NSDL	80,01,21,094	85.28	63,066	77.21	80,01,84,160	85.28
CDSL	13,15,61,449	14.02	18,613	22.79	13,15,80,062	14.02
Total	**93,82,20,164**	**100.00**	**81,679**	**100.00**	**93,83,01,843**	**100.00**

Category-wise Shareholding %



Dematerialisation of shares %



(xi) Unclaimed shares:

As on March 31, 2022, total number of 28,86,461 equity shares of ₹ 10/- each were lying in the said suspense account and details of which is as under:

Particulars	No. of shareholders	No. of shares
Outstanding at the beginning of the year	5,539	8,77,612
Shareholders who approached the Company and to whom shares were transferred during the year	23	12,099
Shareholders and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	9,182	20,20,948
Outstanding at the end of the year	14,698	28,86,461

Note: Voting rights on these shares shall remain frozen till the rightful owners of such shares claims the shares.

As the shares lying in the said suspense account are resulting out of allotments made pursuant to the merger activities of the Company, they shall be released as and when released by transferor companies i.e. Future Retail Limited and Aditya Birla Nuvo Limited (now Grasim Industries Limited). Such shareholders may also approach the Company / Registrar and Transfer Agent of the Company *("RTA")*, with their correct particulars and proof of their identity for crediting requisite shares from the said suspense account to their individual account.

(xii) Transfer of sale proceeds of fractional shares arising out of amalgamation to Investor Education and Protection Fund:

During the year under review, the Company was not required to transfer any fund to the Investor Education and Protection Fund.

(xiii) Reconciliation of share capital audit:

As stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, as amended, M/s. Dilip Bharadiya & Associates, Company Secretaries, (CP No: 6740) carried out quarterly audit for the purpose of reconciliation of the total issued capital, listed capital and the capital held by the depositories in dematerialised form, the details of changes in the share capital during each quarter and the in-principle approval pending from Stock Exchanges with respect to such further issued capital, if any.

Further, an audit report issued in that regard is submitted to the Stock Exchanges, NSDL and CDSL on quarterly basis and the same is also placed before the Board.

(xiv) Outstanding Global Depository Receipts *("GDRs")* / American Depository Receipts *("ADRs")* / Warrants or any convertible instruments, conversion date and likely impact on equity:

Not applicable

(xv) Commodity price risk / foreign exchange risk and hedging activities:

Your Company does not engage in commodity hedging activities. The foreign currency exposure of the Company, in respect of its imports, borrowings and export receivables, is hedged as per the Forex Policy of the Company. The Company uses a mix of various derivative instruments like forward covers.

(xvi) Investor service and grievance handling mechanism:

A robust mechanism is established by your Company which ensures efficient service to the investors, pro-active handling of investor correspondences and redressal of grievances in an expeditious manner. This mechanism is handled by the Compliance Officer of your Company and the RTA, through its investor service centres which are spread across the country.

Quarterly review by the Board and Audit Committee

The Board of your Company and its Audit Committee review the status of investor complaints on a quarterly basis.

Six-monthly / annual review by the Stakeholders Relationship Committee *("SRC")*

SRC has been constituted specifically to look into various aspects of interest of Shareholders, Debenture Holders and other Security Holders. The SRC meets twice in a year to deliberate on various matters with respect to stakeholders of the Company.

During the year under review, the Company received total of 114 complaints from the shareholders. Details of complaints received alongwith their status as on March 31, 2022, have been disclosed separately in the Corporate Governance Report forming part of this Annual Report.

(xvii) Share transfer system:

The Board has entrusted SRC with the power & authority to deal with the matters pertaining to transfer, transmission, dematerialisation of shares, etc.

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. SEBI had fixed July 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in which was further extended to July 31, 2021. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. However, investors are not barred from holding shares in physical form.

Transfers in electronic form are much simpler and quicker as the shareholders have to approach their respective depository participants and the transfers are processed by NSDL / CDSL, as the case may be, with no requirement of any separate communication to be made to the Company.

Shareholders may please note that SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account; Renewal / Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; Consolidation of securities certificates / folios; Transmission and Transposition. Accordingly, Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat / electronic form to get inherent benefits of dematerialisation.

Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR - 4 (Form for various service requests), the format of which is available on the Company's website www.abfrl.com.

During the year under review, the share transfers were processed within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. RTA of your Company ensured compliance with all the procedural requirements with respect to transfer, transmission and transposition of shares and formalities with respect to name deletion, sub-division, consolidation, renewal, exchange and endorsement of share certificates. Due to restrictions on account of the Covid-19 pandemic, though few requests relating to the issue of duplicate share certificates were processed within the regulatory timelines, the share certificates were dispatched and delivered beyond thirty days.

Also, as stipulated under Regulation 40(9) of the SEBI Listing Regulations, the RTA also obtained half-yearly certificates in that regard from M/s. Dilip Bharadiya & Associates, Company Secretaries (CP No: 6740) and the same were duly filed with the Stock Exchanges.

(xviii) Company's recommendations to the shareholders:

a. Dematerialisation of shares

Shareholders may consider converting their physical holdings into dematerialised form and avail the benefits of dealing in shares in demat form, such as immediate transfer of shares, faster settlement cycle, faster disbursement of non-cash benefits like rights etc., lower brokerage, etc. and avoidance of risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries.

Accordingly, shareholders holding shares in physical are requested to contact the RTA / Company for assistance in converting their holdings to demat form at the earliest.

b. Intimate / update contact details

Shareholders are requested to update / intimate changes, if any, with necessary documentary evidence, to the Company / RTA, if shares are held in physical mode or to their Depository Participant *("DP")*, if the holding is in electronic mode.

c. Furnish / update PAN, KYC, bank account and nomination details with the Company / DP

SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 (SEBI circular) has mandated all listed companies to have PAN, KYC, Nomination details and Bank account details of all shareholders holding shares in physical form. Folios wherein any of the cited documents / details are not available with the Company on or after April 1, 2023, shall be frozen.

The Company has sent a communication to all the holders of physical securities to provide the details in accordance with the SEBI circular.

The investor service request for updation of PAN, KYC, Nomination details, and Bank account details viz. forms ISR-1, ISR-2, ISR-3, SH-13 and SH-14 are available on the Company's website www.abfrl.com. Shareholders are requested to submit the investor service request form along with the supporting documents at the earliest.

d. Updation of details by non-resident shareholders

Non-resident Indian shareholders are requested to immediately inform the Company / RTA, if shares are held in physical mode or to their DP, if the holding is in electronic mode, regarding change in the residential status on return to India for permanent settlement and / or the particulars of the NRE account with a bank in India, if not furnished earlier.

e. Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services, shareholders who have more than one folio / demat account in the same order of names, are requested to consolidate their holdings under one folio / demat account. They may write to the RTA / DP in this regard. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor and service multiple folios / demat accounts.

f. Submit Nomination Form

Section 72 of the Companies Act, 2013 (the "Act"), extends nomination facility to individuals holding shares in physical form. Shareholders, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form No. SH-13 / SH-14 which can be downloaded from the website of the Company i.e. www.abfrl.com, duly filled-in to RTA at their address mentioned herein below. Shareholders holding shares in demat form may contact their respective DPs for availing this facility / change an existing nomination.

g. Service of documents through electronic means

Your Company holds its green initiative in high regard. Pursuant to Section 101 and 136 of the Act, companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the DPs. Accordingly, shareholders who have not registered their e-mail addresses so far, are requested to register the same, by submitting a duly filled 'E-communication Registration Form' available on the website of the Company i.e. www.abfrl.com, to RTA / Company on its designated e-mail Id i.e. secretarial@abfrl.adityabirla.com.

h. Deal with registered intermediaries

Shareholders should transact through a SEBI registered intermediary, as it will be responsible for its activities and in case the intermediary does not act professionally, the matter can be taken up with SEBI / Stock Exchanges.

i. Monitor holdings regularly

Demat account should not be kept dormant for a long period of time. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. Where the shareholder holding shares in demat form is likely to be away for a long period of time, such shareholder can make a request to the DP to keep the account frozen, so that there can be no debit to the account till the instruction for freezing the account is countermanded by the shareholder.

j. Mergers and demergers

Details of mergers and demergers are available on the website of the Company i.e. www.abfrl.com. Shareholders may also send a request to the Company for availing the said details by sending an e-mail to secretarial@abfrl.adityabirla.com and/or a request letter to the RTA / Company at their respective address provided herein.

(xix) Plants of the Company with their locations:

Sr. no.	Plants	Location
1.	Madura Clothing *(Crafted Clothing)*	No. 527, Marasur Village, Anekal Taluk, Bengaluru - 562106, Karnataka
2.	Madura Clothing *(Fashion Craft)*	No. 324, Marasur Village, Anekal Taluk, Bengaluru - 562106, Karnataka
3.	Madura Clothing *(Europa Garments)*	Survey No. 62/2A, 62/2B, Parappana Agrahara, Off Hosur Road, Begur Hobli, Naganathapura, Bengaluru - 560100, Karnataka
4.	Madura Clothing *(Classical Menswear)*	No. 288/2, Dodda Begur, Bommanahalli, Bengaluru - 560068, Karnataka

Sr. no.	Plants	Location
5.	Madura Clothing *(English Apparels)*	No. 52/2, Bilvaradahalli, Jigani Hobli, Anekal Taluk, Bengaluru - 560083, Karnataka
6.	Madura Clothing *(Haritha Apparels)*	Survey No. 42/2, 43, Basavanapura, Mayaganahalli, Kasaba Hobli, Ramanagara Taluk and District - 562159, Karnataka
7.	Madura Clothing *(Alpha Garments)*	No. 10/1, Byatarayanapura Jakkur Layout, Bellary Main Road, Bengaluru - 560064, Karnataka
8.	Madura Clothing *(Little England Apparels)*	Survey No.#569/1,569/2B,570,606,853/1, Kurbarapalli village Doddaubanur Post, Denkanikotte Taluk, Thally - 635118, Tamil Nadu
9.	Bilteek Fashion	Plot No. A-4, A-5, A-6, Apparel Park Industrial Area, Sy.No. 29 and 31, Arehalliguddadahalli, Kasaba Hobli, Doddaballapur Taluk, Bengaluru – 561203
10.	Aditya Birla Fashion and Retail Limited – Odisha	IDCO Plot No. H2, H3, H4, H5, H5(P) and H6, Bomikhal, Mancheswar Industrial Estate, Bhubaneswar, Odisha - 751010

(xx) Store Locations of the Company:

Your Company also has multiple stores spread across India. You may please refer the back inner cover page of this Annual Report for the city-wise break-up of stores of the Company plotted on the map of India.

(xxi) Address for correspondence:

- All shareholder's correspondence should be forwarded to Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company or to the Company Secretary at the registered office of the Company at the addresses mentioned below:
- The Company's dedicated e-mail address for shareholders complaints and other communications is secretarial@abfrl.adityabirla.com.
- As stated in the SEBI circular dated March 26, 2018, whereby SEBI has issued new policy measures with respect to SEBI Complaints Redress System ("SCORES"), shareholders are requested to approach the Company directly at the first instance for their grievances.

Registrar and Share Transfer Agent	Registered Office
Link Intime India Private Limited	**Aditya Birla Fashion and Retail Limited**
Unit: Aditya Birla Fashion and Retail Limited	Piramal Agastya Corporate Park, Building 'A',
C-101, 247 Park, L.B.S. Marg,	4th and 5th Floor, Unit No. 401, 403, 501, 502,
Vikhroli (West), Mumbai - 400083	L.B.S. Road, Kurla, Mumbai - 400 070
Phone : +91 22 49186270	Phone : +91 86529 05000
Fax : +91 22 49186060	Fax : +91 86529 05400
E-mail : rnt.helpdesk@linkintime.co.in	E-mail : secretarial@abfrl.adityabirla.com
Website : www.linkintime.co.in	Website : www.abfrl.com

(xii) Feedback:

Your feedback is valuable to us to help us serve you better. Shareholders are requested to give us their valuable suggestions, if any, for enhancement of our investor services by writing to RTA / Company at the address provided hereinabove.

BUILDING SUSTAINABLE BUSINESSES

At the Aditya Birla Group, we endeavor to become the leading Indian conglomerate for sustainable business practices across our global operations. We define action "Sustainable Business" as one that can continue to survive and thrive within the growing needs and tightening legal and resource constraints of a "Sustainable World". We believe that this means that as we go forward towards constrained operating environments of 2030 and 2050, that for a continued "Sustainable World", it can increasingly only contain "Sustainable Businesses".

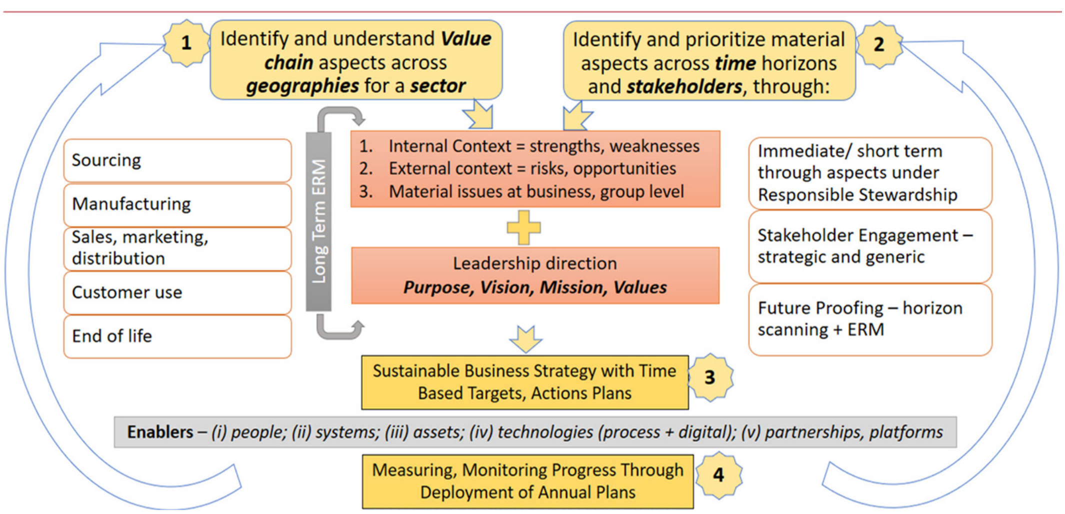
To achieve our Group vision, we are innovating away from the traditional sustainability models to one consistent with our vision to build sustainable businesses capable of operating in the next three decades. The current decade is being talked about as decade of action on global commitments on climate change, SDGs and others. It is expected to be extremely challenging for organizations since growth is shifting, innovation is relentless, disruption is accelerating, expectations are high, and social tensions are rising. Organizations are faced with an increasing number and mix of megatrends, such as climate change, rapid technological progress, demographic changes and rise of the platform economy. Combined with disruptors such as the recent Coronavirus epidemic, are triggering potentially exponential changes in the way organizations are going to function.

As we dive into the post-pandemic next normal phase loomed by uncertainty and deepening asymmetries, business recovery strategies have placed Environment Social Governance (ESG) / Sustainability in the spotlight. We are already witnessing diverse stakeholders such as regulators, oversight authorities, policy makers, investors, lenders becoming more vocal about the need for greater adoption of ESG. ESG is the new lens through which Companies will be increasingly evaluated and the need of the hour is to act proactively in the self-regulating business ecosystem – both for their commitment and action on them.

Our "Ability to Sustain" approach has also undergone fine tuning for better navigation in this ever-shrinking operating funnel via a 4-D (dimensional) approach. ABG businesses are building higher resilience in their business strategies and operations to ensure that their aggregate impact remains within the planet's safe operating limits, considering:

1) business sectoral uniqueness;
2) their geographies of operation;
3) stakeholder expectations across of their value chains in keeping with short- and long-term time horizons.

Four Steps Towards Transition To Sustainable Businesses



The model 2.0 thus lays out four steps to be followed by ABG businesses. The steps begin with identifying and understanding value chain aspects across geographies for a sector, followed by identifying and prioritizing material aspects across time horizons and stakeholder expectations. Finally developing sustainable business strategies with time-based targets and annual action plans which are measurable and can be monitored to future proof our business strategies, products, operations and supply chains to remain sustainable.

The onus is on every one of us starting from our leadership to take on the understanding of what it means to be a sustainable business leader in their own sectors, in their industries and to plan out a roadmap for how it can be achieved now. The planet will demand that it is so, and the markets will have no choice but to comply. At ABG, we have a legacy of success. It is our leadership's imagination that will realise our vision of becoming a sustainable business conglomerate, and it will be their legacy that they shape. Progress is being made but much remains to be done.

Business Sustainability Initiatives

We, at Aditya Birla Fashion and Retail Limited *("ABFRL")*, consider sustainability as our ability to survive and thrive in the face of growing uncertainty and megatrends to build a sustainable business. Post successful achievement of milestones in 2021, we have set ourselves on a transition i.e., sustainability 2.0 from 'Process-led to Product-led', with a 2025 agenda focusing on product design and development, customer centricity and supply chain. We believe this transition shall strengthen integration of sustainability across the whole spectrum of design development, supply chain and consumer end of use for product life cycle.

Despite the pandemic and various operational & supply chain constraints, we continue to accelerate our efforts to achieve our 2025 goals. Our digitalization agenda in alignment with our sustainability maturity is acting as a catalyst in unlocking the true potential and delivering positive impact.

ABFRL retained **sustainability leadership as Asia's 'Most Sustainable Company'** in the Textile, Apparel & Luxury Goods Industry by S&P Global CSA 2021

All our value chain partners are in principle alignment with our sustainability goals and continue to play a vital role in achieving them together with us. This partnership demonstrates our commitment and vision to deliver sustainable fashion with a positive impact on society, stakeholders and the ecosystem.

As we dive into the post-pandemic next normal phase loomed by uncertainty and deepening asymmetries, business recovery strategies have placed Environment Social Governance (ESG) / Sustainability in the spotlight. Investors and financial markets are also increasingly demanding a compelling Sustainability agenda and the need of the hour is to act proactively in the self-regulating business ecosystem.

In this 'Decade of Action' we at ABFRL continue to transform our ambition to effective actions ensuring alignment not just to our sustainability goals but also to regional, national and global goals. We believe, going forward, imperatives for sustainability will only intensify and collective effort with pragmatic approach shall contribute in holistic growth taking businesses beyond obvious establishing a global ecosystem which is transparent, accountable and also sustainable.

Business Responsibility and Sustainability Report

Anchored by the ABG Vision and Sustainable Business Framework, we at ABFRL embarked on our sustainability journey with the launch of the sustainability 1.0 programme 'ReEarth - For Our Tomorrow' in FY13.

Re-Earth Vision Statement:
'We are committed to give back more than what we take from our ecosystem'

Building on our commitment to foster a sustainable tomorrow and deliver sustainable fashion, we have leapfrogged in our ReEarth programme with sustainability 2.0 and defined milestones for 2025. The 2025 roadmap aims to achieve ambitious sustainability targets and business goals while balancing risks and opportunities for all relevant ESG initiatives.

Our Product Life Cycle Approach is the fulcrum of our sustainability 2025 strategy. From product design and development, to supply chain and customer-centricity, through use and end-use, this approach shall act as pivot in integrating sustainability into products.

Three pillars

- Clean by design
- Sustainable operations
- Inclusive communities

This transition shall strengthen integration of sustainability across the whole spectrum of design development, supply chain and consumer end of use for product life cycle. Furthermore, in this journey we are striving to building circular ecosystem, leverage technology disruption and lastly, work towards accelerating advocacy on sustainable fashion across the Indian as well as global apparel and textile industry.

We present our maiden Business Responsibility and Sustainability Report *(BRSR)* in alignment with the National Guidelines on Responsible Business Conduct *(NGRBCs)* on Environmental, Social and Governance (ESG) of Businesses as released by the Ministry of Corporate Affairs in May 2021. This Report is prepared as per amended 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 and show cases the ESG efforts taken by the Company during the financial year 2021-22.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	:	L18101MH2007PLC233901
2	Name of the Listed Entity	:	Aditya Birla Fashion and Retail Limited
3	Year of incorporation	:	2007
4	Registered office address	:	Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai, Maharashtra - 400 070
5	Corporate address	:	KH No 118/110/1 Building 2 Divyashree Technopolis, Yemalur Post, HAL Old Airport Rd, Bengaluru, Karnataka - 560 037
6	E-mail	:	secretarial@abfrl.adityabirla.com
7	Telephone	:	+91 86529 05000
8	Website	:	www.abfrl.com
9	Financial year for which reporting is being done	:	2021-2022
10	Name of the Stock Exchange(s) where shares are listed	:	BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE")
11	Paid-up Capital (in INR)	:	₹ 9,38,29,14,830.00
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Name: Dr Naresh Tyagi Designation: Chief Sustainability OfficerTelephone: 080-67271000Email Address: naresh.tyagi@abfrl.adityabirla.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	:	The disclosure under this report are made on Standalone basis. *Reporting boundary for Sustainability aspects can be referred to 'Reporting Scope Boundary and Framework' section in Sustainability Report FY2021-22*

II. Products / services

14. Details of business activities (accounting for 90% of the turnover):

Our business activities include design, manufacturing, distribution and retailing offering branded apparel and accessories.

Details of turnover provided in subsequent question.

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

S. No.	Description of Main Activity	Description of Business Activity	Business Activity Code	% of Turnover of the entity
1	Manufacturing	Textile, Leather and other apparel products	**C2**	28.49%
2	Trade	Retail Trading	**G2**	71.51%

III. Operations

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

    Refer 'Reporting Scope Boundary and Framework' section in Sustainability Report FY2021-22

17. Markets served by the entity:

    a. Number of locations:

Location	Number
National (no. of states)	28 states and 4 union territories across India
International (no. of countries)	The Middle East

    b. What is the contribution of exports as a percentage of the total turnover of the entity?

    2.08% is contributed to exports in total turnover

    c. A brief on types of customers:

    ABFRL offers apparel and accessories for women, men and kids through a portfolio of exclusive and fashionable brands. ABFRL's Lifestyle Brands houses India's most iconic brands - Louis Philippe, Van Heusen, Allen Solly, Peter England catering to India's Premium Consumers. ABFRL's Pantaloons which is one of the strongest brand in masstige segment of Indian Fashion retail has evolved into a progressive style partner for the fashion seeking shopper and is at the forefront of all fashion trends across all categories viz. Women's wear, Men's wear, Kid's wear, Fashion Accessories and recently Home Products. Forever 21 and American Eagle are brands that offers clothes and accessories predominantly for the youth. The company now boasts a comprehensive portfolio of iconic ethnic wear brands for both Men and Women across price points. The Company has also forayed into the innerwear and athleisure space for Men and Women in 2016 through its iconic lifestyle brand Van Heusen. Through Reebok deal, the company announced its foray into India's fast-growing sports and activewear segment.

IV. Employees

18. Details as at the end of Financial Year:

    a. Employees and workers (including differently abled):

Particulars	Total	Male		Female	
Employees		**Nos**	**%**	**Nos**	**%**
Permanent	11,582	8,961	77%	2,621	23%
Other than Permanent	16,959	14,041	83%	2,918	17%
Total employees	**28,541**	**23,002**	**81%**	**5,539**	**19%**
Workers		**Nos**	**%**	**Nos**	**%**
Permanent	13,236	2,017	15%	11,219	85%
Other than Permanent	0	0	0	0	0
Total employees	**13,236**	**2,017**	**15%**	**11,219**	**85%**

b. Differently abled Employees and workers:

Particulars	Total	Male		Female	
		Nos	%	Nos	%
Workers *(Permanent)*	80	33	41%	47	59%

We do not have differently abled under employee category.

19. Participation / Inclusion / Representation of women

	Total	Female	%
Board of Directors	12	3	25%
Key Management Personnel	5	2	40%

20. Turnover rate for permanent employees and workers

	FY 2021-22			FY 2020-21			FY 2019-20		
Permanent Employees	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Turnover rate (%)	22	26	22	22	23	22	29	31	29
Permanent Workers	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Turnover rate (%)	52	52	52	47	56	55	39	45	44

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

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

S. No.	Name of the holding / subsidiary / associate companies / Joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Jaypore E Commerce Private Limited	Subsidiary	100%	No
2	Finesse International Design Private Limited	Subsidiary	58.69%	No
3	Sabyasachi Calcutta LLP	Subsidiary	51%	No
4	Indivinity Clothing Retail P. Ltd	Subsidiary	80%	No
5	TG Apparel & Decor Private Limited	Subsidiary	100%	No
6	Goodview Fashions Pvt Ltd.	Joint Venture	33.50%	No

VI. CSR Details

22. CSR details

(i) **Whether CSR is applicable as per section 135 of Companies Act, 2013:** Not applicable
Not Applicable for the financial year under review

(ii) **Turnover (in ₹) :** ₹ *78,24,19,59,781.2*

(iii) **Net worth (in ₹) :** ₹ *28,82,14,09,099.1*

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2021-22			FY 2020-21		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	-	-	-	-	-	-	-
Investors (other than shareholders)	-	-	-	-	-	-	-
Shareholders	Yes www.abfrl.com	114	0	0	66	2*	*Complaints replied / resolved on 1st April, 2021
Employees and workers	No	0	0	0	0	0	0
Customers	No	4	29	NA	2	45	NA
Value Chain Partners	No	0	0	0	0	0	0

24. Overview of the entity's material responsible business conduct issues: Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

At ABFRL, we carried out a detailed materiality analysis, focusing on development of our 2025 strategy for ReEarth's Sustainability 2.0. It involved extensive stakeholder engagement with senior management, employees, functional heads, suppliers, customers, local community and industry associations. Inputs from various sector trends, peer performance and internal strategy documents were also collected. A list of material issues has been identified and prioritized through consultation with different stakeholder groups. The outcome of the process is a comprehensive materiality analysis along with qualitative outputs that feed into the sustainability strategy development process.

Refer Materiality – Stakeholder Engagement, Sustainability Report FY2021-22

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and Management Process									
1a.	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1b.	Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1c.	Web Link of the Policies, if available	http://www.abfrl.com/corporate-governance/policies/						NA	http://www.abfrl.com/corporate-governance/policies/	
		Some policies may also include a combination of internal policies of the Corporation which are accessible to all internal stakeholders and policies placed on the Corporation's website								

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Global Standards / frameworks: ILO, GRI, IFC, ISO, SA8000	Labels: BCI, LIVA Eco Fibber International Standards: OHSAS, ANSI, BSI, ASTM, NFPA Indian Standards: BIS, NBC, NSC Global Standards / frameworks: ILO, GRI, IFC, ISO, SA8000, Recycled Claim Standard, Higg Index	International Standards: OHSAS, ANSI, BSI, ASTM, NFPA Indian Standards: BIS, NBC, NSC Global Standards / frameworks: ILO, GRI, IFC, ISO, SA8000, ETI	Global Standards: AA1000AS, GRI	Global Standards / frameworks: ILO, ISO, IFC SA8000, ETI	Global Standards / frameworks: ILO, GRI, IFSC, ISO, SA8000 Certifications: USGBC, IGBC	Global Standards: AA1000AS, GRI	Global Standards / frameworks: ILO, IFC, ISO, SA8000	Global Standards / Frameworks: ISO
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	• 50% products by volume to have at least one sustainable attribute by 2025 • All tier-1 suppliers to be covered under Vendor Code of Conduct Program by 2025 • Zero severity at our premises • 50% renewable energy across our facilities • 10% products by volume to be recycled / upcycled	• All tier-1 suppliers to be covered under Vendor Code of Conduct Program by 2025 • Zero severity at our premises	-	• All tier-1 suppliers to be covered under Vendor Code of Conduct Program by 2025	• 50% Renewable Energy across our facilities by 2025 • 5% reduction in Scope 1, 2 & 3 Emissions by 2025 • Water positive across our facilities • Zero Waste disposed to landfill	-	• CSR goals are defined year-on-year across Education, Healthcare & Sanitation, Sustainable Livelihood, Water & Watershed and Digitalization	All tier-1 suppliers to be covered under Vendor Code of Conduct Program by 2025 - 10% products by volume to be recycled / upcycled

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	-	Achievements FY 2022 • 61% of products by volume have at least 1 sustainability attribute • More than 96% tier -1 Vendors covered • 86.3% sustainable packaging.	Achievements FY 2022 • More than 96% tier -1 Vendors covered • Zero severity across our premises	-	Achievements FY 2022 • More than 96% tier - 1 Vendors covered	Achievement FY 2022 • 33% Renewable Energy • 6.6% reduction in Scope 1 & 2 emissions across ABFRL operations • Water positive across our facilities • Zero Waste disposed to landfill achieved across our facilities	-	Achievement FY 2022 (beneficiary impacted) • Education: 17,333 • Healthcare: 1,65,799 Sustainable Livelihood: 1,163 Water & Watershed: 40,490 Digitalization: 24,228 Volunteering: 2,743 employees, 18,011 hours	Achievements FY 2022- More than 96% tier -1 Vendors covered
	Governance, Leadership and Oversight									
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	*Refer 'Executive Messages' Section in Sustainability Report FY2021-22*								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Dr. Naresh Tyagi Designation: Chief Sustainability Officer Telephone: 080-67271000 Email Address: naresh.tyagi@abfrl.adityabirla.com								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	Governance is the foundation for ABFRL's framework for overseeing climate-related issues. The overall corporate governance of ABFRL is executed through multi-tier sustainability governance mechanism that ensure the effective monitoring of climate-related risks with a focus on enabling robust, effective, transparent and an ethical ecosystem. The sustainability governance structure comprises the Board of Directors, Risk Management and Sustainability Committee, Chief Sustainability Officer and Format level teams, with specific roles and responsibilities. Operating within the structure of a well-defined responsibility matrix, the Board is the apex committee instrumental in the adoption and overseeing the sustainability strategy, policies, and advising senior management regarding ESG initiatives of the organisation. The Board convenes half-yearly to discuss and decide on climate-related risks, strategies, and policies and reviews the performance of the Company. The second layer constitutes the Risk Management & Sustainability Committee (RMSC) to monitor performance of ESG-related issues. The committee appraise the board of directors headed by the chairman on ESG-related issues during half-yearly meetings. The Chief Sustainability Officer (CSO) leads the Sustainability Strategy and reviews the progress of Sustainability and CSR initiatives implementation across the business length and breadth and reviews the performance through periodic quarterly meeting. CSO also presents the updates to the RMSC and CSRC during the respective board committee meetings. The board committees grant sustainability and CSR budgets based on the inputs from the CSO. The last layer comprises Format level teams where bi-monthly meetings are held with business unit heads from factories, warehouses, brand level managers and retail to monitor sustainability and climate-related issues.								

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Governance, Leadership and Oversight									
10	Details of Review of NGRBCs by the Company	**Indicate whether: (i) Review was undertaken by Director / Committee of the Board / Any other Committee(ii) Frequency - Annually / Half yearly / Quarterly / Any other – please specify**								
	Subject for review	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
	Performance against above policies and follow up action	Half yearly	Half yearly	Half yearly	Half yearly	Half yearly	Half yearly	-	Half yearly	Half yearly
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Half yearly	Half yearly	Half yearly	Half yearly	Half yearly	Half yearly	-	Half yearly	Half yearly
11	Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	Yes, IMS audit conducted by BVQI	Yes, facilities assessed on Higg Index FEM / FSLM by Bluwin		Yes, Sustainability Report assessed and assured by BSI	Yes,Human Rights Assessment conducted by KPMG	-	-	Yes, Social Impact assessment by BlueSky Sustainable Business LLP	Yes, Information and Cyber Security systems & protocols assessed by one of the Big 4 Audit firms

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	While ABFRL does not have a stated policy on Policy Advocacy; as part of the Aditya Birla Group, we actively undertake need-based advocacy on issues pertaining to the industry through our membership of relevant industry bodies, such as Retail Association of India and Clothing Manufacturers Association of India	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Good governance is the common underlying principle for all successful organizations. To ensure transparent communication and ethical conduct at all levels of the value chain, we adhere to three policies which form the cornerstone of our operations and ensure business continuity in a responsible manner. All policies are communicated to ABFRL's employees upon joining and are displayed on the Company website as well. There are regular policy refreshers being conducted for employees around the year.

- **Anti-Fraud Policy**: Frauds can be detected, prevented and deterred in the day-to-day business of the Company.
- **Whistle Blowers Policy:** Adopted at the ABG level, this policy is a provision for disclosures or demonstration of evidence of an unethical activity or any conduct that may constitute breach of the Group's/Group Company's Code of Conduct or Group Values.
- **Company Code of Conduct:** Signed by the board members and senior management of the Company, it requires every employee to observe the highest standards of ethical conduct and integrity, and work to the best of their ability and judgement.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

   A top priority at ABFRL is effectively harnessing the skills and capabilities of our people through focused initiatives on talent development. These initiatives enable our employees to focus on achieving personal and professional goals that are in alignment with the organizational strategy and their own career aspirations.

   In a rapidly changing and ever-evolving business landscape, it is impossible to flourish without continuous learning that focusses on updating our knowledge and skills. When it comes to our People development, we focus on both behavioral and functional learning, this in turn enables us to develop future-ready leaders.

   Behavioral trainings include Negotiation skills, People Management, Unleashing Potential, Being Your Best. Functional learnings include but not limited to Sustainability specific – Sustainable Packaging, Higg Index, Brand Orientation, Lifecycle Analysis, Data Management, Waste Management.

   Trainings and awareness programmes conducted for Board of Directors is covered under 'Corporate Governance' section of this Annual Report.

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:**

   Nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, we have an Anti-Fraud Policy in place. The Policy is applied to all frauds, suspected and/or proven and/or otherwise, taking place in the Company, involving Directors (Whole-time or otherwise), Key Managerial Personnel, other Employees (including contractual employees) as well as Shareholders, Consultants, Vendors, Suppliers, Service Providers, Contractors, Refer Anti-Fraud Policy

In addition to this, we do have Whistle Blowers Policy ensures adherence to ABFRL's Value Framework and Code of Conduct. This covers value violations, violation of the Code of Conduct and fraud. Some typical categories of cases that get reported include - Pilferage, Manipulation in Gift Voucher Redemption, Misuse of Employee Discount Card/Payback Card, Inappropriate Behavior, Misrepresentation of Information, Conflict of Interest and other types of fraud. The designated Value Committee Members conduct the investigation as defined in the Whistle Blowers Policy. Refer Whistle Blower Policy

We also have a separate Code of Conduct for our employees as well as for our Vendors. We instill our values of Integrity, Commitment, Passion, Speed and Seamlessness in our people. All employees are expected to adhere to the Organisation's Values Framework and Code of Conduct to ensure prevalence of a common minimum standard of professional behavior in the workplace. Refer Code of Conduct

Along with this we also have Vigil mechanism in place under which a Committee has been appointed comprising of Directors & Senior Managers of the Company for attending the complaints received from the employees and to report concerns about the unethical behaviour, actual or suspected fraud and violation of the Code of Conduct or Ethics Policy by the Directors and the employees of the Company. Refer Vigil Mechanism

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Segment	FY 2021-22	FY 2020-21
Directors	Nil	Nil
Key Managerial Personnel	Nil	Nil
Employees other than BoD and KMPs	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

No. of complaints received in relation to issues of Conflict of Interest	FY 2021-22	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

Nil

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners)
28	Garment fit awareness training conducted for PFRL suppliers	12% *(by number of vendors)*
38	Vendor code of conduct training organised for VH innerwear suppliers	54%

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

   Board and Senior Management being the decision-making authority, there's a code of conduct in place to observe the highest standards of ethical conduct and integrity. Refer Code of Conduct

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

ABFRL is committed to its vision to 'passionately satisfy Indian consumers' needs in fashion, style and value'. Consumers today are more aware and prefer not only the style and service but also in the knowledge that the brands they choose manufacture products sustainably and operate responsibly and ethically. They make the conscious, and often a well-researched choice to opt for products that meet their expectations in terms of both quality and values without compromising on sustainability.

With this in mind, we are now even more determined to 'Give back more than we take from the Earth' and are committed to be net positive. Through our product-led sustainability strategy, we aim to imbibe sustainability in each of our products and every business decision.

ABFRL has clearly defined processes in place to ensure responsibility at each stage of product creation. Our management systems and processes are structured to ensure that our product responsibility goals are achieved and tracked at regular intervals through transparent evaluation procedures. We ensure our products remain responsible post sale and therefore engage with our customers through multiple feedback mechanisms at the point of sale and post purchase.

Each of our brands uses its unique voice to communicate with customers on the importance and impact of sustainable products. We take a life cycle approach for product responsibility which has a clear focus at each stage of the product life cycle – from the raw materials used to their end-of-life stage.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

	FY 2021-22	Details of improvements in environmental and social impacts
Capex	~90 lakhs	Upgrading and strengthening Environment Management Systems and enhancing sustainability performance

2. a. **Does the entity have procedures in place for sustainable sourcing?**

At ABFRL, we perceive sustainability as an opportunity to achieve leadership in sustainable fashion and co-create long term value for the stakeholders. We are committed towards integrating sustainability in our every business decision across our value chain.

We have defined robust management systems, policies and SOPs to govern / drive sustainability across the value chain including Sustainability Policy, Environment Policy, Vendor Code of Conduct and Safety Policy.

In addition to these systems and protocols, we do assess our brands / products / facilities sustainability performance through in house developed methodologies (Sustainable Attributes, Sustainable Packaging, Sustainable Supplier Index (SSI) and also global assessment frameworks such as Higg Index.

We have a defined methodology namely 'Sustainable Attributes' to monitor sustainable coefficient across our product portfolio

b. **If yes, what percentage of inputs were sourced sustainably?**

As described above, 61% of our products have at least one sustainable attribute and out of which 2.3% have sustainable raw material (by quantity). Similarly, 86% of our packaging is sustainable and more than 96% of our tier-1 vendors are assessed in accordance with Vendor Code of Conduct.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life**

Plastics (including packaging)	ABFRL under process to comply with EPR under Plastic Management Rule 2016
E-waste	NA
Hazardous waste	NA
Other waste	NA

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities**

Yes

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The waste collection plan is in line with EPR requisites and the plan has been submitted to Central Pollution Control Board.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Section C, Division 13 and 14, Group 131 and Group 141	Shirt (Formal and Casual)	Cradle to Grave	Yes	YesPlease refer Product Responsibility, Sustainability Report FY2021-22

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same**

Name of Product	Description of the risk / concern	Action Taken
Shirt (Formal and Casual)	High Energy Consumption at Yarn Spinning Stage	No
	Use of dyeing chemicals in Yarn Dyeing	Collaboration with ZDHC to use better and safer chemicals in dyeing process, Implementation of Restricted Substance List (RSL)
	High Blue water consumption at cotton agriculture stage	Collaboration with Better Cotton Initiative (BCI)

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2021-22	FY 2020-21
Recycled Viscose Fiber- Liva Reviva	1 lakh shirt pieces	No
Carton Box	100% cardboard made from recycled paper	

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2021-22			FY 2020-21		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics *(including packaging)*	0	130	0	0	76	0
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   NA

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

At ABFRL, our 'People Vision' is to **'Drive a High Performing and Customer Centric Culture with Happy and Value Oriented Employees'.** We are especially proud of our performance as it is expertly anchored by advanced capabilities and enhanced productivity. Through a strong service orientation, we foster a culture that puts customers first. We focus on creating happiness through purpose-driven behaviour and delivering high quality. All of these objectives are accomplished through our dedicated talent that is value-oriented with a deep commitment to the ethics of the Aditya Birla Group.

We maintained a positive outlook during the ongoing pandemic, however there is no denying the unprecedented challenges that came our way both in FY21 and FY22. With apparel being a discretionary spend item, the clothing business was one of the industries that was heavily impacted by the 'new normal'.

We revisited all our People Priorities and embarked on a series of actions that focused on ensuring business continuity, employee well-being and safety, cost and cash conservation and accelerating digital initiatives.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Male	8,961	8,961	100%	8,961	100%	0	0%	3,332	37%	0	0
Female	2,621	2,621	100%	2,621	100%	2,621	100%	0	0%	0	0
Total	**11,582**	**11,582**	**100%**	**11,582**	**100%**	**2,621**	**23%**	**3,332**	**29%**	**0**	**0**

The above benefits do include 'Permanent employees' category

b. Details of measures for the well-being of workers:

Category	Total (A)	% of Workers Covered	
		Maternity benefits	
		Number (D)	% (D / A)
Male	2,017	0	0%
Female	11,219	11,219	100%
Total	**13,236**	**11,219**	**85%**

The above benefits do include 'Permanent workers' category

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021-22						
	Total no. of employees	No. of employees covered under retirement benefits	% of employees covered under retirement benefits	Total no. of workers	No. of workers covered under retirement benefits	% of workers covered under retirement benefits	Deducted and deposited with the authority (Y/N/N.A.)
PF	24,818	24,818	100%	13,236	13,236	100%	Y
Gratuity	24,818	24,818	100%	13,236	13,236	100%	NA
ESI	24,818	16,639	67%	13,236	11,715	89%	Y

Benefits	FY 2020-21						
	Total no. of employees	No. of employees covered under retirement benefits	% of employees covered under retirement benefits	Total no. of workers	No. of workers covered under retirement benefits	% of workers covered under retirement benefits	Deducted and deposited with the authority (Y/N/N.A.)
PF	22,351	22,351	100%	11,581	11,581	100%	Y
Gratuity	22,351	22,351	100%	11,581	11,581	100%	NA
ESI	22,351	15,326	69%	11,581	10,374	90%	Y

3. **Accessibility of workplaces Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

   Yes, the premises / offices are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

   At ABFRL, we do not discriminate against any employee on the grounds of race, colour, religion, caste, gender, age, marital status, disability, nationality, or any other factor under applicable laws and contemporary practices at the workplace.

   While we don't have a standalone Equal Opportunity Policy, our Human Rights policy emphasizes our commitment and approach in providing a conducive and diverse work environment considering the rights of vulnerable groups such as indigenous people, women, migrant workers and other minorities. Please refer HYPERLINK "https://www.abfrl.com/docs/corporate_governance/policies/HUMAN-RIGHTS-POLICY.pdf" Human Rights Policy for further information.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

	FY 2021-22			FY 2020-21		
Permanent Employees	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Return to work rate (%)	100	94	95	100	25	56
Retention Rate (%)	11	454	131	42	131	74
					FY 2020-21	
Permanent Workers	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Return to work rate (%)	0	44	44	0	23	23
Retention Rate (%)	0	91	91	0	100	100

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes / No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	Works committee in place to address the Grievance of workers across all manufacturing units.The committee comprises 13 members with 20% of male and 80% of female across levels.
Permanent Employees	Yes	For Employee grievance in terms of value violation or POSH we have ABG helpline numbers and Internal committees at every business unit to address. The Company also has in place a Vigil Mechanism comprising of Directors & Senior Managers for attending the complaints received from the employees and to report concerns about the unethical behaviour, actual or suspected fraud and violation of the Code of Conduct or Ethics Policy by the Directors and the employees of the Company.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

	FY 2021-22			FY 2020-21		
Category	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Workers	**13,236**	**511**	**4%**	**11,581**	**472**	**4**
Male	2,017	37	2%	1,808	28	**2**
Female	11,219	474	4%	9,773	444	**5**

Association(s) or Unions in place only for 'Permanent workers' category

8. Details of training given to employees and workers:

Health and Safety:

	FY 2021-22			FY 2020-21		
	Total (A)	**No. (B)**	**% (B / A)**	**Total (D)**	**No. (E)**	**% (E/D)**
Employees						
Male	8,961	8,961	100	8,477	8,477	100
Female	2,621	2,621	100	2,293	2,293	100
Total	**11,582**	**11582**	**100**	**10,770**	**10,770**	100
Worker						
Male	2,017	2,017	100	1,808	1,808	100
Female	11,219	11,219	100	9,773	9,773	100
Total	**13,236**	**13,236**	**100**	**11,581**	**11,581**	**100**

In addition to the above, in FY22 23,202 employees and 1,525 workers have been trained for Skill upgradation.

9. Details of performance and career development reviews of employees and worker:

	FY 2021-22			FY 2020-21		
	Total (A)	**No. (B)**	**% (B / A)**	**Total (C)**	**No. (D)**	**% (D / C)**
Employees						
Male	8,961	8,961	100%	8,477	8,477	100%
Female	2,621	2,621	100%	2,293	2,293	100%
Total	**11,582**	**11,582**	100%	**10,770**	**10,770**	100%
Worker						
Male	2,017	2,017	100%	1,808	1,808	100%
Female	11,219	11,219	100%	9,773	9,773	100%
Total	**13,236**	**13,236**	100%	**11,581**	**11,581**	100%

10. **Health and safety management system:**

   a. **Whether an occupational health and safety management system has been implemented by the entity?**

   Yes, an occupational health and safety management system has been implemented

   If yes, the coverage such system?

   Refer Safety Performance, Sustainability Report FY 2021-22

   b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

   Refer Safety Performance, Sustainability Report FY 2021-22

   c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

   To achieve the safety target of 'Zero Severity,' ABFRL has Safety Observation Programme to instil a proactive safety approach in employees. Management is committed to ensuring that the safety observation process is practiced at all sites that involves dialogue with employees especially workers on human behavior at their workplace in order to reinforce positive behavior. These safety observations (Unsafe Condition, Unsafe Act & Near Miss) are used for identifying gaps and work-related hazards; used for developing a strategic improvement plan.

   Refer Safety Performance, Sustainability Report FY 2021-22

   d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?**

   We have Group Mediclaim Policy in place for all our employees (including workers)

11. **Details of safety related incidents, in the following format:**

		FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR)	Employees	0.08	0.16
	Workers	0.06	0.25
Total recordable work-related injuries	Employees	26	19
	Workers	9	8
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	6
	Workers	0	4

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

   Refer Safety Performance, Sustainability Report FY 2021-22

13. Number of Complaints on the following made by employees and workers:

Number of Complaints on the following made by employees and workers:	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Health & Safety	511	116	Actions are underway for pending points	493	0	All complaints addressed

14. Assessments for the year:

	% of your plants and offices that were assessed *(by entity or statutory authorities or third parties)*
Health and safety practices	100% *(Factories and Warehouse)*

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Refer Safety Performance, Sustainability Report FY 2021-22

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death

Employees	Yes
Workers	Claims are settled through EDLI - EPFO

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Statutory dues are managed by internal process stakeholders and there are quarterly audit happening around to ensure the prompt payment and 100% complaint

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes, through 'Gyanodaya' – the ABG's Global Centre for Leadership Learning, entity provides customized courses designed focusing on continued employability post retirement.

In addition to the transition assistance trainings, key business leaders / employees are provided with an opportunity to continue their association with entity as an external expert / consultant given the criticality and relevance of the assignment.

5. **Details on assessment of value chain partners:**

	% of value chain partners assessed *(by value of business done with such partners)*
Health and safety practices	96
Working Conditions	96

6. **Provide details of any corrective actions taken or underway to address significant risks concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Compliance assessments are being conducted on value chain partners to ensure their statutory compliance related to health and safety. The critical observations and recommendations are being communicated to the respective management of supply chain partners for corrective actions. The closure of corrective actions is verified during the next cycle audit.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Over the years we have developed firm-level processes to encourage open and constructive interaction with our stakeholders. It reinforces our understanding of relevant matters and helps us identify those attributes of stakeholders that make them important to our business and necessitate meaningful engagement. Engaging with stakeholders provides us an opportunity to serve them in the best sustainable way and redefine our strategies to deliver the maximum value. By partnering with our stakeholders, we involve them in the decision making, product and process improvement and create an enabling environment to do better together.

Stakeholders were recognized from respective stakeholder groups relevant for our business. These include investors, employees, customers, suppliers, regulatory authorities, media, industry associations, communities, NGOs and peer companies. Stakeholder engagement exercise was carried out to engage with prioritized stakeholders from each of these groups through deliberation.

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Refer Stakeholder Engagement Section, Sustainability Report FY 2021-22

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

   Refer Stakeholder Engagement Section, Sustainability Report FY 2021-22

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Refer Materiality - Stakeholder Engagement, Sustainability Report FY 2021-22

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how**

the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Refer Materiality Section - Stakeholder Engagement, Sustainability Report FY 2021-22

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

As part of ABG as well as ABFRL community initiatives, the Company has also identified its disadvantaged and vulnerable stakeholders. Special initiatives taken by the Company to engage with these marginalised stakeholders are outlined in 'Principle 8' as part of the ABFRL's CSR initiatives.

Principle 5: Businesses should respect and promote human rights

ABFRL upholds the belief that all humans must be treated with dignity and respect. In order to ensure this, we protect human rights, not only within our premises but across our supply chains. Our policy on human rights is thus extended to vendors, suppliers and NGOs. Some of the steps that we have taken to safeguard human rights are:

- We prohibit child labour across all vendor sites. This is enforced and ensured through stringent and regular audit checks of vendors
- Our 'Prevention of Sexual Harassment' *(POSH)* Policy has been adopted on the Company-wide level to ensure the respect and dignity of all its employees. POSH is applicable not only to employees but also to third parties or clients and vendors of the Company

Essential Indicators

2. Details of minimum wages paid to employees and workers, in the following format:

	Employees	FY 2021-2022					FY 2020-2021				
		Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
			No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent	Male	8,961	1,706	19%	7,255	81%	8,477	902	11%	7,575	89%
	Female	2,621	626	24%	1,995	76%	2,293	265	12%	2,028	88%
Other Than Permanent	Male	13,628	2,269	17%	11,359	83%	11,647	2,564	22%	9,083	78%
	Female	3,321	610	18%	2,711	82%	2,689	703	26%	1,986	74%

	Workers	FY 2021-2022					FY 2020-2021				
		Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
			No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent	Male	2,017	273	14%	1,744	86%	1,808	171	9%	1,637	91%
	Female	11,219	4,263	38%	6,956	62%	9,773	3,785	39%	5,988	61%

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	**Median remuneration / salary / wages of respective** *(in INR)*	**Number**	**Median remuneration / salary / wages of respective** *(in INR)*
Board of Directors (BoD)	-	-	-	-
Key Managerial Personnel	3	5,90,77,127	2	5,25,71,697
Employees other than BoD and KMP	8,958	3,00,351	2,619	2,02,153
Workers	2,017	1,52,315	11,219	1,22,305

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   ABFRL recognizes the valuable *role that our business can play in the long-term protection of Human Rights. All our business units, factories and offices are committed to respect the human rights of our workforce, communities, and those affected by our operations wherever we do business. We have a formal policy in line with UNGC Principles of Human Rights& Labor, Social Accountability 8000 etc.*

6. **Number of Complaints on the following made by employees and workers:**

	FY 2021-22		FY 2020-21	
	Filed during the year	**Pending resolution at the end of year**	**Filed during the year**	**Pending resolution at the end of year**
Sexual Harassment (POSH)	16	0	15	0
Discrimination at workplace	NA	NA	NA	NA
Child Labour	NA	NA	NA	NA
Forced Labour / Involuntary Labour	NA	NA	NA	NA
Wages	NA	NA	NA	NA
Value Violation	69	6	80	0

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   Following robust mechanisms in place across our operations

   – *POSH Committee*

   – *Works Committee (manufacturing units)*

   – *ABG Hotline*

9. Assessments for the year – Percentage of plants and offices

100% of our plants and offices were assessed for Child labour, Forced/involuntary labour, Sexual harassment, Discrimination at workplace, Wages & Workplace Health & Safety requirements

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

At the time of Audit suitable corrective actions are recommended and facilities are monitored through regular Follow-up and Annual Surveillance Audits to ensure robustness of the systems in place

Leadership Indicators

2. Details of the scope and coverage of any Human rights due-diligence conducted.

All the tier 1 vendors, warehouse, retail stores, business offices, and in-house factories are under the scope of Human Rights due diligence.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

96% of our tier 1 vendors were assessed for Child labour, Forced/involuntary labour, Sexual harassment, Discrimination at workplace, Wages & Workplace Health & Safety requirements

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

At the time of Audit suitable corrective actions are recommended. Vendors are monitored through regular Follow-up and Annual Surveillance Audits to ensure robustness of the systems in place

Principle 6: Businesses should respect and make efforts to protect and restore the environment

At ABFRL, we are striving to provide every customer a sense of meaningful contribution in building a sustainable ecosystem, through resource neutral operations of closed-loop models, sustainable raw materials and enhanced transparency.

In line with this vision, we are consistently enhancing our environmental initiatives, some of which are:

- We closely monitor our operations to ensure adherence to environmental compliances and permissible limits and valid licenses
- We undertook benchmark assessment exercise against global players in apparel, leading companies in sustainability space and also government regulations to determine the need for strengthening current missions and thereby ensure complete adherence to the policy. Insights from the analysis helped us in strategising in line with global trends
- This year, we have refreshed our Enterprise Risk Management (ERM) framework to better understand ESG-related shifts, impacts and dependencies that may affect our ability to achieve the desired objectives. This exercise has contributed in emphasising our efforts in governance of sustainability risks including climate change across our operations and also align ourselves

with global framework and standards. One of the key objectives of the project is to build resilience against emerging sustainability risks like climate change based on the inputs from the Intergovernmental Panel on Climate Change (IPCC), COP26 and other global frameworks. This rigorous assessment not only helped us in enhancing climate change at ERM level but also complimented us in aligning the journey in accordance with Task Force on Climate-Related Financial Disclosures (TCFD)

- We have strengthened waste water recycling systems, installed rain water harvesting systems and water efficient fixtures across our own facilities
- The Stack Emissions/Wastes Generated *(used oil, oil-soaked cotton waste)* and STP water generated by the Company are within the permissible limits stated by KSPCB and TNPCB
- Our Sustainability webpage link
- Our Environmental Policy link

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Refer Environment Stewardship, Sustainability Report FY2021-22

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

None of the ABFRL facility has been identified as designated consumers under PAT scheme

3. Provide details of the following disclosures related to water, in the following format:

Refer Environment Stewardship, Sustainability Report FY2021-22

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Refer Environment Stewardship, Sustainability Report FY2021-22

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Refer Environment Stewardship, Sustainability Report FY2021-22

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Refer Environment Stewardship, Sustainability Report FY2021-22

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Refer Environment Stewardship, Sustainability Report FY2021-22

8. Provide details related to waste management by the entity, in the following format:

Refer Environment Stewardship, Sustainability Report FY2021-22

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Refer Environment Stewardship Section, Sustainability Report FY2021-22

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

ABFRL has no operations/offices in/around ecologically sensitive areas

11. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

EIA was not mandated across any of our facilities and hence no EIA was conducted in the financial year. However, we have robust Environment Management systems in place across our facilities with effective monitoring mechanism in place.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, we adhere to all applicable local and national environment laws and regulations

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Refer Environment Stewardship Section, Sustainability Report FY2021-22

2. Provide the following details related to water discharged:

Refer Environment Stewardship Section, Sustainability Report FY2021-22

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Refer Environment Stewardship Section, Sustainability Report FY2021-22

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

ABFRL has no operations/offices in/around ecologically sensitive areas

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent

discharge waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Refer Environment Stewardship, Sustainability Report FY 2021-22

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   We recognize the importance of building a robust Crisis Management for any incident or series of incidents that can escalate into a crisis, with an objective to protect life, the environment, assets, brand, reputation and stakeholder confidence. We have emergency response plan in place across our manufacturing units and our crisis management is developed in alignment with Crisis Management Policy at Aditya Birla Group level.

   Refer Crisis Management Policy; Refer Safety Performance, Sustainability Report FY2021-22

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   No significant adverse impacts to the environment evidenced as a result of our operations

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

In a continuously evolving world, it is imperative that we have a consistent dialogue with myriad stakeholders, who can have an impact on policy making. As we focus on excellence in clothing, we continue to share our invaluable experience to provide incisive insights and detailed inputs to key decision makers in planning better policies. We also learn from the best practices of others.

Collaboration and co-creation for over a decade has helped us achieve new peaks and remain ahead of the curve in the industry. With 2030 in timeframe, we are accelerating advocacy and exploring innovative solutions with prime focus on circularity, sustainable sourcing and low carbon pathway. This journey requires deep collaboration and radical transformation across the entire value chain to benefit the ecosystem.

Along with our existing collaboration with the Sustainable Apparel Collation (SAC), Ellen McArthur foundation, Cotton 2040 and Circular Apparel Innovation Factory (CAIF), we have taken a stride in our circularity journey with 'GIZ', a German Government agency in a 'private-public development partnership project'; implemented good chemical management practices across the supply chain with ZDHC; and accelerated action in the areas of sustainable raw materials and sustainable supply chain with Textile Exchange Membership. ABFRL is a member of the Retail Association of India (RAI) and Clothing Manufacturers Association of India (CMAI).

While ABFRL does not have a stated policy on Policy Advocacy, as part of the ABG, we actively undertake need-based advocacy on issues pertaining to the industry through our membership of relevant industry bodies.

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   Refer 'Membership in Industry Associations', Sustainability Report FY 2021-22

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State/National)
1	GIZ	National
2	ZDHC	National
3	Retail Association of India (RAI)	National
4	Clothing Manufacturers Association of India (CMAI)	National
5	Sustainable Apparel Collation (SAC)	National
6	Ellen McArthur foundation	National
7	Cotton 2040	National
8	Circular Apparel Innovation Factory (CAIF)	National
9	Textile Exchange Membership	National
10	SU.RE	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   NA

Principle 8: Businesses should promote inclusive growth and equitable development

ABFRL focuses its CSR initiatives under 5 pillars, i.e., Education, Health & Sanitation, Sustainable Livelihood, Water and Digitization. ABFRL also strongly encourages voluntary employee participation in the CSR activities, and has a policy in place to facilitate this. Through employee volunteering, the expertise of individuals in the organisation helps enhance the scale, reach and effectiveness of our CSR initiatives. ABFRL undertakes CSR interventions in Karnataka, Tamil Nadu, Maharashtra and Odisha through its independent entity called Aditya Birla Fashion and Retail Jan Kalyan Trust (ABFR Jan Kalyan Trust).

To trigger positive action on a macro level, we believe it is achievable only through focus on micro and local interventions. Designed to empower communities in a holistic manner, these interventions aim to create sustainable societies in alignment with the Sustainable Development Goals (SDGs). Our community engagement in the five focus areas: Education, Health & Sanitation, Sustainable Livelihood, Water & Watershed and Digitalization, have been linked with 16 SDGs.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Kasturba Gandhi Balika Vidyalaya|Duration: 2010 to 2021 (10 years)| Geog Area: Karnataka, TamilNadu	IB067-2100-01-00004	7th June 2021	Yes	Yes	Link
Gyanarjan |Duration: 2014 to 2021 (7 years) | Geog Area: Karnataka					
Kaushalya |Duration: 2014 to 2021 (7 years) | Geog Area: Karnataka					
School Transformation Project |Duration: 2017 to 2021 (4 years) | Geog Area: Maharashtra					
Village DevelopmentProgram Karnataka & Tamil Nadu |Duration: 2017 to 2021 (4 years) | Geog Area: Karnataka, Tamil Nadu					
Village Development Program Odisha | Duration: 2019 to 2021(2years) | Geog Area: Odisha					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

We have not undertaken any Rehabilitation and Resettlement (R&R) as none of our activities have direct / indirect impact that required R&R.

3. Describe the mechanisms to receive and redress grievances of the community.

Since our operations do not directly / indirectly create any negative impact on the environment or society (unlike heavy industries) there are less of Industrial Relations (IR) related grievances. However, we conduct regular meetings with the community stakeholders to understand their needs and aspirations.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22
Directly sourced from MSMEs / small producers	40%
Sourced directly from within the district and neighboring districts	52%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable as no any negative social impacts identified in the Social Impact Assessments

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Not Applicable as no CSR projects were undertaken in designated aspirational districts as identified by government bodies

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable, no benefits derived and shared from the intellectual properties owned or acquired

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

Refer Social Performance Section, Sustainability Report FY 2021-22

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

At ABFRL, Customer Centricity is one of the critical components of our business philosophy and sustainability strategy. We keep in mind the expectations and concerns our customers have, especially with regards to being a responsible corporate citizen and business that has a positive impact on the communities and the planet. Our ReEarth journey is calibrated according to these customer expectations. We stay in tune with customer expectation by continuously interacting with them. Our customers belong to different age groups, lifestyles, gender, culture and geographies, and we map their needs accordingly. We receive customer feedback and are open to ideas and suggestions so as to ensure we deliver the best products and create a memorable brand experience for them. Customer Ideas and Feedback are garnered using various media to understand their mindsets and expectations and used to improve their experience.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have dedicated Customer care number and email id wherein we receive consumer complaints and customer care responds to the same post internally discussing with stakeholders.

Apart from that we interact with our customers through Mission Happiness, an electronic interface, our customers can provide detailed feedback and rate their in-store as well as their post purchase experience.

Also, Customer Voice Response System (CVRS), a platform which handles customer complaints and ascertains process transparency through the deployment of an online Complaint Management System. This encourages customers to share their experiences, feedback and complaints along with helping us identify opportunities of interventions in order to enhance customer satisfaction.

We have dedicated Customer care number and email id wherein we receive consumer compliant and customer care responds to the same post internally discussing with stakeholders.

Pantaloons has also initiated "Post Purchase Survey" to know the customer's experience with the product and gain insights on quality & service

Refer Customer, Stakeholder Engagement, Sustainability Report FY 22

2. **Turnover of products and / services as a percentage of turnover from all products/service that carry information about:**

Environmental and social parameters relevant to the product	We at ABFRL have defined sustainable product attributes. We launch various environment friendly collections and mentions the Environment and Social performance of the products. Such products comprise of 61% by volume.
Safe and responsible usage	ABFRL operates in Fashion and Retail industry and our products offerings are apparels, footwear and other accessories. Our product tags contain the information on the safe and responsible usage of the products such as wash care, drying and ironing instruction. We mention these instructions on 100% of our apparel products.
Recycling and/or safe disposal	We at ABFRL, consider waste as an opportunity for us to create value not only for our stakeholders, but also for the nation as a whole. ABFRL believes in creating a closed loop system where waste generated is recycled or reused or upcycled to useful resources. Initiatives in circular economy are based on the principles of designing out waste and pollution, keeping materials in use and regenerating natural systems.We also have adopted 'Zero Waste to Landfill' goal to ensure safe handling and disposal.Our brands have joined hands with an NGO to run a nationwide campaign among their customer base in different cities for collecting used clothing across its retail stores and delivering it to the beneficiaries.Through "Spread the Joy" cumulatively 78,838 Garments were collated and shared with needy people through this campaign.

3. **Number of consumer complaints in respect of the following:**

Not received any consumer complaints against Data privacy, Advertising, Cyber-security, Delivery of essential services, Restrictive trade practices and Unfair trade practices.

4. **Details of instances of product recalls on account of safety issues:**

No instances of product recalls or forced recalls on account of safety issues

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, robust IT Security Policy in place, which is developed in alignment with leading standards, frameworks, and laws such as ISO 27001, ISO 20000, ITIL, IT Amended Act of 2008 of India, etc. Policies from this document apply to information and information systems across all Units of ABFRL and third-party services providers for services related to hosting, SAAS, etc. The policy sets out management direction and support for information security and the requirements that all employees, contractors, trainees, vendors, business partners, other related third-party personnel of ABFRL and management should comply with, in order to secure ABFRL information.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Cyber Security and data privacy related: On June 2021, the IBM Team responsible for the ABFRL account found that backup servers were failing to create backup. They discovered on one of the servers a text note indicating the machine was infected by a ransomware and asking for a ransom. Following these events, and with the customer approval, IBM CSIRT was engaged to perform analysis on the IBM assets. However, No Financial Impact was recorded.

Overall Impact: 45 Servers were impacted, and we Formatted the disks and restored Data from Backup System. There was no Business stoppage.

Actions taken and Future Corrective Action:

Immediate Actions Taken:

- *All Hosted Applications to Route through WAF and Internal FW*
- *Enabling all security parameters in WAF*
- *Started Application Grey box testing for the critical Online Applications*
- *Ensuring the Application DB to be properly patched and updated with latest version.*
- *Ensuring all DZM servers are with EDR and AV and are under the surveillance of SIEM*
- *Properly monitoring and taking actions on the Symantec Active Directory Defense*
- *All remote admin Users cannot use the Server without Logging to PIM*
- *9.Port 3389 for RDP is closed for All Admin Users*
- *VA/PT for the Websites and its Mitigation*

Long Term Actions:

- *Remove IBM SIEM Q radar and replace with ATOS SIEM*
- *Virtual Patching of all Critical Servers*
- *Micro Segmentation for All DMZ servers to Block Lateral Movement*
- *Virtual Patching and Deep Scan for all Hosted Servers*
- *VA/PT of all DMZ Servers Twice in a Year*

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)

Information relating to all the products and services provided by the organization are available on the www.abfrl.com. Apart from that all the brands that are part of ABFRL, have their own websites, where they regularly update their information regarding their products and services.

In addition, the Corporation actively uses various social media and digital platforms to disseminate information.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Our product tags contains the information on the safe and responsible usage of the products such as wash care, drying and ironing instruction. We mention these instructions on all of our apparel products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Not applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

   Product Story related to raw material, finish or any other key highlight is disclosed over and above the mandatory requirement through the hangtag. Example - LIVA, Giza Cotton

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, we do carry out surveys with regard to consumer satisfaction

   Refer Customer, Stakeholder Engagement, Sustainability Report FY 22

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact:**

      1 (instance of data breach has been reported. AWS cloud was compromised and only certain coordinates of consumer including name, contact and address accessed by rogue elements. No financial information of consumer was breached.)

   b. **Percentage of data breaches involving personally identifiable information of customers:**

      0%

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Fashion and Retail Limited

Report on the Audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Aditya Birla Fashion and Retail Limited ("the Company") which includes the financial statements of ABFRL Employee Welfare Trust, which comprise the Standalone Balance Sheet as at March 31, 2022, 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 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, 2022, 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.

Key audit matters

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

Key Audit Matters	How our audit addressed the key audit matters
Impairment assessment of goodwill (Refer Note 5A to the Standalone financial statements) The Company has goodwill of ₹ 1,859.60 crores as at March 31, 2022. The goodwill was acquired in business combinations recorded in the prior years and was allocated to cash generating units (CGU) of the Company. In accordance with Ind AS 36, Impairment of Assets, goodwill acquired in a business combination is required to be tested for impairment annually.	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Company's controls to assess impairment of goodwill on an annual basis. • Evaluated whether the CGUs were determined and the goodwill allocation was performed in accordance with requirements of Ind AS 36 and our knowledge of the Company's operations. • Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount of the CGU. • Evaluated the objectivity, competency and independence of the management expert engaged by the Company.

Key Audit Matters	How our audit addressed the key audit matters
Management has performed impairment assessment for each of the CGUs to which goodwill has been allocated by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU which is higher of value in use and fair value less costs of disposal. Impairment assessment of goodwill requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill is considered to be a key audit matter.	• Assessed the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis and evaluated the consistency of the cashflow projections with the budgets approved by the Board of Directors. • Evaluated the sensitivity analysis performed by management on the growth rates and discount rate to determine whether reasonable changes in these key assumptions would result in the carrying amounts of individual CGUs to exceed their recoverable amounts. • Involved auditor's expert to assist in evaluating the impairment assessment including certain assumptions used. • Evaluated the adequacy of the disclosures made in the Standalone Financial Statements. Based on procedures above, management's impairment assessment of goodwill appears to be reasonable.
Impairment evaluation of Investments in subsidiaries (Refer Note 6(a) to the standalone financial statements) The Company has made equity investments in the following subsidiaries namely, Jaypore E-Commerce Private Limited, TG Apparel & Decor Private Limited, Finesse International Design Private Limited, Sabyasachi Calcutta LLP and Indivinity Clothing Retail Private Limited with carrying values of ₹ 229.75 crores, ₹ 0.25 crores, ₹ 77.78 crores, ₹ 389.84 crores and ₹ 63.00 crores respectively, as at March 31, 2022. The Company reviews the carrying values of these investments in accordance with Ind AS 36 'Impairment of Assets'. Impairment assessment is performed and recoverable amounts of the investments are determined if indicators of impairment are identified. Management has considered losses suffered by these subsidiaries as an indicator for impairment assessment. Management has therefore performed impairment assessment by determining the recoverable amount of the investments in 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 recognized.	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Company's controls to assess impairment of its investments in subsidiaries. • Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount. • Evaluated the objectivity, competency and independence of the Management expert engaged by the Company. • Evaluated the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis and assessed the consistency of the cashflow projections with the budgets approved by Board of Directors. • Evaluated the Company's sensitivity analysis of the recoverable amounts and evaluated 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 auditor's valuation experts to assist in assessing the appropriateness of the impairment model including independent assessment of certain assumptions underlying the cash flow projections, discount rate, terminal value etc. • Obtained the audited standalone financial statements of the subsidiaries for the year ended March 31, 2022 and evaluated their financial performance.

Key Audit Matters	How our audit addressed the key audit matters
Determination of value in use involves use of projected cash flows based on financial budgets approved by the Board of Directors. Management has involved external experts to determine the recoverable amounts. Impairment evaluation of investment in 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 used in impairment assessment 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 and might be affected by changes in economic conditions.	• Evaluated the adequacy of the disclosures made in the Standalone Financial Statements. Based on the above work performed, Management's assessment of impairment of subsidiaries appears to be reasonable.
Provision for Inventory obsolescence (Refer Notes 12 and 40(f) to the standalone financial statements) The Company held inventories of ₹ 2,729.23 crores as at March 31, 2022. In accordance with Ind AS 2, Inventories, inventories are carried at lower of cost or net realizable value. The Company operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost. Management has a policy to recognize provisions for inventory considering assessment of future trends and the Company's past experience related to its ability to liquidate the aged inventory. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimates.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Company's controls to assess the adequacy of provision for inventory obsolescence. • Evaluated the methodology used by the management to determine the provision for inventory obsolescence and determined whether the method is consistent with that applied in the prior year. • Assessed whether the changes in the methodology (if any) are reasonable and consistent with our understanding of the changes in the business. • Evaluated the ageing report including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Company's policy. • Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis. • Evaluated the adequacy of the disclosures made in the Standalone Financial Statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provision for inventory obsolescence.

Key Audit Matters	How our audit addressed the key audit matters
Provision for discount and sales returns (Refer Note 40(g) to the standalone financial statements) The Company has recognized provision for unsettled discounts and sales returns amounting to ₹231.88 crores and ₹ 393.39 crores respectively, as at March 31, 2022. Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer. Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts. The estimate of sales returns and discounts depends on contract terms, forecasts of sales volumes and past history of quantum of returns. The expected returns and discounts that have not yet been settled with the customers are estimated and accrued. Determination of provision for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Company's controls to assess the adequacy of provision for discounts and sales returns. • Evaluated the periodic account reconciliations prepared by the management during the year. • Evaluated the management estimates and judgements in determining the provision for discounts and sales returns and assessed whether the same is consistent with the prior year. • Evaluated the contract terms for a sample of customer contracts to assess the reasonableness of the provision for discounts and returns and determine whether the same is in line with terms of the contract. • Verified credits notes issued to customers on a sample basis and assessed the validity of claims with the underlying documents and appropriate approvals. • Evaluated the adequacy of the disclosures made in the Standalone Financial Statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provisions for discount and sales returns.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Statement, Report of the Board of Directors, Sustainability and Business Responsibility Report, Corporate Governance Report and Management Discussion and Analysis Report, but does not include the standalone 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the 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 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.

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 judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal 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.
   - 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

10. 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.

11. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

12. The standalone financial statements of the Company for the year ended March 31, 2021 were audited by another firm of chartered accountants under the Act who, vide their report dated May 28, 2021, expressed unmodified opinion on those standalone financial statements.

Our opinion is not modified in respect of above matter.

Report on other legal and regulatory requirements

13. 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.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Notes 24 and 45 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

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 55(vii) to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 55(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 year.

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

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJFDAP9079

Place: Mumbai
Date: May 18, 2022

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Aditya Birla Fashion and Retail Limited on the standalone financial statements for the year ended March 31, 2022

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 Fashion and Retail Limited ("the Company") as of March 31, 2022 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 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.

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 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, 2022, 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**
Chartered Accountants
Firm Registration Number: 304026E/E-300009

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJFDAP9079

Place: Mumbai
Date: May 18, 2022

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 and Retail Limited on the standalone financial statements as of and for the year ended March 31, 2022

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 are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(a) and 4(a) to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Freehold land	5.92	Madura Garments Exports Limited	No	6 years (from January 2016)	Title deeds are in the name of erstwhile transferor company/ companies
Freehold building	0.13	Madura Garments Lifestyle Retail Company Limited	No	6 years (from January 2016)	
Leasehold properties (stores)	206.80	Aditya Birla Nuvo Limited	No	6 years (from January 2016)	
Leasehold properties (factories)	53.13	Aditya Birla Nuvo Limited, Crafting Clothing Private Limited, Madura Garments Lifestyle Clothing Private Limited and Madura Garments Exports Limited	No	6 years (from January 2016)	

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. 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 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 ₹5 crores, in aggregate, from banks on the basis of security of current assets. Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited books of account as set out in Note 55(iv) to the standalone financial statements.

iii. (a) The Company has made investments in two Companies and thirty mutual fund schemes, granted unsecured loans/advances in nature of loans to four companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances 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:

	Guarantees (₹ in crores)	Loans (₹ in crores)	Advances in nature of loans (₹ in crores)
Aggregate amount granted/ provided during the year:			
- Subsidiaries	-	13.70	-
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	8.40
Balance outstanding as a balance sheet date in respect of the above case			
- Subsidiaries	-	2.08	-
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	14.12

Also refer Note 7, Note 11 and Note 19 to the standalone financial statements.

(b) In respect of the aforesaid investments/loans/advances in nature of the loan, 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 and advances in the nature of loans to other parties, 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 year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

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

	All parties (₹ in crores)	Related parties (₹ in crores)
Aggregate of loans/advances in nature of loan repayable on demand	13.70	13.70
Aggregate of loans/advances in nature of loan where agreement does not specify any terms or period of repayment	-	-
Percentage of loans/advances in nature of loan to the total loans	62%	62%

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 within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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, professional tax, goods and services tax and tax deducted at source under the Income Tax Act, 1961 though there have been a slight delays in a few cases and is regular in depositing undisputed statutory dues, including duty of customs and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, professional tax, employees' state insurance, customs duty, goods and services tax and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 are as follows:

Statue	Nature of Dues	Gross Value (₹ in crores)*	Paid Amount (₹ in crores)*	Unpaid amount involved (₹ in crores)*	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	0.50	-	0.50	2011-12 and 2012-13	Commissioner of Central Excise (Bangalore)
Orissa Entry Tax Act, 1999	Entry tax	0.00	0.00	0.00	2002-03	Additional Commissioner - Appeals, Bhubaneswar

Statue	Nature of Dues	Gross Value (₹ in crores)*	Paid Amount (₹ in crores)*	Unpaid amount involved (₹ in crores)*	Period to which amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956 and Orissa Sales Tax Act, 1947	Sales Tax	0.01	0.00	0.01	2002-03	Additional Commissioner - Appeals, Bhubaneswar
The Central Sales Tax Act, 1956 and Kerala Value Added Tax Act, 2003	Value added tax and Central sales tax	0.01	-	0.01	2004-05	Kerala Sales Tax Appellate Tribunal, Ernakulam
Karnataka Tax on Entry of Goods Act, 1979	Entry tax	0.02	-	0.02	2002-05	Joint Commissioner of Commercial Taxes, Bengaluru
Andhra Pradesh Entry Tax Act	Entry tax	0.02	0.01	0.01	2006-07	Deputy Commissioner of Commercial Taxes, Secunderabad
The Central Sales Tax Act, 1956 and The Karnataka Value Added Tax Act, 2003	Value added tax and Central sales tax	2.01	2.00	0.01	2005-07	High Court, Karnataka
The Central Sales Tax Act, 1956 and Gujarat Value Added Tax Act, 2003	Value added tax and Central sales tax	2.83	0.57	2.26	2011-12	Joint Commissioner of Commercial Taxes, Ahmedabad
The Central Sales Tax Act, 1956 and The Karnataka Value Added Tax Act, 2003	Value added tax and Central sales tax	5.31	1.59	3.72	2014-15	Karnataka Commercial Appellate Tribunal
The Central Sales Tax Act, 1956 and Uttarakhand Value Added Tax Act, 2005	Value added tax and Central sales tax	5.35	0.30	5.05	2012-13 to 2015-16	Joint Commissioner (Appeals), Dehradun
Kerala Surcharge on Taxes Act, 1957	Surcharge on sales tax	3.14	0.70	2.44	2008-09 to 2016-17	Supreme Court

Statue	Nature of Dues	Gross Value (₹ in crores)*	Paid Amount (₹ in crores)*	Unpaid amount involved (₹ in crores)*	Period to which amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956 and The Orissa Value Added Tax Act, 2004	Value added tax and Central sales tax	0.79	0.08	0.71	2014-15	Joint Commissioner of Commercial Taxes (Appeals), Bhubaneswar
The Central Sales Tax Act, 1956 and Kerala Value Added Tax Act, 2003	Value added tax and Central sales tax	0.73	0.15	0.58	2017-18	Assistant Commissioner (Appeals) of State Goods and Service Tax Department, Kozhikode
The Central Sales Tax Act, 1956 and Delhi Value Added Tax, 2004	Value added tax and Central sales tax	5.67	-	5.67	2011-12, 2014-15, 2015-16	Additional Deputy Commissioner of Commercial Taxes, Delhi
The Central Sales Tax Act, 1956 and Telangana Value Added Tax Act, 2005	Value added tax and Central sales tax	0.19	0.06	0.13	2016-17	Appellate Deputy Commissioner, Telangana
The Central Sales Tax Act, 1956 and Uttar Pradesh Value Added Tax Act, 2008	Value added tax and Central sales tax	3.81	1.06	2.75	2012-13	Additional Commissioner - Appeals, Lucknow
Textile Committee Act, 1963	Textile committee cess	1.19	0.60	0.59	1999-05	Karnataka High Court
The Central Sales Tax Act, 1956 and Uttar Pradesh Value Added Tax Act, 2008	Value added tax and Central sales tax	18.41	-	18.41	2016-17, 2017-18	Deputy Commissioner of Commercial Taxes, Kanpur
The Central Sales Tax Act, 1956 and Uttar Pradesh Value Added Tax Act, 2008	Value added tax and Central sales tax	1.98	0.96	1.02	2015-16	Deputy Commissioner of Commercial Taxes, Lucknow

Statue	Nature of Dues	Gross Value (₹ in crores)*	Paid Amount (₹ in crores)*	Unpaid amount involved (₹ in crores)*	Period to which amount relates	Forum where dispute is pending
Income Tax Act 1961	Withholding Tax	0.24	-	0.24	2010-11	Commissioner of Income Tax Appeals, Mumbai

*All amounts in the table above have been rounded off to the nearest crores. The sign '0.00' indicates that the amounts are below ₹ fifty thousand and the sign '-' indicates that amounts are nil.

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 year 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 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 term loans have been applied for the purposes for which they were obtained. (Also refer Note 22 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 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 or a joint venture.

(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 a joint venture.

x. (a) In our opinion, and according to the information and explanations given to us, the monies raised by way of further public offer during the year have been applied for the purposes for which they were obtained and there were no delays or defaults regarding the application.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and amounts involved in respect of such complaints are not material.

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 Sections 177 and 188 of the Act. The details of such 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.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system 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. 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) 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 not incurred any cash losses in the financial year or 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 (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Refer Note 52 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 uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable.

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**
Chartered Accountants
Firm Registration Number: 304026E/E-300009

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJFDAP9079

Place: Mumbai
Date: May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

₹ in Crore

	Notes	Page No.	As at March 31, 2022	As at March 31, 2021
ASSETS				
I Non-current assets				
(a) Property, plant and equipment	3a	169	**569.20**	534.50
(b) Capital work-in-progress	3b	170	**61.04**	34.64
(c) Right-of-use assets	4a	171	**2,278.90**	2,066.89
(d) Goodwill	5	172	**1,859.60**	1,859.60
(e) Other intangible assets	5	172	**43.78**	45.33
(f) Financial assets				
(i) Investment in subsidiaries and joint venture	6a	174	**827.80**	682.87
(ii) Other investments	6b	175	**7.32**	6.66
(iii) Loans	7	177	**3.63**	2.59
(iv) Security deposits	8	177	**307.57**	303.74
(v) Other financial assets	9	178	**165.08**	145.84
(g) Deferred tax assets (net)	10	178	**353.10**	321.23
(h) Non-current tax assets (net)			**20.38**	21.55
(i) Other non-current assets	11	179	**87.05**	64.97
Total - Non-current assets			**6,584.45**	6,090.41
II Current assets				
(a) Inventories	12	179	**2,729.23**	1,742.93
(b) Financial assets				
(i) Current investments	6c	175	**537.42**	299.53
(ii) Loans	13	180	**6.84**	6.49
(iii) Security deposits	14	180	**117.27**	99.79
(iv) Trade receivables	15	180	**754.40**	599.90
(v) Cash and cash equivalents	16	183	**107.81**	164.26
(vi) Bank balance other than Cash and cash equivalents	17	184	**0.11**	0.28
(vii) Other financial assets	18	184	**51.83**	58.31
(c) Other current assets	19	185	**712.04**	578.26
Total - Current assets			**5,016.95**	3,549.75
TOTAL - ASSETS			**11,601.40**	9,640.16

ADITYA BIRLA FASHION AND RETAIL LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

₹ in Crore

	Notes	Page No.	As at March 31, 2022	As at March 31, 2021
EQUITY AND LIABILITIES				
I Equity				
(a) Equity share capital	20	185	**938.29**	915.05
(b) Other equity	21	189	**1,943.85**	1,769.53
Total - Equity			**2,882.14**	2,684.58
II Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	22	192	**757.40**	802.09
(ii) Lease liabilities	4b	171	**1,864.83**	1,695.10
(iii) Deposits			**228.36**	167.28
(iv) Other financial liabilities	23	194	**167.93**	198.85
(b) Provisions	24	194	**90.02**	89.44
(c) Other non-current liabilities	25	194	**11.73**	11.44
Total - Non-current liabilities			**3,120.27**	2,964.20
III Current liabilities				
(a) Financial liabilities				
(i) Borrowings	26	195	**449.97**	315.83
(ii) Lease liabilities	4b	171	**751.05**	690.47
(iii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	27	195	**74.56**	26.74
Total outstanding dues of creditors other than micro enterprises and small enterprises	27	195	**3,261.06**	2,087.54
(iv) Deposits			**152.60**	130.63
(v) Other financial liabilities	28	196	**317.17**	213.07
(b) Provisions	29	196	**96.40**	84.91
(c) Other current liabilities	30	197	**496.18**	442.19
Total - Current liabilities			**5,598.99**	3,991.38
TOTAL - EQUITY AND LIABILITIES			**11,601.40**	9,640.16
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

Place: Mumbai
Date : May 18, 2022

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

		Notes	Page No.	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenue from operations	31	197	**7,824.20**	5,181.14
II	Other income	32	199	**94.09**	72.64
III	**Total income (I + II)**			**7,918.29**	5,253.78
IV	**Expenses**				
	(a) Cost of materials consumed	33a	199	**809.76**	419.23
	(b) Purchase of stock-in-trade	33b	199	**3,730.08**	1,508.83
	(c) Changes in inventories of finished goods, work -in-progress and stock-in-trade	33c	199	**(884.01)**	609.56
	(d) Employee benefits expense	34	200	**1,043.43**	823.91
	(e) Finance costs	35	200	**340.19**	498.39
	(f) Depreciation and amortisation expense	36	200	**946.85**	945.00
	(g) Rent expense	44a & 4a	224 & 171	**390.65**	10.67
	(h) Other expenses	37	201	**1,654.81**	1,214.63
	Total expenses			**8,031.76**	6,030.22
V	**Loss before tax (III - IV)**			**(113.47)**	(776.44)
VI	**Income tax expense**				
	(a) Current tax	38	202	**-**	-
	(b) Deferred tax	38	202	**(32.77)**	(126.80)
				(32.77)	(126.80)
VII	**Loss for the year (V - VI)**			**(80.70)**	(649.64)
VIII	**Other comprehensive income/ (loss)**				
	Items that will not be reclassified to profit or loss				
	(a) Re-measurement gains/ (losses) on defined benefit plans			**2.94**	2.63
	Income tax effect on above			**(0.74)**	(0.66)
	(b) Fair value gains/ (losses) on equity instruments			**0.65**	(0.50)
	Income tax effect on above			**(0.16)**	0.13
	Total other comprehensive income/ (loss) for the year			**2.69**	1.60
IX	**Total comprehensive income/ (loss) for the year (VII + VIII)**			**(78.01)**	(648.04)
X	**Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2021 : ₹ 10)]**	39	203		
	Basic (₹)			**(0.87)**	(7.95)
	Diluted (₹)			**(0.87)**	(7.95)
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

Place: Mumbai
Date : May 18, 2022

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

a. **Equity share capital**

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	**₹ in Crore**	No. of shares	₹ in Crore
Equity shares of ₹ 10 each issued				
As at the beginning of the year	**93,77,36,163**	**937.73**	77,39,64,840	773.96
Equity shares under Rights Issue and Preferential Issue [Refer Note - 20(iii) & (iv)]	**2,80,504**	**0.28**	16,32,68,882	163.27
Exercise of Options (Refer Note - 43)	**4,92,871**	**0.49**	5,02,441	0.50
As at the end of the year	**93,85,09,538**	**938.50**	93,77,36,163	937.73

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	**₹ in Crore**	No. of shares	₹ in Crore
Equity shares of ₹ 10 each subscribed and paid up				
As at the beginning of the year	**93,75,30,659**	**915.05**	77,39,47,987	773.95
Equity shares under Rights Issue and Preferential Issue [Refer Note - 20(iii) & (iv)]	**2,80,504**	**22.75**	16,30,80,231	140.60
Exercise of Options (Refer Note - 43)	**4,92,871**	**0.49**	5,02,441	0.50
As at the end of the year	**93,83,04,034**	**938.29**	93,75,30,659	915.05

b. **Other equity**

₹ in Crore

	Share suspense account (Refer Note - 21)	Reserves and surplus					Other comprehensive income		Total other equity
		Securities premium (Refer Note - 21)	Retained earnings (Refer Note - 21)	Share options outstanding account (Refer Note - 21)	Treasury shares (Refer Note - 21)	Capital reserve (Refer Note - 21)	Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 21)	Fair value gains/ (losses) on equity instruments (Refer Note - 21)	
As at April 01, 2020	0.02	773.64	(427.10)	44.15	(100.49)	21.69	(2.20)	2.21	311.92
Loss for the year	-	-	(649.64)	-	-	-	-	-	(649.64)
Share forfeiture/ (issued) during the year	-	-	-	-	-	0.19	-	-	0.19
Equity shares under Rights Issue and Preferential Issue [Refer Note - 20(iii) & (iv)]	-	2,097.49	-	-	-	-	-	-	2,097.49
Premium on exercise of Options	-	0.06	-	-	-	-	-	-	0.06
Other comprehensive income for the year	-	-	-	-	-	-	1.97	(0.37)	1.60
Recognition of Share based payment	-	-	-	11.88	-	-	-	-	11.88
Transfer to Securities Premium on exercise of Options	-	8.39	-	(8.39)	-	-	-	-	-
Treasury shares Issued/ (purchased) by ESOP Trust	-	-	-	-	(3.97)	-	-	-	(3.97)
As at March 31, 2021	0.02	2,879.58	(1,076.74)	47.64	(104.46)	21.88	(0.23)	1.84	1,769.53
As at April 01, 2021	0.02	2,879.58	(1,076.74)	47.64	(104.46)	21.88	(0.23)	1.84	1,769.53
Loss for the year	-	-	(80.70)	-	-	-	-	-	(80.70)
Share forfeiture/ (issued) during the year	-	-	-	-	-	(0.14)	-	-	(0.14)
Equity shares under Rights Issue and Preferential Issue [Refer Note - 20(iii) & (iv)]	-	226.05	-	-	-	-	-	-	226.05
Other comprehensive income for the year	-	-	-	-	-	-	2.20	0.49	2.69
Recognition of Share based payment	-	-	-	28.58	-	-	-	-	28.58
Transfer to Securities Premium on exercise of Options	-	12.55	-	(12.55)	-	-	-	-	-
Treasury shares Issued/ (purchased) by ESOP Trust	-	-	-	-	1.37	-	-	-	1.37
Others	-	-	-	(3.53)	-	-	-	-	(3.53)
As at March 31, 2022	0.02	3,118.18	(1,157.44)	60.14	(103.09)	21.74	1.97	2.33	1,943.85

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

Place: Mumbai
Date : May 18, 2022

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities			
Loss before tax		**(113.47)**	(776.44)
Adjustments for:			
Depreciation and amortisation expense	36	**946.85**	945.00
Finance costs	35	**337.88**	496.17
Gain on retirement of right-of-use assets	32	**(14.85)**	(20.54)
Rent concession on lease rentals	4b, 40k & 44a	**(215.43)**	(340.43)
(Profit)/ Loss on sale/ discard of property, plant and equipment		**(2.67)**	0.67
Fair value changes in derivative financial instrument (net)		**2.94**	0.39
Share-based payment to employees	34	**28.58**	11.88
Interest income	32	**(9.32)**	(3.40)
Liabilities no longer required written back		**(1.91)**	(3.83)
Net gain on sale of current investments	32	**(19.33)**	(3.20)
Net Unrealised exchange (gain)/ loss		**3.69**	1.46
Expense/ (income) on financial assets/ liabilities that is designated as fair value through profit or loss		**(31.16)**	(26.84)
Provision for doubtful debts, deposits and advances	37	**7.19**	14.17
Bad debts written off	37	**1.16**	-
Operating profit before working capital changes		**920.15**	295.06
Changes in working capital:			
(Increase)/ decrease in trade receivables		**(161.50)**	232.82
(Increase)/ decrease in inventories		**(986.30)**	606.47
(Increase)/ decrease in other assets		**(179.91)**	(151.17)
Increase/ (decrease) in trade payables		**1,221.78**	(151.21)
Increase/ (decrease) in provisions		**13.63**	(8.00)
Increase/ (decrease) in other liabilities		**174.05**	325.43
Cash generated from operations		**1,001.90**	1,149.40
Income taxes paid (net of refund)		**1.16**	0.87
Net cash flows from operating activities		**1,003.06**	1,150.27
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets and capital advance		**(273.46)**	(147.53)
Consideration paid for acquisition of/ investment in subsidiaries and joint venture	6a	**(144.94)**	(523.07)
Purchase of current investments		**(9,800.01)**	(12,359.02)
Inter-corporate deposits to subsidiaries		**(11.62)**	(26.86)
Investment in treasury shares held by ESOP trust		**1.37**	(3.97)
Proceeds from sale of property, plant and equipment and intangible assets		**29.48**	2.71
Proceeds from sale/ maturity of current investments		**9,581.50**	12,069.35
Repayment of Inter-corporate deposits by subsidiaries		**50.04**	0.60
Interest received		**9.51**	3.17
Net cash flows used in investing activities		**(558.13)**	(984.62)

ADITYA BIRLA FASHION AND RETAIL LIMITED
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from financing activities			
Proceeds from issue of equity shares		**0.49**	0.50
Proceeds from Rights Issue (net off share issue expenses)	20(iii)	**247.12**	738.66
Proceeds from Preferential Issue (net off share issue expenses)	20(iv)	**-**	1,499.63
Proceeds from non-current borrowings (net off charges)		**399.18**	683.36
Proceeds from sale of property, plant and equipment under sale and leaseback arrangement		**-**	28.65
Proceeds/ (repayments) of current borrowings (net)		**434.14**	(1,507.72)
Repayment of non-current borrowings		**(743.87)**	(834.04)
Repayment of lease liabilities		**(531.69)**	(402.87)
Interest paid		**(306.75)**	(472.47)
Net cash flows used in financing activities		**(501.38)**	(266.30)
Net Decrease in cash and cash equivalents		**(56.45)**	(100.65)
Cash and cash equivalents at the beginning of the year		**164.26**	264.91
Cash and cash equivalents at the end of the year	16	**107.81**	164.26
Components of Cash and cash equivalents			
Balances with banks - on current accounts		**27.72**	85.05
Balances with banks - on deposit accounts (original maturity less than 3 months)		**50.00**	50.00
Balances with credit card companies		**11.17**	4.12
Balances with e-wallet companies		**1.68**	0.96
Cash on hand		**12.98**	14.29
Cheques/ drafts on hand		**4.26**	9.84
Total Cash and cash equivalents		**107.81**	164.26

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

Place: Mumbai
Date : May 18, 2022

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
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Place: Mumbai
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JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

1. CORPORATE INFORMATION

Aditya Birla Fashion and Retail Limited (the "Company"), a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070.

The Company is engaged in the business of manufacturing and retailing of branded apparels and runs a chain of apparels and accessories retail stores in India.

The standalone financial statements, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors in their meeting held on May 18, 2022.

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);
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Previous year numbers are regrouped or reclassified, where necessary to comply with the amendment. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

2.2 Functional and Presentation Currency:

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

2.3 Summary of significant accounting policies

(I) Current versus non-current classification

The Company presents assets and liabilities in the Standalone 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;

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- 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 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. Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents assets, liabilities, income and expenses which relate to the Company as a whole and are not allocated to the segments.

Inter-segment transfers

The Company generally accounts for inter-segment sales at arm's length basis in a manner similar to transactions with third parties.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income, expense and other common assets and liabilities which are not allocated to any business segment.

Segment accounting policies

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.

(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:

- 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 Standalone Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Standalone 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 Standalone Statement of Profit and Loss are also reclassified in OCI or the Standalone Statement of Profit and Loss, respectively).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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.

<u>Revenue from sale of products</u>

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.

<u>Assets and liabilities arising from right to return</u>

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

<u>Right to return assets</u>

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

<u>Refund liabilities</u>

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.

<u>Income from gift voucher</u>

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

Loyalty points programme

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

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.

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.

Export incentives income

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

Commission income

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

(VI) Government grants

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(VII) 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.

(VIII) Taxes

<u>Current tax</u>

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.

<u>Deferred tax</u>

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

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

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

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

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

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

Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

The Company had adopted the new tax regime in the Financial Year 2019-20 under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Current tax and deferred tax relating to items recognised outside the 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.

(IX) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the 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.

<u>Depreciation methods, estimated useful lives and residual value</u>

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

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

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Factory buildings	Freehold buildings	30 years
Fences, wells, tube wells	Freehold building	5 years
Borewells (pipes, tubes and other fittings)	Freehold building	5 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 years

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	5 – 6 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 – 6 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	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
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	5 years

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

Leasehold assets

Assets	Estimated useful life
Leasehold improvements at stores	5 to 6 years or period of lease, whichever is shorter
Leasehold improvements other than stores	Period of lease

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

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount. These are included in the 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.

(X) Intangible assets

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

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

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

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/ trademarks	10 years	Amortised on straight-line basis
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement

(XI) 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.

(XII) 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.

(XIII) 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.

<u>Where the Company is the lessee</u>

Right-of-use assets

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

<u>Where the Company is the lessor</u>

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

<u>Covid-19-Related Rent Concessions</u>

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. “Covid-19- Related Rent Concessions” effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient upto June 30, 2022.

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.

(iii) There is no substantive change to other terms and conditions of the lease.

Pursuant to the above amendment, the Company has applied the practical expedient with effect from April 01, 2020. The Company has accounted the unconditional rent concessions in "Rent expense" in the Standalone Statement of Profit and Loss. Adoption of the COVID-19 related concessions – amendments to Ind AS 116, Leases with effect from April 1, 2021 has resulted in recognition of ₹ 215.43 crore as income from lease concession during the year. This amendment is not expected to have any material impact on the Statement of Profit and Loss for the future years.

(XIV) 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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)

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 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.

Call options over shares in the acquired subsidiary is initially recognised as a financial asset at fair value, with subsequent changes in fair value recognised in the standalone statement of profit and loss.

(iv) Equity investments

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investment in Subsidiaries and Joint Venture are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries and Joint Venture 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Impairment of financial assets:

The Company applies simplified approach of expected credit loss model for recognising impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

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

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

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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

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

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

The Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries and joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiaries and joint venture 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.

(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.

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

(2) 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.

(3) Financial liabilities:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

The Put Option and/or call option on the Non-Controlling Interest ("NCI") of subsidiary is initially measured at the fair value. The subsequent changes in the fair value is 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 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.

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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 Standalone 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.

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.

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

The 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.

(XV) Derivative financial instruments

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Standalone Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the Standalone Statement of Profit and Loss when the hedge item affects the Standalone Statement of Profit and Loss or treated as basis adjustment, if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

(XVI) Inventories

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

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

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

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates (Refer Note – 40f).

(XVII) 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 – 45).

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.

(XVIII) 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 operates gratuity plan through a Trust wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service as per the Payment of Gratuity Act, 1972. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. The benefit vests after five years of continuous service and the same is payable on termination of service or retirement, whichever is earlier. A part of the gratuity plan is funded (maintained by an independent insurance company) and another part is unfunded and managed within the Company, hence the liability has been bifurcated into funded and unfunded. 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 Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re- measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(XIX) Share-based payment

Employees of the Company receive remuneration in the form of equity-settled instruments and stock appreciation rights 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.

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 Standalone Statement of Profit and Loss for the year.

The Company has created an "ABFRL Employee Welfare Trust"(ESOP Trust) and uses it as a vehicle for distributing shares to employees under the Employee Stock Option Scheme 2019 or any subsequent Stock Option Scheme. The trust purchase shares of the Company from the market, for issuing shares to employees. The Company treats trust as its extension and shares held by trust are treated as treasury shares.

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 standalone statement of profit and loss on the purchase, sale, issue or cancellation of the Company'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.

(XX) 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.

(XXI) 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 or less and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.4 New and amended standards adopted by the Company:

The Company has applied the following amendments to Ind AS for the first time from the annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.5 Standards issues but not yet effective:

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended the following accounting standards. These amendments are effective from April 01, 2022 and early adoption is permitted in some cases.

a) Ind AS 16, Property Plant and equipment

b) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

c) Ind AS 101, First time adoption of Indian Accounting Standards

d) Ind AS 103, Business Combinations

e) Ind AS 109, Financial Instruments

f) Ind AS 41, Agriculture

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 3a
PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

	Freehold land*	Freehold buildings*	Plant and equipment	Leasehold improvements	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
As at April 01, 2020	**5.92**	**42.74**	**216.51**	**298.03**	**112.59**	**509.26**	**133.42**	**15.90**	**1,334.37**
Additions	-	0.62	24.75	35.35	8.24	59.45	5.02	0.41	**133.84**
Disposals	-	-	22.68	20.91	4.73	70.24	3.78	3.44	**125.78**
As at March 31, 2021	**5.92**	**43.36**	**218.58**	**312.47**	**116.10**	**498.47**	**134.66**	**12.87**	**1,342.43**
Additions	-	-	75.57	73.14	14.12	85.08	8.90	2.02	**258.83**
Disposals	-	-	46.83	26.43	2.20	74.55	2.51	5.85	**158.37**
As at March 31, 2022	**5.92**	**43.36**	**247.32**	**359.18**	**128.02**	**509.00**	**141.05**	**9.04**	**1,442.89**
Depreciation									
As at April 01, 2020	**-**	**4.11**	**79.65**	**152.40**	**76.12**	**311.81**	**66.63**	**5.55**	**696.27**
Depreciation for the year (Refer Note - 36)	-	1.56	39.70	48.33	17.26	88.05	7.02	3.73	**205.65**
Disposals	-	-	17.11	20.51	4.70	45.82	3.05	2.80	**93.99**
As at March 31, 2021	**-**	**5.67**	**102.24**	**180.22**	**88.68**	**354.04**	**70.60**	**6.48**	**807.93**
Depreciation for the year (Refer Note - 36)	-	1.57	56.11	49.36	7.93	75.60	7.43	2.76	**200.76**
Disposals	-	-	39.84	20.78	1.50	66.34	1.92	4.62	**135.00**
As at March 31, 2022	**-**	**7.24**	**118.51**	**208.80**	**95.11**	**363.30**	**76.11**	**4.62**	**873.69**
Net carrying value as at:									
March 31, 2022	**5.92**	**36.12**	**128.81**	**150.38**	**32.91**	**145.70**	**64.94**	**4.42**	**569.20**
March 31, 2021	**5.92**	**37.69**	**116.34**	**132.25**	**27.42**	**144.43**	**64.06**	**6.39**	**534.50**

Net carrying value

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	**569.20**	534.50
Total	**569.20**	534.50

* The title deeds of immovable properties, included in Property, Plant and Equipment above are held in the name of the Company except for Freehold land and Freehold building wherein the Gross Block amounting to ₹ 5.92 Crore (March 31, 2021: ₹ 5.92 Crore) and ₹ 0.13 Crore (March 31, 2021: ₹ 0.13 Crore), respectively, which are held in the name of the demerged companies and are in the process of being transferred to the Company.

NOTE: 3b
CAPITAL WORK-IN-PROGRESS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	**61.04**	34.64
Total	**61.04**	34.64

Ageing of Capital work-in-progress as on March 31, 2022

₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	**43.54**	**12.79**	**4.65**	-	**60.98**
(ii) Projects temporarily suspended	-	-	-	**0.06**	**0.06**

₹ in Crore

Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan	To be completed in				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Project 1	-	-	-	-	-
(ii) Project 2	-	-	-	-	-

Ageing of Capital work-in-progress as on March 31, 2021

₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	22.74	10.21	0.02	0.03	33.00
(ii) Projects temporarily suspended	0.37	1.27	-	-	1.64

₹ in Crore

Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan	To be completed in				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Project 1	-	-	-	-	-
(ii) Project 2	-	-	-	-	-

There are no projects as on the reporting periods where costs have been exceeded cost as compared to its original plan or where completion is overdue.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

(a) Right-of-use assets

₹ in Crore

	Land	Buildings*	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost							
As at April 01, 2020	10.42	2,719.66	9.56	3.70	38.77	1.62	2,783.73
Additions	-	715.27	6.96	0.20	51.41	2.32	776.16
Termination	-	243.23	-	-	-	-	243.23
As at March 31, 2021	10.42	3,191.70	16.52	3.90	90.18	3.94	3,316.66
Additions	-	1,025.65	4.78	-	6.40	2.28	1,039.11
Termination	-	162.58	-	-	-	-	162.58
As at March 31, 2022	10.42	4,054.77	21.30	3.90	96.58	6.22	4,193.19
Depreciation							
As at April 01, 2020	0.39	608.66	0.04	0.02	0.18	0.01	609.30
Depreciation for the year (Refer Note - 36)	0.13	714.88	1.74	-	7.33	0.04	724.12
Termination	-	83.65	-	-	-	-	83.65
As at March 31, 2021	0.52	1,239.89	1.78	0.02	7.51	0.05	1,249.77
Depreciation for the year (Refer Note - 36)	0.13	708.02	4.03	0.79	18.20	1.04	732.21
Termination	-	67.69	-	-	-	-	67.69
As at March 31, 2022	0.65	1,880.22	5.81	0.81	25.71	1.09	1,914.29
Net carrying value as at:							
As at March 31, 2022	9.77	2,174.55	15.49	3.09	70.87	5.13	2,278.90
As at March 31, 2021	9.90	1,951.81	14.74	3.88	82.67	3.89	2,066.89

* The title deeds of Right-of-use assets above are held in the name of the Company except for buildings wherein the Gross Block amounts to ₹ 259.93 Crore (March 31, 2021: ₹ 259. 93 Crore) which are held in the name of the demerged companies and are in the process of being transferred to the Company.

Net carrying value

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Right-of-use assets	**2,278.90**	2,066.89
Total	**2,278.90**	2,066.89

(b) Lease liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening balance	**2,385.57**	2,467.35
Additions	**1,002.38**	732.80
Retirements	**(105.99)**	(166.01)
Interest expense on lease liabilities	**205.75**	221.89
Rent concession (Refer Note - 40k)	**(215.43)**	(340.43)
Payments	**(656.40)**	(530.03)
Closing balance	**2,615.88**	2,385.57
Current	**751.05**	690.47
Non-current	**1,864.83**	1,695.10

For maturity analysis of lease liabilities, refer Note - 44a.

NOTE: 5
GOODWILL AND OTHER INTANGIBLE ASSETS

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer software	Technical know - how	Franchisee rights	Total
Cost						
As at April 01, 2020	**1,859.60**	**27.89**	**80.81**	**1.84**	**33.81**	**2,003.95**
Additions	-	-	4.34	-	-	**4.34**
Disposals	-	-	0.26	-	-	**0.26**
As at March 31, 2021	**1,859.60**	**27.89**	**84.89**	**1.84**	**33.81**	**2,008.03**
Additions	-	-	13.34	-	-	**13.34**
Disposals	-	-	1.47	-	-	**1.47**
As at March 31, 2022	**1,859.60**	**27.89**	**96.76**	**1.84**	**33.81**	**2,019.90**
Amortisation						
As at April 01, 2020	**-**	**12.74**	**63.56**	**1.28**	**10.55**	**88.13**
Amortisation for the year (Refer Note - 36)	-	2.91	10.94	0.20	1.18	**15.23**
Disposals	-	-	0.26	-	-	**0.26**
As at March 31, 2021	**-**	**15.65**	**74.24**	**1.48**	**11.73**	**103.10**
Amortisation for the year (Refer Note - 36)	-	2.91	9.59	0.20	1.18	**13.88**
Disposals	-	-	0.46	-	-	**0.46**
As at March 31, 2022	**-**	**18.56**	**83.37**	**1.68**	**12.91**	**116.52**
Net carrying value as at:						
March 31, 2022	**1,859.60**	**9.33**	**13.39**	**0.16**	**20.90**	**1,903.38**
March 31, 2021	**1,859.60**	**12.24**	**10.65**	**0.36**	**22.08**	**1,904.93**

Net carrying value

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Goodwill	**1,859.60**	1,859.60
Other intangible assets	**43.78**	45.33
Total	**1,903.38**	1,904.93

NOTE: 5A
IMPAIRMENT TESTING OF GOODWILL

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

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

Pantaloons CGU

During the year ended March 31, 2013, the Company acquired Pantaloons format business ('Pantaloons business') from Future Retail Limited ("FRL"), which consisted of fashion retail business operating under the brand name "Pantaloons". Pantaloons is a leading large format fashion retailer engaged in retailing of apparel and accessories. The business thus acquired is Pantaloons CGU.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Madura Fashion & Lifestyle CGU

Pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors ("Composite Scheme"), Madura Undertaking of ABNL and MGL Retail Undertaking of MGLRCL ("demerged undertakings") were transferred to the Company on a going concern basis, w.e.f. April 01, 2015.

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England, and MGL Retail Undertaking is primarily engaged in promoting lifestyle brands and having licences to retail various international brands like Armani Collezioni, Hugo Boss, Versace Collection and many more under one roof, 'The Collective'. Both these divisions jointly comprise the Madura Fashion & Lifestyle CGU.

Forever 21 CGU

Effective July 01, 2016, the Company acquired exclusive franchise rights for the Indian market of Forever 21 business comprising of operating retail stores in India for the sale of clothing, artificial jewellery, accessories and related merchandise under the brand name "Forever 21" ("F21"), and is considered as a separate CGU.

For the purpose of Segment reporting, Madura Fashion & Lifestyle and Forever 21 CGUs have been aggregated to form one segment in accordance with Ind AS 108, considering the same is operated and monitored by the Company as one.

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Pantaloons CGU	**1,167.55**	1,167.55
Madura Fashion & Lifestyle CGU	**627.67**	627.67
Forever 21 CGU	**64.38**	64.38
Total	**1,859.60**	1,859.60

Disclosures with respect to Goodwill allocated to the CGUs

<u>**Value in use calculation of CGUs:**</u>

The recoverable amount of the CGUs as at March 31, 2022, has been determined based on value in use using cash flow projections from financial budgets approved by senior management covering a three years period ended March 31, 2025 and cash flow projections for financial years 2026 and 2027 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. The Company has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2027. The pre-tax discount rate is applied to cash flow projections for impairment testing during the financial years. 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.

<u>**Key assumptions used for value in use calculations**</u>

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 debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors.

The cost of debt is based on the interest-bearing borrowings of the Company. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

	As at March 31, 2022			As at March 31, 2021		
	Pantaloons CGU	**Madura Fashion & Lifestyle CGU**	**Forever 21 CGU**	Pantaloons CGU	Madura Fashion & Lifestyle CGU	Forever 21 CGU
Discount rate	**14.50%**	**15.00%**	**14.90%**	13.64%	14.41%	15.41%

Growth rate estimates:

Rates are based on published industry research. Growth rate is based on the Company's projection of business and growth of the industry in which the respective CGU is operating. The growth rate is in line with the long-term growth rate of the industry except for Forever 21 CGU. The growth rate of Forever 21 CGU considers the Company's plan to launch new stores/ expected same store growth and change in merchandise.

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

NOTE: 6
NON-CURRENT FINANCIAL ASSETS – INVESTMENTS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
(a) Investments in subsidiaries and joint venture		
Investments in subsidiaries: (Carried at cost)		
Unquoted equity instruments		
1,46,98,620 (March 31, 2021: 61,37,055) fully paid equity shares of ₹ 10/- each of Jaypore E-Commerce Private Limited (Refer Note - 1 below)	**229.75**	104.75
10,000 (March 31, 2021: 10,000) fully paid equity shares of ₹ 10/- each of TG Apparel & Decor Private Limited (Refer Note - 1 below)	**0.25**	0.25
8,62,102 (March 31, 2021: 6,31,670) fully paid equity shares of ₹ 10/- each of Finesse International Design Private Limited (Refer Note - 2 below)	**77.78**	57.85
Sabyasachi Calcutta LLP (Refer Note - 3 below)	**389.84**	389.84
Share of Profit Ratio: Aditya Birla Fashion and Retail Limited - 51% Mr. Sabyasachi Mukherjee - 49%		
2,80,00,000 (March 31, 2021: 2,80,00,000) fully paid equity shares of ₹ 10/- each of Indivinity Clothing Retail Private Limited (Refer Note - 4 below)	**63.00**	63.00
Investments in joint venture: (Carried at cost)		
3,579 (March 31, 2021: 3,579) fully paid equity shares of ₹ 10/- each of Goodview Fashion Private Limited (Refer Note - 5 below)	**67.18**	67.18
Total	**827.80**	682.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
(b) Other Investments: (Carried at fair value through other comprehensive income)		
Unquoted equity instruments		
7,000 (March 31, 2021: 7,000) fully paid equity shares of ₹ 10/- each of Birla Management Centre Services Limited*	**7.32**	6.66
Total	**7.32**	6.66

* Increase is on account of fair valuation.

	As at March 31, 2022	As at March 31, 2021
(c) Current Investments (Carried at fair value through profit and loss (FVTPL))		
Quoted investments		
Aditya Birla Sun Life Liquid Fund - Growth- Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus) (March 31, 2022: 25,70,542.054 units, March 31, 2021: 51,46,153.781 units)	**87.51**	170.61
Aditya Birla Sun Life Overnight Fund - Growth- Direct Plan (March 31, 2022: Nil, March 31, 2021: 11,58,380.796 units)	**-**	128.92
Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan (March 31, 2022: 32,20,919.551 units, March 31, 2021: Nil)	**95.43**	-
Axis Money Market - Regular Growth(MM-GP) (March 31, 2022: 3,35,483.883 units, March 31, 2021: Nil)	**38.49**	-
Axis Liquid Fund - Regular Growth(CF-GP) (March 31, 2022: 1,52,008.935 units, March 31, 2021: Nil)	**35.72**	-
DSP Savings Fund- Regular Plan Growth (March 31, 2022: 35,11,989.369 units, March 31, 2021: Nil)	**15.03**	-
DSP Liquidity Fund - Regular Plan Growth (March 31, 2022: 39,768.674 units, March 31, 2021: Nil)	**12.00**	-
HDFC Money Market Fund - Regular Plan Growth (March 31, 2022: 89,682.608 units, March 31, 2021: Nil)	**41.17**	-
HDFC Liquid Fund - Regular Plan Growth (March 31, 2022: 90,592.704 units, March 31, 2021: Nil)	**37.61**	-
ICICI Prudential Money Market Fund - Growth (March 31, 2022: 5,04,139.019 units, March 31, 2021: Nil)	**15.34**	-
Kotak Liquid Fund Regular Plan Growth (March 31, 2022: 82,127.437 units, March 31, 2021: Nil)	**35.14**	-
L & T Liquid Fund - Regular Growth (March 31, 2022: 69,130.529 units, March 31, 2021: Nil)	**20.05**	-
Mirae Asset Cash Management Fund - Regular Plan (March 31, 2022: 1,40,625.465 units, March 31, 2021: Nil)	**31.17**	-
SBI Liquid Fund Regular Growth (March 31, 2022: 1,66,171.185 units, March 31, 2021: Nil)	**55.02**	-
UTI Overnight Fund - Regular Plan (March 31, 2022: 7,030.267 units, March 31, 2021: Nil)	**2.03**	-
UTI Liquid Cash Plan - Regular Plan (March 31, 2022: 45,350.426 units, March 31, 2021: Nil)	**15.71**	-
Total	**537.42**	299.53

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Aggregate book value of unquoted investments	**835.12**	689.53
Aggregate book value of quoted investments	**537.42**	299.53
Aggregate market value of quoted investments	**537.42**	299.53
Aggregate amount of impairment in value of investments	**-**	-

Notes:

1. During the year ended March 31, 2020, the Board of Directors of the Company approved acquisition of 100% stake in Jaypore E-Commerce Private Limited ("Jaypore") and TG Apparel & Decor Private Limited ("TG Apparel"). Post completion of the conditions precedent under the aforesaid Share Purchase Agreement(s), Jaypore and TG Apparel became the wholly-owned subsidiaries of the Company w.e.f. July 02, 2019. Consequent to the above, Jaypore Inc., USA, an overseas wholly-owned subsidiary of Jaypore had also become a wholly-owned subsidiary of the Company. As at March 31, 2022, TG Apparel has negative net worth of ₹ 0.46 Crore (March 31, 2021: ₹ 0.25 Crore) due to losses incurred. During the year, the Company has infused ₹ 125.00 Crore under Rights Issue in Jaypore E-Commerce Private Limited to support the existing operations and growth of the business resulting in positive net worth as at March 31, 2022.

   These two subsidiaries are of strategic importance to the Company and have a long-term potential. Accordingly, management is of the view that there is no diminution in the value of these investments. The Company has committed to provide support to fund the operations of TG Apparel. Jaypore Inc., USA, an overseas wholly-owned subsidiary of Jaypore was dissolved on September 21, 2020.

2. The Company entered into a strategic partnership with India's leading designers "Shantanu & Nikhil" by way of acquisition of 51% stake in 'Finesse International Design Private Limited' ("Finesse"). The said acquisition was done through a combination of primary equity infusion and secondary share purchase by way of signing of Share Subscription and Purchase Agreement ("SSPA") and Shareholders' Agreement with Finesse and its shareholders. Consequent to aforesaid, Finesse became the subsidiary of the Company w.e.f. July 26, 2019.

   During the year, the Company has infused ₹ 19.93 Crore under Rights Issue to support the existing operations and growth of the business.

3. On January 27, 2021, the Board of Directors approved the acquisition of 51% stake in Sabyasachi Calcutta LLP [formerly M/s. Sabyasachi Couture, a partnership firm ("Sabyasachi")] by entering into a Framework Agreement. On February 24, 2021, post completion of the customary closing conditions under the Agreement, the Company concluded the acquisition. Considering the terms of the Agreement, investment in Sabyasachi is considered as a subsidiary of the Company. Also refer Note - 9 and Note - 23.

4. On February 24, 2021, the Board of Directors approved the acquisition of 80% stake in Indivinity Clothing Retail Private Limited ["ICRPL"] by way of entering into 'Share Subscription and Shareholders Agreement' ["SSSA"]. On March 26, 2021, post completion of the customary closing conditions under the said SSSA, ICRPL became a subsidiary of the Company.

5. On February 24, 2021, the Board of Directors approved the acquisition of 33.50% stake in Goodview Fashion Private Limited [formerly known as Goodview Properties Private Limited] ["GFPL"], by way of entering into a 'Share Purchase and Subscription agreement' ["SPSA"] along with a 'Shareholders Agreement'. On March 19, 2021, post completion of the customary closing conditions under the said SPSA, the Company concluded the acquisition. Considering the terms of the SPSA and Shareholders' Agreement, the investment in GFPL is considered as a Joint Venture.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

On or after the expiry of 3 years from the Closing Date and till the expiry of 5 years from the Closing Date, the Company has right but not an obligation, to acquire all or such number of Promoter securities from the Key Promoter so as to increase the shareholding to 51%. This is referred to as the Tranche 2 call option. Tranche 2 call option will be exercised by acquiring the said equity shares at a value based on specific formula.

Also, the agreement stipulates a simultaneous call and put option (the Company holds the call options and has written the put options), whereby, after the expiry of 10 years, in certain specified time periods, the Company can acquire, if it exercises the call option it holds, and will also be required to acquire, if Key Promoter exercises the put options the Company has written, all or such number of equity shares so as to increase its shareholding to 100%. These call and put options are to be exercised by acquiring/selling the said equity shares at fair value. Accordingly, the fair value of the option is Nil.

NOTE: 7
NON-CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	**1.55**	2.59
Loans receivables, which have significant increase in credit risk	-	-
Credit impaired	-	-
Loan to related party (Refer Note - 46)*		
Unsecured, considered good	**2.08**	-
Total	**3.63**	2.59

* The Company has outstanding loan advanced to TG Apparel & Decor Private Limited (a wholly owned subsidiary) at an interest rate of 7.45% p.a.

NOTE: 8
NON-CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Security deposits		
Deposits to related party - unsecured, considered good (Refer Note - 46)	**5.64**	5.64
Unsecured, considered good	**301.93**	298.10
Unsecured, considered doubtful	**0.31**	0.14
Provision for doubtful deposits	**(0.31)**	(0.14)
Total	**307.57**	303.74

NOTE: 9
NON-CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Other bank balance		
Bank deposits with more than 12 months maturity from the Balance Sheet date	**0.48**	0.28
Derivative Instruments*	**164.60**	145.56
Total	**165.08**	145.84

* During the previous year, the Company acquired 51% stake in Sabyasachi Calcutta LLP by entering into an agreement on February 24, 2021. Under the terms of the agreement, the Company has a Call option to purchase the entire holding of Mr. Sabyasachi Mukherjee in case the Put Option (as specified in Note - 23) is not exercised by Mr. Sabyasachi Mukherjee at the end of fourteen years. Accordingly, the Company has accounted the fair value of call option of ₹ 164.60 Crore (March 31, 2021: ₹ 145.56 Crore) as non-current financial asset based on independent valuation performed by the Company's appointed independent valuer.

NOTE: 10
DEFERRED TAX ASSETS (NET)

Reflected in the Standalone Balance Sheet as follows:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	**353.10**	321.23
Deferred tax assets/ (liabilities) (net)	**353.10**	321.23

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

₹ in Crore

	Standalone Balance Sheet		Standalone Statement of Profit and Loss	
	As at March 31, 2022	As at March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Difference between carrying amount of Property Plant and Equipment and Intangible Assets and their tax base	**(259.11)**	(262.20)	**(3.09)**	303.21
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	**23.29**	20.72	**(2.57)**	22.81
Provision for share-based payment	**7.28**	0.73	**(6.55)**	1.76
Loss as per income tax computations available for offsetting against future taxable income	**466.37**	461.41	**(4.96)**	(446.00)
Impact of Ind AS 116				
ROU assets and lease liabilities	**112.59**	104.27	**(8.32)**	(13.82)
Others	**2.68**	(3.70)	**(6.38)**	5.77
Net deferred tax assets/ (liabilities)	**353.10**	321.23	**(31.87)**	(126.27)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	**321.23**	194.96
Deferred tax income/ (expense) recognised in profit and loss during the year (Refer Note - 38)	**32.77**	126.80
Deferred tax income/ (expense) recognised in OCI during the year (Refer Note - 38)	**(0.90)**	(0.53)
As at the end of the year	**353.10**	321.23

NOTE: 11
OTHER NON-CURRENT ASSETS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Capital advances	**8.94**	1.12
Prepayments	**37.36**	11.30
Advances to suppliers	**-**	3.00
Balances with government authorities (other than income tax)	**40.08**	47.00
Other receivables	**0.67**	2.55
Total	**87.05**	64.97

NOTE: 12
INVENTORIES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
At lower of cost and net realisable value		
Raw materials	**286.41**	188.82
Includes Goods-in-transit ₹ 125.03 Crore (March 31, 2021: ₹ 71.57 Crore)		
Work-in-progress	**33.18**	20.61
Finished goods	**270.08**	136.66
Stock-in-trade	**2,116.23**	1,378.22
Includes Goods-in-transit ₹ 28.46 Crore (March 31, 2021: ₹ 18.03 Crore)		
Stores and spares	**2.37**	1.99
Packing materials	**20.96**	16.63
Total	**2,729.23**	1,742.93

During the year ended March 31, 2022 ₹ 34.46 Crore (March 31, 2021: ₹ 15.32 Crore) is recognised as an expense for inventories carried at net realisable value.

NOTE: 13
CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	**6.84**	6.49
Loans receivables, which have significant increase in credit risk	-	-
Credit impaired	-	-
Total	**6.84**	6.49

NOTE: 14
CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Security deposits		
Unsecured, considered good	**117.27**	99.79
Unsecured, considered doubtful	**9.13**	7.97
Provision for doubtful deposits	**(9.13)**	(7.97)
Total	**117.27**	99.79

NOTE: 15
TRADE RECEIVABLES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Trade receivables from others	**770.10**	622.97
Trade receivables from related parties (Refer Note - 46)	**9.00**	2.58
	779.10	625.55
Less: Loss Allowances	**(24.70)**	(25.65)
Total	**754.40**	599.90

Break-up for security details:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured, considered good	**103.50**	70.57
Unsecured, considered good	**675.60**	554.98
	779.10	625.55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Ageing of Trade Receivables:

₹ in Crore

	Particulars	Outstanding as on March 31, 2022 (for following periods from due date of payment)						
		Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables – considered good	553.40	194.49	6.03	1.89	0.83	0.46	757.10
(ii)	Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii)	Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii)	Trade Receivables assessed for credit risk on individual basis:*							
	Disputed	-	0.09	-	0.11	0.89	6.62	7.71
	Undisputed	-	0.32	5.59	0.07	2.14	6.17	14.29
(ix)	Provision on Trade Receivables assessed on individual basis							(22.00)
(x)	Expected credit loss							(2.70)
	Total	**553.41**	**194.90**	**11.62**	**2.07**	**3.86**	**13.25**	**754.40**

₹ in Crore

	Particulars	Outstanding as on March 31, 2021 (for following periods from due date of payment)						
		Not due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables – considered good	259.93	134.61	183.05	19.18	1.77	1.36	599.90
(ii)	Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii)	Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii)	Trade Receivables assessed for credit risk on individual basis:*							
	Disputed	-	-	-	0.24	0.73	5.99	6.96
	Undisputed	0.03	3.63	3.71	4.14	4.62	2.56	18.69
(ix)	Provision on Trade Receivables assessed on individual basis							(25.65)
(x)	Expected credit loss							-
	Total	259.96	138.24	186.76	23.56	7.12	9.91	599.90

* The Company has recognised allowance of ₹ 22.00 Crore (March 31, 2021: ₹ 25.65 Crore) on trade receivables, which were assessed for credit risk on individual basis.

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

For terms and conditions relating to related party receivables, refer Note - 46.

Trade receivables are generally non-interest bearing and on terms of 30 to 180 days.

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

	Expected credit loss (%)					
	As at March 31, 2022			As at March 31, 2021		
	Departmental stores	Depletion key accounts	Trade Channel	Departmental stores	Depletion key accounts	Trade Channel
Not due	0.00%	0.00%	0.64%	-	-	-
0-90 days	0.00%	0.00%	3.12%	-	-	-
91-180 days	0.00%	0.00%	3.44%	-	-	-
181-365 days	0.00%	0.00%	4.10%	-	-	-
1-2 years	0.00%	0.00%	4.32%	-	-	-
2-3 years	0.00%	0.00%	4.41%	-	-	-

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

₹ in Crore

	As at March 31, 2022			As at March 31, 2021		
	Departmental stores	Depletion key accounts	Trade Channel	Departmental stores	Depletion key accounts	Trade Channel
Not due	-	-	242.25	-	-	-
0-90 days	-	-	18.91	-	-	-
91-180 days	-	-	2.52	-	-	-
181-365 days	-	-	2.34	-	-	-
1-2 years	-	-	3.57	-	-	-
2-3 years	-	-	3.84	-	-	-
Total	-	-	273.43	-	-	-

* The amount is net of provision for discount and refund liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Movement in the expected credit loss allowance

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	**25.65**	19.45
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	**1.61**	(0.40)
Specific provision (reversed)/ made	**(2.56)**	6.60
As at the end of the year	**24.70**	25.65

NOTE: 16
CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Current accounts	**27.72**	85.05
Deposit accounts (original maturity less than 3 months)	**50.00**	50.00
Balances with credit card companies	**11.17**	4.12
Balances with e-wallet companies	**1.68**	0.96
Cash on hand	**12.98**	14.29
Cheques/ drafts on hand	**4.26**	9.84
Total	**107.81**	164.26

The Company has undrawn committed borrowing facilities available to the extent of ₹ 3,476.00 Crore as at March 31, 2022 (March 31, 2021: ₹ 3,662.92 Crore).

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

As at March 31, 2022

₹ in Crore

	As at March 31, 2021	Adjustments	Cash flows (net)	Non-cash changes		As at March 31, 2022
				Fair value adjustments	Others	
Investing activities						
Non-current investments	689.53	-	144.94	0.65	-	835.12
Current investments	299.53	-	218.51	2.12	17.26	537.42
Total	989.06	-	363.45	2.77	17.26	1,372.54
Financing activities						
Non-current borrowings	802.09	-	(44.69)	-	-	757.40
Current borrowings (including current maturities of non-current borrowings)	315.83	-	134.14	-	-	449.97
Lease liabilities	2,385.57	-	(531.69)	-	762.00	2,615.88
Total	3,503.49	-	(442.24)	-	762.00	3,823.25

As at March 31, 2021

₹ in Crore

	As at March 31, 2020	Adjustments	Cash flows (net)	Non-cash changes		As at March 31, 2021
				Fair value adjustments	Others	
Investing activities						
Non-current investments	170.01	-	523.07	(0.50)	(3.05)	689.53
Current investments	-	-	289.67	0.33	9.53	299.53
Total	170.01	-	812.74	(0.17)	6.48	989.06
Financing activities						
Non-current borrowings	855.02	-	(52.93)	-	-	802.09
Current borrowings (including current maturities of non-current borrowings)	1,921.30	-	(1,605.47)	-	-	315.83
Lease liabilities	2,467.35	-	(374.22)	-	292.44	2,385.57
Total	5,243.67	-	(2,032.62)	-	292.44	3,503.49

NOTE: 17
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Earmarked deposits		
Current accounts	**0.11**	0.11
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)*	**-**	0.17
Total	**0.11**	0.28

* Bank balance other than Cash and cash equivalents are held as margin money under lien to banks for assuring guarantees.

NOTE: 18
CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Interest accrued on deposits	**0.16**	0.35
Deposits to related parties (Refer Note - 46)	**-**	38.42
Other receivables	**51.67**	19.54
Total	**51.83**	58.31

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Disclosure 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 and Section 186 of the Companies Act, 2013:

Deposits given to Subsidiaries:

₹ in Crore

Name of companies	Interest rates	Repayment terms	Outstanding		Maximum amount outstanding during the year ended	
			As at March 31, 2022	As at March 31, 2021	**March 31, 2022**	March 31, 2021
Jaypore E-Commerce Private Limited	7.45% to 9.74% p.a.	On demand	**-**	36.54	**50.04**	36.54
TG Apparel & Decor Private Limited	7.45% to 9.74% p.a.	On demand	**-**	1.88	**-**	2.35
Total			**-**	38.42	**50.04**	38.89

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

NOTE: 19
OTHER CURRENT ASSETS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Prepayments	**55.70**	19.09
Advance to suppliers	**126.89**	104.86
Export incentives	**1.07**	3.02
Balances with government authorities (other than income tax)	**312.45**	236.92
Government grant receivables	**1.24**	1.11
Insurance claim receivables	**0.84**	0.07
Right to return assets	**206.26**	195.51
Other receivables	**7.59**	17.68
Total	**712.04**	578.26

NOTE: 20
EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	**₹ in Crore**	No. of shares	₹ in Crore
As at the beginning of the year	**1,00,00,00,000**	**1,000.00**	1,00,00,00,000	1,000.00
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

Issued equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	**93,77,36,163**	**937.73**	77,39,64,840	773.96
Increase during the year towards:				
Equity shares under Rights Issue [Refer Note - 20(iii)]	**2,80,504**	**0.28**	9,00,98,151	90.10
Equity shares under Preferential Issue [Refer Note - 20(iv)]	-	-	7,31,70,731	73.17
Exercise of Options (Refer Note - 43)	**4,92,871**	**0.49**	5,02,441	0.50
As at the end of the year	**93,85,09,538**	**938.50**	93,77,36,163	937.73

Subscribed and paid-up equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	**93,75,30,659**	**915.05**	77,39,47,987	773.95
Increase during the year towards:				
Equity shares under Rights Issue [Refer Note - 20(iii)]	**2,80,504**	**22.75**	8,99,09,500	67.43
Equity shares under Preferential Issue [Refer Note - 20(iv)]	-	-	7,31,70,731	73.17
Exercise of Options (Refer Note - 43)	**4,92,871**	**0.49**	5,02,441	0.50
As at the end of the year	**93,83,04,034**	**938.29**	93,75,30,659	915.05

(i) Shares held by Promoters :

Shares held by Promoters as at March 31, 2022			% Change during the year
Promoter name	**No. of Shares**	**% of total shares**	
Birla Group Holdings Private Limited	**17,15,52,967**	**18.28**	**-0.01%**
IGH Holdings Private Limited	**13,64,72,680**	**14.54**	**0.01%**
Grasim Industries Limited	**9,75,93,931**	**10.40**	**0.00%**
Umang Commercial Company Private Limited	**6,50,66,998**	**6.93**	**0.00%**
Hindalco Industries Limited	**5,02,39,794**	**5.35**	**0.00%**
Pilani Investment and Industries Corporation Limited	**39,88,866**	**0.43**	**0.00%**
Mrs. Rajashree Birla	**8,63,696**	**0.09**	**0.00%**
Birla Industrial Finance (India) Limited	**1,66,508**	**0.02**	**0.00%**
Birla Consultants Limited	**1,66,422**	**0.02**	**0.00%**
ABNL Investment Limited	**77,430**	**0.01**	**0.00%**
Birla Industrial Investments (India) Limited	**34,666**	**0.00**	**0.00%**
Mr. Kumar Mangalam Birla	**33,966**	**0.00**	**0.00%**
Mrs. Neerja Birla	**20,270**	**0.00**	**0.00%**
Mrs. Vasavadatta Bajaj	**19,542**	**0.00**	**0.00%**
Aditya Vikram Kumar Mangalam Birla HUF	**1,780**	**0.00**	**0.00%**
Total	**52,62,99,516**	**56.09**	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Shares held by Promoters as at March 31, 2021			% Change during the year
Promoter name	No. of Shares	% of total shares	
Birla Group Holdings Private Limited	17,15,52,967	18.29	-3.87%
IGH Holdings Private Limited	13,63,22,680	14.53	3.55%
Grasim Industries Limited	9,75,93,931	10.41	-0.88%
Umang Commercial Company Private Limited	6,50,66,998	6.94	-1.46%
Hindalco Industries Limited	5,02,39,794	5.36	-0.46%
Pilani Investment and Industries Corporation Limited	39,88,866	0.43	0.14%
Mrs. Rajashree Birla	8,63,696	0.09	0.01%
Birla Industrial Finance (India) Limited	1,66,508	0.02	0.00%
Birla Consultants Limited	1,66,422	0.02	0.00%
ABNL Investment Limited	77,430	0.01	0.00%
Birla Industrial Investments (India) Limited	34,666	0.00	0.00%
Mr. Kumar Mangalam Birla	33,966	0.00	0.00%
Mrs. Neerja Birla	20,270	0.00	0.00%
Mrs. Vasavadatta Bajaj	19,542	0.00	0.00%
Aditya Vikram Kumar Mangalam Birla HUF	1,780	0.00	0.00%
Total	52,61,49,516	56.12	

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

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

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

(iii) Issue of Right Shares

Rights Issue - 2020 :

a) Approval : On May 27, 2020, the Board approved fund raising by way of a Rights Issue. On June 25, 2020, it further approved the terms of the issue i.e. 9,04,65,693 equity shares of face value of ₹ 10 each ("RES") at a price of ₹ 110 per Rights Equity Share (including premium of ₹ 100 per RES), aggregating to ₹ 995.12 Crore, in the ratio of 9 RES for every 77 existing fully-paid shares held by the eligible equity shareholders as on the Record Date i.e. July 1, 2020.

b) Application : On July 28, 2020, 9,02,77,042 RES of face-value ₹ 10 each were allotted as Partly paid shares ("PPS") to the eligible applicants who paid the application amount of ₹ 55 per RES (including premium of ₹ 50). Allotment of 1,88,651 RES has been kept in abeyance, pending regulatory/ other clearances.

c) First Call : On January 11, 2021, the 'First call' money of ₹ 27.50 per PPS (including premium of ₹ 25) was called for. On 8,99,09,500 PPS, the amount due, was successfully received. 3,67,542 PPS were forfeited due to non-payment, in accordance with the Articles of Association and Letter of Offer [dated June 28, 2020] ("LoF").

d) Final Call : On July 5, 2021, the final call money of ₹ 27.50 per PPS (including premium of ₹ 25) was called for and the payment period ended on July 19, 2021. The Company issued a 'Reminder cum Forfeiture Notice' to those shareholders who were yet to pay the amount due, thereby allowing time until September 30, 2021 and further extended to May 31, 2022.

e) Annulment of Forfeiture: On September 1, 2021, the Board of Directors approved annulment of 3,67,542 partly paid-up shares ("PPS") which were earlier forfeited. The Company has received payment towards 2,80,504 PPS and has allowed further time until May 31, 2022 to remaining shareholders.

f) There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the LoF.

g) Pursuant to IND AS 33, basic and diluted earnings per share for the relevant previous year have been restated for the bonus element in respect of the aforesaid Rights Issue.

(iv) Preferential Issue to foreign portfolio investors

On October 23, 2020, the Board of Directors approved issuance of equity shares on a preferential basis to Flipkart Investments Private Limited ("Flipkart"), a foreign portfolio investor, duly registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, aggregating upto ₹ 1,500 Crore ("Preferential Issue"). The Company received the approval of shareholders by way of Postal Ballot on November 22, 2020 and received the approval of Competition Commission of India on January 20, 2021. On January 28, 2021, post completion of the closing conditions under the Investment Agreement, the Board of Directors approved allotment of 7,31,70,731 fully paid-up equity shares to Flipkart at ₹ 205 per Equity Share (of which ₹ 10 is towards face value and ₹ 195 towards premium) on receipt of the consideration. There has been no deviation in the use of proceeds of the Preferential Issue, from the objects stated in the Investment agreement.

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

Name of the shareholder	**As at March 31, 2022**		As at March 31, 2021	
	No. of shares held	**% of paid-up share capital**	No. of shares held	% of paid-up share capital
Birla Group Holdings Private Limited	**17,15,52,967**	**18.28%**	17,15,52,967	18.29%
IGH Holdings Private Limited	**13,64,72,680**	**14.54%**	13,63,22,680	14.53%
Grasim Industries Limited	**9,75,93,931**	**10.40%**	9,75,93,931	10.41%
Flipkart Investments Private Limited	**7,31,70,731**	**7.80%**	7,31,70,731	7.80%
Umang Commercial Company Private Limited	**6,50,66,998**	**6.93%**	6,50,66,998	6.94%
Hindalco Industries Limited	**5,02,39,794**	**5.35%**	5,02,39,794	5.36%

(vi) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting year

On effectiveness of the Composite Scheme of Arrangement amongst the Company, erstwhile Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective Shareholders and Creditors under Section 391 to 394 of the Companies Act, 1956, the Company had issued 67,98,19,778 Equity Shares to the Shareholders of ABNL and MGLRCL ("said Shares"). Out of the said Shares, 67,60,37,600 Equity Shares were allotted to the Shareholders of ABNL and MGLRCL on January 27, 2016. However, pursuant to Clause 21 of the Composite Scheme, allotment of 37,82,178 Equity Shares to 3,475 Non-Resident

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Shareholders, including 4 Overseas Corporate Bodies ("OCBs") of ABNL ("NRE Shareholders") was kept pending until receipt of applicable regulatory approvals. Thereafter, from time to time, the Company has allotted 20,71,265 Equity Shares to 1,407 NRE Shareholders, who held accounts in India on Non-repatriation basis and provided such valid details.

In view of the amended provisions of the "Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017" and the authority granted by the Board of Directors (on February 04, 2019), 16,94,060 Equity Shares were allotted to 2,064 NRE Shareholders of ABNL (excluding OCBs) on March 19, 2019. Post this allotment, out of the said Shares, 16,853 Equity Shares held by 4 OCBs shall remain pending for allotment until the receipt of Regulatory approvals.

Summary of Shares allotted pursuant to the Composite Scheme, as at the end of five years immediately preceding the reporting year:

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	No.of shares	No.of shares	No.of shares	No.of shares	No.of shares
Equity shares allotted as fully paid-up pursuant to demerger contracts for consideration other than cash	**72,61,19,443**	72,61,19,443	72,61,19,443	72,61,19,443	72,44,25,383

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

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer Note - 43.

NOTE: 21
OTHER EQUITY

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Share suspense account (Refer Note - 20 (vi))		
As at the beginning of the year	**0.02**	0.02
Allotted to Non Resident shareholders during the year - Nil equity shares (March 31, 2021: Nil equity shares)	**-**	-
As at the end of the year	**0.02**	0.02
Reserves and surplus		
Securities premium		
As at the beginning of the year	**2,879.58**	773.64
Equity shares under Rights Issue (net off share issue expenses of ₹ Nil (March 31,2021: ₹ 5.12 Crore) [Refer Note - 20(iii)]	**226.05**	671.03
Equity shares under Preferential Issue (net off share issue expenses of ₹ Nil (March 31,2021: ₹ 0.37 Crore) [Refer Note - 20(iv)]	**-**	1,426.46
Premium on exercise of Options	**12.55**	8.45
As at the end of the year	**3,118.18**	2,879.58

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Retained earnings		
As at the beginning of the year	**(1,076.74)**	(427.10)
Loss for the year	**(80.70)**	(649.64)
As at the end of the year	**(1,157.44)**	(1,076.74)
Share options outstanding account		
As at the beginning of the year	**47.64**	44.15
Recognition of Share based payment	**28.58**	11.88
Transfer to Securities Premium on exercise of Options	**(12.55)**	(8.39)
Others	**(3.53)**	-
As at the end of the year	**60.14**	47.64
Treasury shares (Refer Note - 43)		
As at the beginning of the year	**(104.46)**	(100.49)
Shares issued /(purchased) by the ESOP Trust during the year	**1.37**	(3.97)
As at the end of the year	**(103.09)**	(104.46)
Capital reserve		
As at the beginning of the year	**21.88**	21.69
Changes during the year [due to forfeiture of Rights equity shares (Refer Note - 20(iii))]	**(0.14)**	0.19
As at the end of the year	**21.74**	21.88
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans		
As at the beginning of the year	**(0.23)**	(2.20)
Gains/ (losses) during the year	**2.20**	1.97
As at the end of the year	**1.97**	(0.23)
Fair value gains/ (losses) on equity instruments		
As at the beginning of the year	**1.84**	2.21
Gains/ (losses) during the year	**0.49**	(0.37)
As at the end of the year	**2.33**	1.84
Total	**1,943.85**	1,769.53

Other equity

Share suspense account (Refer Note - 20 (vi))	**0.02**	0.02
Reserves and surplus		
Securities premium	**3,118.18**	2,879.58
Retained earnings	**(1,157.44)**	(1,076.74)
Share options outstanding account	**60.14**	47.64
Treasury shares (Refer Note - 43)	**(103.09)**	(104.46)
Capital reserve	**21.74**	21.88
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans	**1.97**	(0.23)
Fair value gains/ (losses) on equity instruments	**2.33**	1.84
Total	**1,943.85**	1,769.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

1. **Share suspense account (Refer Note - 20 (vi))**

   As per the Scheme of Arrangement, the Non-Resident shareholders of ABNL, holding shares on repatriation basis, are allotted shares upon receiving necessary regulatory approval(s). The amount lying in share suspense account pertains to shares not allotted on account of pending requisite approvals.

2. **Securities premium**

   Securities premium is used to record the premium on issue of shares, and is utilised in accordance with the provisions of the Companies Act, 2013.

3. **Retained earnings**

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

4. **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.

5. **Treasury shares (Refer Note - 43)**

   The equity shares of the Company have been acquired from open markets for Employee Stock Option Scheme 2019 and is held by ABFRL Employee Welfare Trust (ESOP Trust) at cost. Trust issue and allot shares to employees at the time of exercise of ESOP by employees.

6. **Capital reserve**

   Capital reserve pertains to the reserve created out of the difference between the share capital issued and the net assets taken over at the time of Scheme of Arrangement and forfeiture of Rights shares.

7. **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.

8. **Fair value gains/ (losses) on equity instruments**

   It represents the cumulative gains/(losses) arising on the fair valuation of equity shares (other than investments in subsidiaries and a Joint venture, which are carried at cost) measured at fair value through other comprehensive income. This fair value gain/ (loss) will not be reclassified subsequently to Standalone Statement of Profit and Loss.

NOTE: 22
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore

	Effective interest rate % p.a.	Maturity	As at March 31, 2022	As at March 31, 2021
Redeemable non-convertible debentures				
Redeemable non-convertible debentures - Series 6 Zero coupon (Unsecured)*	8.71%	November 11, 2022	**-**	434.18
Redeemable non-convertible debentures - Series 7 Zero coupon (Unsecured)*	8.75%	May 22, 2023	**324.61**	325.00
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	**399.46**	-
Term loans from banks				
Term loan from HDFC Bank (TUF) (Secured) [1]	1 year MCLR + 0.25%	March 15, 2025	**6.67**	10.00
Term loan from others				
Other borrowings (Unsecured) [3]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	**26.15**	32.40
Preference shares				
Cumulative redeemable preference shares [4]	8.00%	March 29, 2024	**0.50**	0.50
Cumulative redeemable preference shares [5]	6.00%	October 12, 2024	**0.01**	0.01
Total			**757.40**	802.09

*Net off unamortised charges

Current maturities of long-term borrowings

₹ in Crore

	Effective interest rate % p.a.	Maturity	As at March 31, 2022	As at March 31, 2021
Current maturities of long-term borrowings (included in current borrowings)				
Redeemable non-convertible debentures - Series 5 Zero coupon (Unsecured)	8.96%	August 14, 2021	**-**	300.00
Redeemable non-convertible debentures - Series 6 Zero coupon (Unsecured)*	8.71%	November 11, 2022	**434.69**	-
Term loan from HDFC Bank (TUF) (Secured) [1]	1 year MCLR + 0.25%	March 15, 2025	**3.33**	3.33
Term loan from HDFC Bank (TUF) (Unsecured) [2]	Base Rate + 0.20%	March 23, 2022	**-**	4.32
Other borrowings (Unsecured) [3]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	**10.07**	8.12
Total (included in Current Borrowings)			**448.09**	315.77
*Net off unamortised charges				
Aggregate secured borrowings			**10.00**	13.33
Aggregate unsecured borrowings			**1,195.49**	1,104.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 banks and financial institutions for the specific purpose for which it was taken.

The Company has registered all the charges with Registrar of Companies within the statutory period.

Details of security and terms of repayment

1. Term loan from HDFC Bank (TUF) secured by way of exclusive charge over movable assets of the Company's plant situated at Bhubaneswar, Odisha. The loan is repayable in 24 equal quarterly instalments commencing from June 15, 2019.
2. The repayment terms of term loan from HDFC Bank (TUF) are 21 quarterly instalments commencing from March 23, 2017. First four instalments of ₹ 0.20 Crore each, next four instalments of ₹ 0.25 Crore each, next four instalments of ₹ 0.30 Crore each, next four instalments of ₹ 0.40 Crore each and next 5 instalments of ₹ 1.08 Crore each.
3. Loan amounting to ₹ 29.87 Crore is repayable in 20 equal quarterly instalments commencing from March 2020 and loan amounting to ₹ 6.35 Crore is repayable in 48-60 equal monthly instalment commencing on various dates through January 16, 2021 to February 15, 2022.

Details of Cumulative redeemable preference shares

4. 5,00,000 8% Cumulative redeemable preference shares of ₹ 10/- each are entitled to a cumulative dividend @ 8% p.a. The dividend proposed by the Board of Directors, if any, shall be subject to the approval of the shareholders in the ensuing Annual General Meeting. Pursuant to the terms of issuance, the due date for redemption of 8% Redeemable Cumulative Preference Shares was March 30, 2019. While the Company had net profits for the financial year 2018-19, it did not have distributable profits in terms of Section 123 of the Act as it had past accumulated losses. Accordingly, pursuant to the unanimous consent of all the preference shareholders and in terms of the applicable provisions of the Act, the Board of Directors of the Company, vide a circular resolution dated April 11, 2019 approved the variation in terms of the preference shares to the extent of extending the redemption dates by a period of 5 years i.e. upto March 29, 2024. In the event of liquidation of the Company, before redemption of preference shares, the holders of preference shares will have priority over the holders of equity shares in the payment of dividend and repayment of capital.
5. 500 6% Cumulative redeemable preference shares of ₹ 100/- each are entitled to a cumulative dividend @ 6% p.a. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. Pursuant to the terms of issuance, the due date for redemption of 6% Redeemable Cumulative Preference Shares was October 13, 2019. While the Company had net profits for the financial year 2018-19, it did not have distributable profits in terms of Section 123 of the Act as it had past accumulated losses. Accordingly, pursuant to the unanimous consent of all the preference shareholders and in terms of the applicable provisions of the Act, the Board of Directors of the Company, vide a circular resolution dated April 11, 2019 approved the variation in terms of the preference shares to the extent of extending the redemption dates by a period of 5 years i.e. upto October 12, 2024. In the event of liquidation of the Company, before redemption of preference shares, the holders of preference shares will have priority over the holders of equity shares in the payment of dividend and repayment of capital.

   TUF - Technology Upgradation Fund.

NOTE: 23
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	-	52.90
Derivative Instruments*	**167.93**	145.95
Total	**167.93**	198.85

*During the previous year, the Company acquired 51% stake in Sabyasachi Calcutta LLP by entering into an agreement on February 24, 2021. Under the terms of the Agreement, the Company has provided a Put Option to Mr. Sabyasachi Mukherjee to sell his entire holding of 49% to the Company over a period of fourteen years starting from the end of five years from the aforesaid date and thereafter in three tranches, should an initial public offer of the organisation (after conversion to a company) does not take place. Accordingly, the Company has accounted the put option liability of ₹ 167.93 Crore (March 31, 2021: ₹ 145.95 Crore) at its fair value as non-current financial liability based on independent valuation performed by the Company's appointed independent valuer.

NOTE: 24
NON-CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Employee benefit obligation		
Provision for gratuity (Refer Note - 42)	**23.27**	20.72
Provision for pending litigations (Refer Note - 45)	**66.75**	68.72
Total	**90.02**	89.44

Movement of provision for pending litigations during the year:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening balance	**68.72**	78.51
Add: provision made during the year	**0.65**	4.53
Less: provision utilised during the year	**(0.70)**	(1.58)
Less: provision reversed during the year	**(1.92)**	(12.74)
Closing balance	**66.75**	68.72

NOTE: 25
OTHER NON-CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred income	**11.73**	11.44
Total	**11.73**	11.44

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 26
CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand from banks		
Cash credit/ Working capital demand loan (Secured)	**1.88**	0.06
Current maturities of long term debt (Refer Note - 22)	**448.09**	315.77
Total current borrowings	**449.97**	315.83
Aggregate secured borrowings	**5.21**	3.39
Aggregate unsecured borrowings	**444.76**	312.44

Details of security

Current borrowings are secured by way of first pari passu charge on the current assets of the Company and second pari passu charge on the movable and immovable assets of the Company.

NOTE: 27
TRADE PAYABLES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	**74.56**	26.74
Total outstanding dues of creditors other than micro enterprises and small enterprises*	**3,261.06**	2,087.54
Total	**3,335.62**	2,114.28

*Includes payables to related parties, For terms and conditions with related parties (Refer Note - 46).

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

₹ in Crore

		As at March 31, 2022	As at March 31, 2021
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*	**84.08**	27.39
	Interest due on the above	**0.22**	0.01
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	-	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	**1.34**	0.88
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year	**6.64**	5.08
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.	-	-

* Includes amount due to Creditors for capital supplies/ services amounting to ₹ 9.52 Crore as at March 31, 2022 (March 31, 2021: ₹ 0.65 Crore).

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:

₹ in Crore

Particulars	Outstanding as on March 31,2022 (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	**70.22**	**3.59**	**0.13**	**0.07**	**0.24**	**74.25**
(ii) Others	**2,921.71**	**254.29**	**10.23**	**7.27**	**65.97**	**3,259.47**
(iii) Disputed dues – MSME	**-**	**0.28**	**0.03**	**-**	**-**	**0.31**
(iv) Disputed dues – Others	**0.56**	**0.01**	**-**	**-**	**1.02**	**1.59**

Particulars	Outstanding as on March 31,2021 (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	23.29	3.42	0.03	-	-	26.74
(ii) Others	1,558.33	407.98	35.75	17.08	67.38	2,086.52
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	1.02	1.02

NOTE: 28
CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	**133.40**	99.77
Creditors for capital supplies/ services	**46.07**	10.68
Book overdraft	**-**	1.57
Derivative contracts	**3.20**	3.29
Employee Payable	**133.02**	96.92
Others	**1.48**	0.84
Total	**317.17**	213.07

NOTE: 29
CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Employee benefit obligation		
Provision for compensated absences	**89.18**	84.64
Provision for gratuity (Refer Note - 42)	**0.23**	-
Stock Appreciation Rights (SAR)	**6.99**	0.27
Total	**96.40**	84.91

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 30
OTHER CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Advances received from customers	**45.26**	32.57
Deferred revenue*	**16.43**	10.22
Other advances received	**1.67**	1.80
Statutory dues (other than income tax)	**61.96**	35.44
Refund liabilities	**370.86**	362.12
Deferred income	**-**	0.04
Total	**496.18**	442.19

*** Deferred revenue**

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	**10.22**	16.53
Deferred during the year	**25.40**	30.08
Released to the Standalone Statement of Profit and Loss	**(19.19)**	(36.39)
As at the end of the year	**16.43**	10.22

The deferred revenue relates to the accrual and release of customer loyalty points, according to the loyalty programme of respective businesses. As at March 31, 2022, the estimated liability towards unredeemed points amounts to ₹ 16.43 Crore (March 31, 2021: ₹ 10.22 Crore).

NOTE: 31
REVENUE FROM OPERATIONS

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from sale of products		
Sale of products	**7,758.89**	5,108.13
Revenue from redemption of loyalty points (Refer Note - 30)	**19.19**	36.39
Total revenue from sale of products	**7,778.08**	5,144.52
Revenue from rendering of services	**3.23**	1.49
Other operating income		
Scrap sales	**9.87**	10.00
Export incentives	**9.16**	6.72
Licence fees and royalties	**4.65**	1.47
Space on hire	**1.43**	0.56
Commission income	**17.78**	16.38
Total	**7,824.20**	5,181.14

(a) Right to return assets and refund liabilities:

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Right to return assets	**206.26**	195.51
Refund liabilities	**370.86**	362.12

(b) Contract balances:

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Contract assets		
Trade receivables	**754.40**	599.90
Contract Liabilities		
Advances received from customers	**45.26**	32.57
Deferred revenue	**16.43**	10.22

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contracted price	**9,085.87**	6,046.78
Less:		
Sales return	**670.45**	495.75
Discount	**574.79**	359.67
Loyalty points	**16.43**	10.22
Revenue as per the Standalone Statement of Profit and Loss	**7,824.20**	5,181.14

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Madura Fashion & Lifestyle		
Revenue from retail operations	**3,002.92**	1,935.59
Revenue from non-retail operations	**2,195.21**	1,386.97
	5,198.13	3,322.56
Pantaloons		
Revenue from retail operations	**2,486.63**	1,788.52
Revenue from non-retail operations	**139.44**	70.06
	2,626.07	1,858.58
Revenue as per the Standalone Statement of Profit and Loss	**7,824.20**	5,181.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(e) Disclosure of disaggregated revenue recognised in the Standalone Statement of Profit and Loss based on geographical segment:

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from customers outside India	**162.65**	104.10
Revenue from customers within India	**7,661.55**	5,077.04
Revenue as per the Standalone Statement of Profit and Loss	**7,824.20**	5,181.14

NOTE: 32
OTHER INCOME

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Profit on sale of property, plant and equipment	**2.67**	-
Interest income	**9.32**	3.40
Net gain on sale of current investments	**19.33**	3.20
Fair value gain on financial instruments at FVTPL	**32.80**	31.29
Gain on retirement of right-of-use assets (Refer Note - 4a & 44a)	**14.85**	20.54
Miscellaneous income	**15.12**	14.21
Total	**94.09**	72.64

NOTE: 33
COST OF MATERIALS CONSUMED

₹ in Crore

		Year ended March 31, 2022	Year ended March 31, 2021
(a)	**Materials consumed**		
	Inventories at the beginning of the year	**188.82**	187.05
	Add: Purchases	**907.35**	421.00
		1,096.17	608.05
	Less: Inventories at the end of the year	**286.41**	188.82
	Total	**809.76**	419.23
(b)	**Purchase of stock-in-trade**		
	Purchase of stock-in-trade	**3,730.08**	1,508.83
	Total	**3,730.08**	1,508.83
(c)	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Opening inventories		
	Finished goods	**136.66**	178.81
	Stock-in-trade	**1,378.22**	1,944.19
	Work-in-progress	**20.61**	22.05
		1,535.49	2,145.05
	Less:		
	Closing inventories		
	Finished goods	**270.08**	136.66
	Stock-in-trade	**2,116.24**	1,378.22
	Work-in-progress	**33.18**	20.61
		2,419.50	1,535.49
	(Increase)/Decrease in inventories	**(884.01)**	609.56

NOTE: 34
EMPLOYEE BENEFITS EXPENSE

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	**904.92**	719.07
Contribution to provident and other funds (Refer Note - 42)	**55.55**	50.36
Share-based payment to employees (Refer Note - 43)	**28.58**	11.88
Gratuity expense (Refer Note - 42)	**15.47**	14.45
Staff welfare expenses	**38.91**	28.15
Total	**1,043.43**	823.91

NOTE: 35
FINANCE COSTS

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on borrowings	**131.61**	266.79
Interest expense on lease liabilities (Refer Note - 4b & 44a)	**205.75**	221.89
Other borrowing costs	**0.52**	7.49
Fair value impact on financial instruments at FVTPL	**2.31**	2.22
Total	**340.19**	498.39

NOTE: 36
DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer Note - 3a)	**200.76**	205.65
Depreciation on right-of-use assets (Refer Note - 4a & 44a)	**732.21**	724.12
Amortisation on intangible assets (Refer Note - 5)	**13.88**	15.23
Total	**946.85**	945.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 37
OTHER EXPENSES

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	**5.03**	3.74
Power and fuel	**11.48**	8.13
Electricity charges	**96.79**	75.55
Repairs and maintenance		
Buildings	**0.11**	0.34
Plant and machinery	**11.12**	9.73
Others	**176.50**	147.50
Insurance	**10.43**	10.97
Rates and taxes	**14.32**	19.85
Processing charges	**72.64**	50.34
Commission to selling agents	**132.08**	106.97
Brokerage and discounts	**1.22**	0.66
Advertisement and sales promotion	**257.04**	110.63
Transportation and handling charges	**143.37**	84.02
Royalty expenses	**18.58**	15.93
Legal and professional expenses	**103.84**	110.81
Bad debts written off	**1.16**	-
Allowances for bad and doubtful debts	**2.03**	6.20
Provision for bad and doubtful deposits and advances	**5.16**	7.97
Printing and stationery	**14.12**	10.11
Travelling and conveyance	**53.82**	27.91
Communication expenses	**4.18**	5.57
Loss on sale/ discard of property, plant and equipment	**-**	0.67
Bank and credit card charges	**36.05**	26.36
Payment to auditors (Refer details below)	**1.78**	1.71
Foreign exchange loss (net)	**10.80**	8.92
Information technology expenses	**135.31**	76.73
Outsourcing, housekeeping and security expenses	**290.16**	257.53
Corporate Social Responsibility (CSR) expenses (Refer Note - 41)	**2.94**	2.00
Directors' fees	**0.63**	0.68
Miscellaneous expenses	**42.12**	27.10
Total	**1,654.81**	1,214.63

Payment to auditors:

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
For audit fees (including Limited Review fees)	**1.47**	1.31
For tax audit fees	**0.20**	0.17
For other services*	**0.02**	0.10
For reimbursement of expenses	**0.09**	0.13
Total	**1.78**	1.71

*Above excludes fees of ₹ Nil (March 31, 2021: ₹ 0.45 Crore) paid to auditors for certification services for Rights Issue, which is considered as part of share issue expenses.

NOTE: 38
INCOME TAX EXPENSE

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

Standalone Statement of Profit and Loss:

Profit or loss section

₹ in Crore

		Year ended March 31, 2022	Year ended March 31, 2021
Current income tax			
Current income tax charge		-	-
	(A)	-	-
Deferred tax			
Relating to origination and reversal of temporary differences		(32.77)	(126.80)
	(B)	(32.77)	(126.80)
Total	(A+B)	(32.77)	(126.80)

OCI section

Deferred tax related to items recognised in OCI during the year

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Net (gains)/ losses on re-measurement of defined benefit plans	0.74	0.66
Net (gains)/ losses on fair value of equity instruments	0.16	(0.13)
Total	0.90	0.53

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Accounting Loss before income tax	(113.47)	(776.44)
Tax expense/ (income) at India's statutory income tax rate of 25.17% (March 31, 2021: 25.17%)	(28.56)	(195.43)
Expenses not allowed under the Income tax Act:		
Corporate Social Responsibility Expenses	0.74	0.54
Expenses disallowed for tax purposes	0.87	-
One time impact of amendment in Section 32 of the Income-tax Act, 1961 (Refer Note - 40c)	-	68.84
Others	(5.82)	(0.75)
Income tax expenses/ (income) as per Statement of Profit and Loss Account	(32.77)	(126.80)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 39
EARNINGS PER SHARE (EPS)

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

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

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

₹ in Crore

		Year ended March 31, 2022	Year ended March 31, 2021
Loss for calculation of EPS	**(A)**	**(80.70)**	(649.64)
Weighted average number of equity shares for calculation of Basic EPS	**(B)**	**92,49,31,614**	81,67,00,886
Basic EPS (₹)	**(A/B)**	**(0.87)**	(7.95)
Weighted average number of equity shares outstanding		**92,49,31,614**	81,67,00,886
Weighted average number of potential equity shares*		**80,24,183**	2,87,96,459
Weighted average number of equity shares for calculation of Diluted EPS		**92,49,31,614**	81,67,00,886
Diluted EPS (₹)	**(C)**	**(0.87)**	(7.95)
Nominal value of shares (₹)		**10.00**	10.00

Treasury shares are adjusted in computing the weighted average number of equity shares outstanding during the year in calculation of EPS.

Basic and diluted earnings per share for the year ended March 31, 2021, have been restated for the bonus element in respect of Rights Issue made during the year ended March 31, 2022.

* Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not 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 - 43.

NOTE - 40
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 year, are described below. The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next three years and next 2 years have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the 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. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note - 5A.

(b) Share-based payment

The Company uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Standalone Statement of Profit and Loss. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 43.

(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, 2022, the Company has ₹ 1,852.88 Crore (March 31, 2021: ₹ 1,833.19 Crore) of tax losses carried forward as per income tax records of the Company. These losses pertain to unabsorbed business loss as at March 31, 2022 of ₹ 554.51 Crore (March 31, 2021 ₹ 585.48 Crore) which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2022 of ₹ 1,298.37 Crore (March 31, 2021: ₹ 1,247.71 Crore) which do not have any expiry period. Further details on taxes are disclosed in Notes - 10 and 38.

During the previous year, the Finance Act, 2021 had amended Section 32 of the Income Tax Act, 1961, whereby effective from April 1, 2020, goodwill of a business was not considered as a depreciable asset and depreciation on goodwill not allowed as deductible expenditure. Consequent to such amendment, in accordance with the requirements of Ind AS 12 - Income Taxes, the Company recognised a one-time net deferred tax expense amounting to ₹ 68.84 Crore representing net deferred tax liability ('DTL') arising from difference between the carrying value of goodwill as per books of account and as per updated tax written down value of NIL resulting from the aforementioned amendment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

In view of the amendments introduced by the Finance Act, 2021 to the Income Tax Act, 1961 and considering the opinion received by the Company from a senior legal counsel, as at March 31, 2021, the Company recorded deferred tax asset of ₹ 243.11 Crore on the carry forward unabsorbed depreciation pertaining to goodwill relating to earlier years. The Company also recorded a deferred tax liability on the carrying value of goodwill as at March 31, 2021 considering no future deduction is available pursuant to the said amendment.

The reversal of the aforesaid DTL and cash outflow on this account is deemed unlikely as the value of associated goodwill is expected to be recovered through value in use.

(d) Employee benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note - 42.

(e) Revenue recognition – Loyalty points

The Company operates a loyalty programme where customers accumulate points for purchases made, which entitle them to discount on future purchases. The Company estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rate basis the Company's historic trends of redemption and expiry period of the points and such estimates are subject to uncertainty. As at March 31, 2022, the estimated liability towards unredeemed points amounts to ₹ 16.43 Crore (March 31, 2021: ₹ 10.22 Crore).

Further details are given in Note - 30.

(f) Provision on inventories

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

(g) Provision for discount and sales return

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

(h) Impairment allowance for doubtful debts

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off if the same are not collectible. The carrying amount of allowance for doubtful debts under ECL model is ₹ 24.70 Crore (March 31, 2021: ₹ 25.65 Crore). Further details about impairment allowance are given in Note - 15.

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

(j) Assessment of COVID - 19 impact on operations

The Company has considered the impact of COVID-19 as evident so far in the standalone financial statements and will also continue to closely monitor any material changes to future economic conditions which necessitate any further modifications.

(k) Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022 .

(iii) There is no substantive change to other terms and conditions of the lease.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19- Related Rent Concessions" effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient upto June 30, 2022.The Company has accounted the unconditional rent concessions of ₹ 215.43 Crore (March 31, 2021: ₹ 340.43 Crore) during the year ended March 31, 2022. The same has been accounted as a reduction of rent expenses in the Standalone Statement of Profit and Loss.

(l) Valuation of Put Option and Call Option

The fair value of financial liability (put option) arising from acquisition agreements, has been determined by discounting consideration payable at the time of exercise of the put option 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 put option. The fair value of financial asset (call option) arising from terms of acquisition agreements, has been determined by discounting the call option payoff, using an appropriate discount rate, considering the terms of the agreement. Such valuation includes assumptions such as discount rate, future cashflow and EBITDA estimates. Such assumptions are reviewed at each reporting date.

(m) Going concern

The management has performed an assessment of the Company's ability to continue as a going concern. Based on the assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the financial statements have been prepared on a going concern basis.

NOTE - 41
DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	**-**	1.16
b) Amount approved by the Board to be spent during the year	**3.00**	2.00

₹ in Crore

	In Cash	**Yet to be paid in Cash**	**Total**
March 31, 2022:			
i) Construction/ acquisition of any asset	**-**	**-**	**-**
ii) On purposes other than (i) above	**2.94**	**-**	**2.94**
March 31, 2021:			
i) Construction/ acquisition of any asset	-	-	-
ii) On purposes other than (i) above	2.00	-	2.00

In case of Section 135(5) unspent amount				
Opening Balance as on April 01, 2021	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2022*
-	-	-	2.94	-

* Since the amount spent exceeds amount required to be spent, the unspent amount is Nil.

In case of Section 135(5) Excess amount spent			
Opening Balance as on April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2022*
-	-	2.94	-

*The Company has spent in excess of the mandatory requirement under the Companies Act,2013 but the same is not proposed to be set off against the amounts required to spent in the future year.

Details of ongoing projects

In case of Section 135(6) (Ongoing Project)						
Opening Balance as on April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Closing Balance as on March 31, 2022	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

NOTE - 42
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

The Company contributes to the Fund based on the actuarial valuation report. The Company has contributed to the Insurer Managed Fund (managed by Life Insurance Corporation of India), details of which is available in the table of Investment pattern of plan assets. Based on which, the Company is not exposed to any market risk.

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	**3.98**	3.88
Interest cost on defined benefit obligation	**1.52**	1.39
Total	**5.50**	5.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	**23.73**	20.90
Current service cost	**3.98**	3.88
Interest cost on defined benefit obligation	**1.52**	1.39
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	**(1.00)**	0.36
Experience adjustments	**0.53**	(1.45)
Actuarial (gain)/ loss recognised in OCI	**(0.47)**	(1.09)
Benefits paid	**(2.40)**	(1.66)
Liabilities assumed/ (settled)*	**-**	0.31
Closing defined benefit obligation	**26.36**	23.73

Funded defined benefit plan

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	**10.16**	9.08
Interest cost on defined benefit obligation	**4.57**	4.26
Interest on plan assets	**(4.76)**	(4.16)
	9.97	9.18

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

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	**71.38**	64.46
Current service cost	**10.16**	9.08
Interest cost on defined benefit obligation	**4.57**	4.26
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	**(3.22)**	1.20
Experience adjustments	**1.16**	(2.44)
Actuarial (gain)/ loss recognised in OCI	**(2.06)**	(1.24)
Benefits paid	**(7.14)**	(4.94)
Liabilities assumed/ (settled)*	**(0.21)**	(0.24)
Closing defined benefit obligation	**76.70**	71.38

*On account of inter-company transfer.

(ii) Change in fair value of plan assets

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening fair value of the plan assets	**74.39**	63.16
Contributions by the employer	**-**	6.77
Interest income on plan assets	**4.76**	4.16
Actuarial gain/ (loss) recognised in OCI		
Actual returns on plan assets less interest cost on plan assets	**0.41**	0.30
Closing fair value of the plan assets	**79.56**	74.39

Amounts recognised in the Standalone Balance Sheet

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Present value of the defined benefit obligation at the end of the year:		
Funded	**76.70**	71.38
Unfunded	**26.36**	23.73
	103.06	95.11
Fair value of plan assets	**79.56**	74.39
Net liability/ (asset)	**23.50**	20.72
Net liability is classified as follows:		
Current	**0.23**	-
Non-current	**23.27**	20.72
Net liability	**23.50**	20.72

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.

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

	As at March 31, 2022	As at March 31, 2021
Discount rate		
Funded plan	**6.90%**	6.40%
Unfunded plan	**6.90%**	6.40%
Salary escalation rate		
Funded plan		
Management	**8.00%**	8.00%
Staff	**7.00%**	7.00%
Workers	**5.00%**	5.00%
Unfunded plan		
Stores	**7.00%**	7.00%
HO and Zones	**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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

A quantitative sensitivity analysis for significant assumptions is as follows:

	As at March 31, 2022		As at March 31, 2021	
Sensitivity level				
Discount rate	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	**(3.01)**	**3.22**	(2.93)	3.15
Unfunded plan	**(0.94)**	**1.00**	(0.88)	0.94
Salary escalation rate	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	**3.21**	**(3.02)**	3.11	(2.92)
Unfunded plan	**0.95**	**(0.91)**	0.90	(0.86)

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.

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

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

₹ in Crore

	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	**10.63**	9.89
Between 2 and 5 years	**41.90**	36.96
Between 6 and 10 years	**46.55**	39.66
Beyond 10 years	**104.00**	95.58
Total	**203.08**	182.09

The Company is expected to contribute ₹ 8.19 Crore to the gratuity fund during the year ended March 31, 2023.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 to 8 years (March 31, 2021: 8 to 9 years).

Defined contribution plans

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to Government Provident Fund	**41.19**	37.07
Contribution to Superannuation Fund	**1.10**	1.15
Contribution to Employee Pension Scheme (EPS)	**5.46**	4.85
Contribution to Employee State Insurance (ESI)	**7.16**	6.31
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	**0.15**	0.08
Contribution to Labour Welfare Fund (LWF)	**0.12**	0.09
Contribution to National Pension Scheme (NPS)	**0.37**	0.81
Total	**55.55**	50.36

In respect of the Honourable Supreme Court ruling in February 2019 relating to computation of salaries for Provident Fund contribution, there is uncertainty and ambiguity in retrospective application and accordingly the Company will evaluate its position as clarity emerges.

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

NOTE- 43
SHARE-BASED PAYMENT

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Expense arising from equity-settled share-based payment transactions (net of cross charge)	**27.21**	11.85
Expense arising from cash-settled share-based payment transactions	**1.37**	0.03
Total	**28.58**	11.88

a. Employee Stock Option Plans (Options and RSUs)

I. Employee Stock Option Scheme - 2013

During the year ended March 31, 2014, i.e. on July 22, 2013, the ESOP Compensation Committee of the Board of Directors of the Company (merged with Nomination and Remuneration Committee w.e.f. November 04, 2014) ("Committee") and the Board of Directors ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Employee Stock Option Scheme - 2013 ("Scheme 2013") for issue of Stock Options in the form of Options ("Options") and/ or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Sixth Annual General Meeting of the Company, held on August 23, 2013, approved the introduction of the Scheme 2013 and authorised the Board/ Committee to finalise and implement the Scheme 2013.

Accordingly, under the said Scheme 2013, vide its resolution dated October 25, 2013, the Committee commenced granting of options.

i) Details of the grants under the Scheme 2013

	Tranche 1		Tranche 3
	Options	RSUs	RSUs
No. of Options/ RSUs	830,382	259,849	279,544
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting on December 7, 2016
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	October 25, 2013	October 25, 2013	May 11, 2016
Grant/ exercise price (₹ per share)	102.10	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 104.10 NSE - 103.55	BSE - 104.10 NSE - 103.55	BSE - 152.10 NSE - 152.10
Method of settlement	Equity	Equity	Equity

There are no Options/RSUs unvested/excersiable under Tranche 2 as on March 31, 2022 and March 31, 2021.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note:

RSUs – Tranche 3 were granted to employees of Madura Fashion & Lifestyle division of the Company, who were grantees of RSUs of Aditya Birla Nuvo Limited ("ABNL") and had become employees of the Company pursuant to the effectiveness of the Composite Scheme of Arrangement between the Company, ABNL, Madura Garments Lifestyle Retail Company Limited and their respective shareholders and creditors under Section 391 to 394 of the Companies Act, 1956. Accordingly, as per the terms and conditions of the grant, these RSUs vested as per the original vesting schedule of ABNL RSUs, i.e., on December 7, 2016.

ii) Movement of Options and RSUs granted

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

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**12,129**	**102.10**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year*	(4,603)	102.10	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**7,526**	**102.10**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**7,526**	**102.10**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	**N.A.**	**N.A.**	**-**	**-**
Granted during the financial year	N.A.	N.A.	-	-
Exercised during the financial year	N.A.	N.A.	-	-
Lapsed during the financial year	N.A.	N.A.	-	-
Outstanding at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**
Unvested at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**
Exercisable at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**

* The weighted average share price at the date of exercise of these Options was ₹ 271.98.

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

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**12,129**	**102.10**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**12,129**	**102.10**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**12,129**	**102.10**	**-**	**-**

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 3				
Outstanding at the beginning of the financial year	**N.A.**	**N.A.**	**37,840**	**10.00**
Granted during the financial year	N.A.	N.A.	-	-
Exercised during the financial year*	N.A.	N.A.	(37,840)	10.00
Lapsed during the financial year	N.A.	N.A.	-	-
Outstanding at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**
Unvested at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**
Exercisable at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**

* The weighted average share price at the date of exercise of these Options was ₹ 141.21.

The weighted average remaining contractual life for the Options outstanding as at March 31, 2022, is 1 year (March 31, 2021: 2 years) and for RSUs outstanding as at March 31, 2022, is Nil (March 31, 2021: Nil).

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

	Options	RSUs	
	Tranche 1	Tranche 1	Tranche 3
Expected dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	45.93	45.93	37.41
Risk-free interest rate (%)	8.58	8.58	7.37
Weighted average fair value per Option/ RSU (₹)	52.96	95.90	142.63
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model

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

During the year ended March 31, 2018, i.e. on July 25, 2017, the Nomination and Remuneration Committee of the Board of Directors of the Company ("NRC") and the Board of Directors ("Board") approved the introduction of another Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the Shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Tenth Annual General Meeting of the Company, held on August 23, 2017, approved the introduction of the Scheme 2017 and authorised the Board/ NRC to finalise and implement the Scheme 2017.

Accordingly, under the said Scheme 2017, vide its resolution dated September 8, 2017, the Committee commenced granting of options.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

i) Details of the grants under Scheme 2017

	Options				RSUs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of Options/ RSUs	37,38,254	14,406	2,88,122	90,039	13,04,558	14,568	1,17,144	30,349
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 08, 2017	October 27, 2017	February 02, 2018	April 18, 2018	September 08, 2017	October 27, 2017	February 02, 2018	April 18, 2018
Grant/ exercise price (₹ per share)	178.30	148.10	163.60	150.80	10.00	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 176.40 NSE - 176.50	BSE - 147.95 NSE - 148.70	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10	BSE - 176.40 NSE - 176.50	BSE - 147.95 NSE - 148.70	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity

ii) Movement of Options and RSUs granted

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

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**16,41,845**	**178.30**	**5,12,881**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(1,64,561)	178.30	(1,72,971)	10.00
Lapsed during the financial year	(79,234)	178.30	-	-
Outstanding at the end of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**5,402**	**148.10**	-	-
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	(5,402)	148.10	-	-
Outstanding at the end of the financial year	-	-	-	-
Unvested at the end of the financial year	-	-	-	-
Exercisable at the end of the financial year	-	-	-	-

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 3				
Outstanding at the beginning of the financial year	**1,62,069**	**163.60**	**72,838**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(90,038)	163.60	(60,698)	10.00
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Tranche 4				
Outstanding at the beginning of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Unvested at the end of the financial year	**22,509**	**150.80**	**-**	**-**
Exercisable at the end of the financial year	**45,020**	**150.80**	**30,349**	**10.00**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 255.86.

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

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**25,26,110**	**178.30**	**9,84,226**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	-	-	(4,57,317)	10.00
Lapsed during the financial year	(8,84,265)	178.30	(14,028)	10.00
Outstanding at the end of the financial year	**16,41,845**	**178.30**	**5,12,881**	**10.00**
Unvested at the end of the financial year	**5,63,689**	**178.30**	**-**	**-**
Exercisable at the end of the financial year	**10,78,156**	**178.30**	**5,12,881**	**10.00**
Tranche 2				
Outstanding at the beginning of the financial year	**7,203**	**148.10**	**7,284**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	-	-	(7,284)	10.00
Lapsed during the financial year	(1,801)	148.10	-	-
Outstanding at the end of the financial year	**5,402**	**148.10**	**-**	**-**
Unvested at the end of the financial year	**1,800**	**148.10**	**-**	**-**
Exercisable at the end of the financial year	**3,602**	**148.10**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 3				
Outstanding at the beginning of the financial year	**2,16,092**	**163.60**	**72,838**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(54,023)	163.60	-	-
Outstanding at the end of the financial year	**1,62,069**	**163.60**	**72,838**	**10.00**
Unvested at the end of the financial year	**54,022**	**163.60**	**-**	**-**
Exercisable at the end of the financial year	**1,08,047**	**163.60**	**72,838**	**10.00**
Tranche 4				
Outstanding at the beginning of the financial year	**90,039**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(22,510)	150.80	-	-
Outstanding at the end of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Unvested at the end of the financial year	**45,019**	**150.80**	**30,349**	**10.00**
Exercisable at the end of the financial year	**22,510**	**150.80**	**-**	**-**

^^The weighted average share price at the date of exercise of these RSUs was ₹ 151.45.

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2022, is 3 years (March 31, 2021: 4 years) and for RSUs outstanding as at March 31, 2022, is 4 years (March 31, 2021: 4 years).

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

	Options				RSUs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	36.57	36.28	35.32	35.28	36.57	36.28	35.32	35.28
Risk-free interest rate (%)	6.70	6.75	7.43	7.43	6.77	6.98	7.54	7.54
Weighted average fair value per Option/ RSU (₹)	77.04	63.85	71.56	65.93	171.41	141.29	156.99	144.20
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model

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

During the year ended March 31, 2020, on July 26, 2019, the Nomination and Remuneration Committee and the Board of Directors (“Board”), approved introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 (“Scheme 2019”) through trust route, for issue of Stock Options in the form of Options (“Options”) and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies. Based on the loan granted by the Company, the Trust held 47,10,457 equity shares as at March 31, 2021. During the year ended March 31, 2022, the Trust purchased additional 2,23,128 equity shares to back the grants made under the Scheme 2019. As on March 31, 2022, the Trust holds 46,54,072 equity shares. 2,79,513 equity shares were exercised during the year.

Accordingly, under the said Scheme 2019, vide its resolution dated December 2, 2019, the Committee commenced granting of options.

i) Details of the grants under Scheme 2019

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
No. of Options/ RSUs	33,42,876	1,16,360	14,17,684	11,18,385	32,161
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 1st year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	December 02, 2019	December 28, 2020	January 21, 2021	December 02, 2019	December 28, 2020
Grant/ exercise price (₹ per share)	225.25	164.10	173.55	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80	BSE - 173.05 NSE - 173.85	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80
Method of settlement	Equity	Equity	Equity	Equity	Equity

ii) Movement of Options and RSUs granted

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

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**24,52,614**	**225.25**	**10,71,150**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(92,682)	225.25	-	-
Lapsed during the financial year	(2,29,902)	225.25	(1,04,320)	10.00
Outstanding at the end of the financial year	**21,30,030**	**225.25**	**9,66,830**	**10.00**
Unvested at the end of the financial year	**14,67,262**	**225.25**	**9,58,790**	**10.00**
Exercisable at the end of the financial year	**6,62,768**	**225.25**	**8,040**	**10.00**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 2				
Outstanding at the beginning of the financial year	**1,16,360**	**164.10**	**32,161**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(3,636)	164.10	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**1,12,724**	**164.10**	**32,161**	**10.00**
Unvested at the end of the financial year	**87,270**	**164.10**	**-**	**-**
Exercisable at the end of the financial year	**25,454**	**164.10**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	**14,08,593**	**173.55**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(1,83,195)	173.55	-	-
Lapsed during the financial year	(1,02,300)	173.55	-	-
Outstanding at the end of the financial year	**11,23,098**	**173.55**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**11,23,098**	**173.55**	**-**	**-**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 283.16.

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

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**33,28,332**	**225.25**	**11,08,335**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(8,75,718)	225.25	(37,185)	10.00
Outstanding at the end of the financial year	**24,52,614**	**225.25**	**10,71,150**	**10.00**
Unvested at the end of the financial year	**24,52,614**	**225.25**	**10,71,150**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 2				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	1,16,360	164.10	32,161	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**1,16,360**	**164.10**	**32,161**	**10.00**
Unvested at the end of the financial year	**1,16,360**	**164.10**	**32,161**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	14,17,684	173.55	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(9,091)	173.55	-	-
Outstanding at the end of the financial year	**14,08,593**	**173.55**	**-**	**-**
Unvested at the end of the financial year	**14,08,593**	**173.55**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2022 is 5 years (March 31, 2021: 6 years) and for RSUs outstanding as at March 31, 2022 is 6 years (March 31, 2021: 7 years).

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

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	32.88	36.16	36.02	32.88	36.16
Risk-free interest rate (%)	6.66	5.62	5.62	6.76	6.19
Weighted average fair value per Option/ RSU (₹)	112.00	84.39	76.78	216.18	158.10
Model used	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model

b. Stock Appreciation Rights (SARs)

The SAR compensation cost is amortised on a straight-line basis over the total vesting period of the SARs. Accordingly, ₹ 1.37 Crore (March 31, 2021: ₹ 0.03 Crore) has been taken to the Standalone Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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

i) The details of the Plan are as below:

	SARs			
	Option SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of SARs	61,226	17,92,686	Nil	2,04,546
Method of accounting	Fair value	Fair value	NA	Fair value
Vesting plan	May 16, 2019 and September 08, 2019	August 18, 2024	NA	Graded vesting - 33.33% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	NA	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	NA	November 03, 2021
Grant price (₹ per share)	178.30	206.35	NA	288.10
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	NA	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	NA	Cash

	SARs			
	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of SARs	6,880	6,38,700	1,005	56,533
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	September 08, 2020	August 18, 2024	December 02, 2022	November 03, 2024
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	August 18, 2021	November 03, 2021
Grant price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	BSE - 205.80 NSE - 205.90	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	Cash	Cash

ii) Movement of SARs granted

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

	As at March 31, 2022		As at March 31, 2021	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 1				
Option SARs				
Outstanding at the beginning of the financial year	**61,226**	**178.30**	**61,226**	**178.30**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(18,008)	178.30	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**43,218**	**178.30**	**61,226**	**178.30**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**43,218**	**178.30**	**61,226**	**178.30**
RSU SARs				
Outstanding at the beginning of the financial year	**6,880**	**10.00**	**6,880**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(2,024)	10.00	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**4,856**	**10.00**	**6,880**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**4,856**	**10.00**	**6,880**	**10.00**
Tranche 2				
Option SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	17,92,686	206.35	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(75,447)	206.35	-	-
Outstanding at the end of the financial year	**17,17,239**	**206.35**	**-**	**-**
Unvested at the end of the financial year	**17,17,239**	**206.35**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	6,38,700	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(28,393)	10.00	-	-
Outstanding at the end of the financial year	**6,10,307**	**10.00**	**-**	**-**
Unvested at the end of the financial year	**6,10,307**	**10.00**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2022		As at March 31, 2021	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 3				
RSU SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	1,005	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**1,005**	**10.00**	**-**	**-**
Unvested at the end of the financial year	**1,005**	**10.00**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 4				
Option SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	2,04,546	288.10	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,04,546**	**288.10**	**-**	**-**
Unvested at the end of the financial year	**2,04,546**	**288.10**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	56,533	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**56,533**	**10.00**	**-**	**-**
Unvested at the end of the financial year	**56,533**	**10.00**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 281.87.

The weighted average remaining contractual life for SARs options outstanding as at March 31, 2022 is 4 years (March 31, 2021 : 2 years) and for RSUs outstanding as at March 31, 2022, is 6 years (March 31, 2021: 2 years).

iii) **The following table lists the inputs to the model used for SARs as on grant date:**

	Option SARs			
	Tranche 1	**Tranche 2**	**Tranche 3**	**Tranche 4**
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	32.53	36.00	NA	36.71
Risk-free interest rate (%)	5.88	5.74	NA	5.78
Weighted average fair value per SAR (₹)	27.42	72.15	NA	94.85
Model used	Binomial model	Binomial model	NA	Binomial model

	RSU SARs			
	Tranche 1	**Tranche 2**	**Tranche 3**	**Tranche 4**
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	31.74	36.46	36.46	36.90
Risk-free interest rate (%)	6.24	6.16	6.16	6.08
Weighted average fair value per SAR (₹)	144.94	172.79	172.79	204.55
Model used	Binomial model	Binomial model	Binomial model	Binomial model

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

NOTE - 44
COMMITMENTS AND CONTINGENCIES

a) Leases

Lease commitments as lessee

The Company has entered into agreements for taking on lease certain residential/ office/ store premises, warehouses, property, plant and equipment on lease and licence basis. The lease term is for periods ranging from 3 to 21 years, with escalation clauses in the lease agreements. Consistent with Industry practice, the Company 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 Standalone Statement of Profit and Loss

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Other income		
Gain on retirement of right-of-use assets	**14.85**	20.54
Rent		
Expense relating to short-term leases	**41.88**	17.81
Expense relating to leases of low value assets	**0.78**	1.74
Variable rent*	**563.42**	331.55
Rent concession (Refer Note - 40k)	**(215.43)**	(340.43)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Finance cost		
Interest expense on lease liabilities	**205.75**	221.89
Depreciation and amortisation expenses		
Depreciation on right-of-use assets	**732.21**	724.12
Other expenses		
Processing charges	**20.99**	15.52
Sublease payments received (not shown separately in the Standalone Statement of Profit and Loss)	**0.80**	0.84

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

Contractual maturities of lease liabilities

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Within one year	**897.94**	847.52
After one year but not more than five years	**1,918.32**	1,789.10
More than five years	**228.43**	130.07
Total	**3,044.69**	2,766.69

The initial non-cancellable period of the lease agreement pertaining to stores are upto 3 years, beyond which there is an option for the lessee to continue the lease, which the Company expects to continue for a period of 2 to 3 years after the initial non-cancellable period, accordingly 5 – 6 years has been considered as non-cancellable for the purpose of the above disclosure. Post such period, the Company has the option to exit the lease by giving a notice period and the Company 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, 2022 is ₹ 1,283.47 Crore (March 31, 2021: ₹ 896.65 Crore).

The Company entered into a sale and leaseback transaction in respect of certain assets such as furniture and fixtures, office equipment etc., in line with its capital expenditure strategy. The assets were sold at fair values with no gains/ losses. Sale proceeds of ₹ Nil (March 31, 2021: ₹ 28.65 Crore) were realised upon sale of such assets. The lease arrangement is for a period of 4-5 years. The same has been recorded as a right-of-use assets with corresponding lease liabilities.

Lease commitments for leases not considered in measurement of lease liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Lease commitment for short-term leases	**3.62**	7.98
Lease commitment for leases of low value assets	**-**	0.79
Total	**3.62**	8.77

Future Cash Outflows to which the Company is potentially exposed and not reflected in measurement of lease liabilities

₹ in Crore

Particulars	March 31, 2022		March 31, 2021	
Increase/ (Decrease) in sales	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Rent	28.17	(28.17)	16.58	(16.58)

b) Capital commitments

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	87.67	19.65
Customs duty on capital goods and raw materials imported under advance licensing/ EPCG scheme, against which export obligation is to be fulfilled	0.03	0.07
Total	**87.70**	**19.72**

c) Other commitments

As at March 31, 2022, the Company has committed to provide financial support to TG Apparel & Décor Private Limited (a wholly owned subsidiary) with regard to its operations.

Refer Note 6 for commitments towards investments in Sabyasachi Calcutta LLP and Goodview Fashion Private Limited.

NOTE - 45
CONTINGENT LIABILITIES NOT PROVIDED FOR

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
Commercial taxes	45.17	27.04
Excise duty	0.50	0.50
Customs duty	-	2.54
Textile committee cess	0.75	0.75
Others*	15.85	16.29
Total	**62.27**	**47.12**

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

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

The Company has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its standalone financial statements where financial outflow is not probable. The Company does not expect the outcome

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

of these proceedings to have a materially adverse effect on its standalone financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Company has a provision of ₹ 66.75 Crore as at March 31, 2022 (March 31, 2021: ₹ 68.72 Crore) (Refer Note - 24).

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

NOTE - 46
RELATED PARTY TRANSACTIONS

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

Name of related parties

Subsidiaries

Jaypore E-Commerce Private Limited (Wholly-owned subsidiary)

TG Apparel & Decor Private Limited (Wholly-owned subsidiary)

Jaypore Inc.(A wholly-owned subsidiary of Jaypore E-Commerce Private Limited) was dissolved on September 21, 2020

Finesse International Design Private Limited

Sabyasachi Calcutta LLP - with effect from February 24, 2021

Sabyasachi Inc.(A wholly-owned subsidiary of Sabyasachi Calcutta LLP) - with effect from February 24, 2021

Indivinity Clothing Retail Private Limited - with effect from March 26, 2021

Joint Venture

Goodview Fashion Private Limited - with effect from March 19, 2021

Other related parties in which directors are interested

Aditya Birla Fashion and Retail Jan Kalyan Trust

Grasim Premium Fabric Private Limited (formerly known as Soktas India Private Limited) upto June 20, 2021

Aditya Birla Management Corporation Private Limited

Indiginus Learning Private Limited - with effect from June 05, 2020

Post-employment benefit plans

Aditya Birla Fashion and Retail Limited - Employees Group Superannuation Scheme Trust

Aditya Birla Fashion and Retail Limited - Employees Group Gratuity Fund Trust

Key Management Personnel ("KMP")

Mr. Kumar Mangalam Birla - Chairman and Non-Executive Director with effect from February 24, 2021

Mr. Himanshu Kapania - Vice Chairman and Non-Executive Director

Mr. Ashish Dikshit - Managing Director

Mr. Vishak Kumar - Whole-time Director with effect from February 24, 2021

Ms. Sangeeta Pendurkar - Whole-time Director with effect from February 24, 2021

Mr. Arun Thiagarajan - Independent Director upto May 10, 2020

Mr. Nish Bhutani - Independent Director with effect from June 05, 2020

Ms. Preeti Vyas - Independent Director with effect from March 31, 2021

Mr. Sunirmal Talukdar - Independent Director

Mr. Sanjeeb Chaudhuri - Independent Director upto June 05, 2020

Ms. Sukanya Kripalu - Independent Director

Mr. Yogesh Chaudhary - Independent Director with effect from March 17, 2021

Mr. Arun Kumar Adhikari - Independent Director with effect from May 19, 2021

Mr. Sushil Agarwal - Non-Executive Director upto March 31, 2021

Mr. Vikram Rao - Non-Executive Director with effect from March 17, 2021

Mr. Jagdish Bajaj - Chief Financial Officer

Ms. Geetika Anand - Company Secretary

Relative of Key Management Personnel ("KMP")

Ms. Karuna Rao upto March 31, 2021

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

₹ in Crore

	Year ended March 31, 2022			Year ended March 31, 2021		
	Subsidiaries and Joint Venture	**KMP and Relative of KMP**	**Other related parties**	Subsidiaries and Joint Venture	KMP and Relative of KMP	Other related parties
Sale of goods	**2.82**	**-**	**-**	1.06	-	-
Interest income	**1.48**	**-**	**-**	1.79	-	-
Reimbursement of expenses Recovered from	**12.64**	**-**	**-**	3.20	-	-
Purchase of goods	**0.56**	**-**	**2.84**	0.20	-	7.92
Reimbursement of expenses paid to	**-**	**-**	**19.24**	-	-	25.36
Consultancy services	**-**	**-**	**-**	-	-	0.10
Production services	**1.63**	**-**	**-**	-	-	-
Contribution to trusts	**-**	**-**	**4.37**	-	-	10.18
Deposits given	**13.70**	**-**	**-**	26.86	-	3.48
Repayment of deposits	**50.04**	**-**	**-**	0.60	-	5.54
Receipt of Security deposits	**0.39**	**-**	**-**	-	-	-
Investment in share capital	**144.93**	**-**	**-**	63.00	-	-
Investment made in limited liability partnership firm	**-**	**-**	**-**	389.84	-	-
Investment made in Joint Venture	**-**	**-**	**-**	12.45	-	-
Remuneration paid to KMP*	**-**	**33.77**	**-**	-	9.85	-
Remuneration paid to relative of KMP	**-**	**-**	**-**	-	0.01	-

* Includes director sitting fees

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Balances outstanding

₹ in Crore

	As at March 31, 2022			As at March 31, 2021		
	Subsidiaries and Joint Venture	**KMP and Relative of KMP**	**Other related parties**	Subsidiaries and Joint Venture	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	**-**	**-**	**4.82**	-	-	19.26
Amounts owed by related parties	**9.00**	**-**	**-**	2.58	-	-
Deposits/ Loans receivable	**2.08**	**-**	**5.64**	38.42	-	5.64

The above amounts are classified as loans receivables, security deposit receivable, trade receivables, inter corporate deposit receivable and trade payables (Refer Notes - 7, 8, 15, 18 and 27 respectively).

Disclosure 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:

Disclosure of transactions with the entity belonging to the promoter/ promoter group holding 10% or more shareholding in the Company

Transactions during the financial year

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Grasim Industries Limited		
Reimbursement of expenses recovered from	**1.95**	1.53
Purchase of goods	**22.87**	0.84

Balances outstanding

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Grasim Industries Limited		
Amounts owed to entity	**16.59**	-
Amounts owed by entity	**0.71**	0.03

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

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. Deposits to wholly-owned subsidiaries are unsecured, interest bearing and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key Managerial Personnel (KMP) of the Company

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	**22.58**	6.18
Post-employment benefits	**1.41**	0.46
Share-based payment	**9.78**	3.21
Total	**33.77**	9.85

Year ended March 31, 2022 KMP remuneration is not comparable with previous year as current year remuneration for whole time directors is for twelve months which was 36 days during the previous year.

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

KMPs interests in the Employee Stock Options, RSUs and SARs

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2022 Number outstanding	As at March 31, 2021 Number outstanding
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
Options - Tranche 1	September 08, 2017*	September 07, 2026	178.30	**4,87,709**	5,76,248
Options - Tranche 3	February 2, 2018*	February 1, 2027	163.60	**45,020**	1,35,058
Options - Tranche 4	April 18, 2018	April 17, 2027	150.80	**67,529**	67,529
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
Options - Tranche 1	December 02, 2019*	December 01, 2028	225.25	**7,30,456**	8,05,911
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	**4,03,274**	5,28,250
Total				**17,33,988**	21,12,996
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
RSUs - Tranche 1	September 08, 2017	September 07, 2025	10.00	**91,048**	97,118
RSUs - Tranche 3	February 2, 2018*	February 1, 2026	10.00	**-**	60,698
RSUs - Tranche 4	April 18, 2018	April 17, 2026	10.00	**30,349**	30,349
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
RSUs - Tranche 1	December 02, 2019*	December 01, 2027	10.00	**2,99,498**	2,99,498
Total				**4,20,895**	4,87,663
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
Options - Tranche 3	August 18, 2021	August 17, 2027	206.35	**3,36,369**	-
Options - Tranche 4	November 03, 2021	November 03, 2027	288.10	**2,04,546**	-
Total				**5,40,915**	-
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
RSUs - Tranche 3	August 18, 2021	August 17, 2027	10.00	**92,964**	-
RSUs - Tranche 4	November 03, 2021	November 03, 2027	10.00	**56,533**	-
Total				**1,49,497**	-

*The above includes Options/RSU's granted to Mr. Vishak Kumar and Ms. Sangeeta Pendurkar who have been appointed as Whole-time Directors with effect from February 24, 2021.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022 and March 31, 2021 are as follows:

As at March 31, 2022

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 6c)	537.42	7.32	-	544.74	537.42	-	7.32
Loans (Refer Notes - 7 and 13)	-	-	10.47	10.47	-	-	-
Security deposits (Refer Notes - 8 and 14)	-	-	424.84	424.84	-	-	-
Trade receivables (Refer Note - 15)	-	-	754.40	754.40	-	-	-
Cash and cash equivalents (Refer Note - 16)	-	-	107.81	107.81	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	0.11	0.11	-	-	-
Other financial assets (Refer Notes - 9 and 18)	-	-	52.31	52.31	-	-	-
Derivative Instruments (Refer Note - 9)	164.60	-	-	164.60	-	-	164.60
Total	702.02	7.32	1,349.94	2,059.28	537.42	-	171.92
Financial liabilities							
Non-current borrowings (Refer Note - 22)	-	-	757.40	757.40	-	-	-
Current borrowings (Refer Note - 26)	-	-	449.97	449.97	-	-	-
Lease liabilities (Refer Note - 4b)	-	-	2,615.88	2,615.88	-	-	-
Deposits	-	-	380.96	380.96	-	-	-
Trade payables (Refer Note - 27)	-	-	3,335.62	3,335.62	-	-	-
Other financial liabilities (Refer Notes - 23 and 28)	-	-	313.97	313.97	-	-	-
Derivative contracts (Refer Note - 28)	3.20	-	-	3.20	3.20	-	-
Derivative Instruments (Refer Note - 23)	167.93	-	-	167.93	-	-	167.93
Total	171.13	-	7,853.80	8,024.93	3.20	-	167.93

As at March 31, 2021

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 6c)	299.53	6.66	-	306.19	299.53	-	6.66
Loans (Refer Notes - 7 and 13)	-	-	9.08	9.08	-	-	-
Security deposits (Refer Notes - 8 and 14)	-	-	403.53	403.53	-	-	-
Trade receivables (Refer Note - 15)	-	-	599.90	599.90	-	-	-
Cash and cash equivalents (Refer Note - 16)	-	-	164.26	164.26	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	0.28	0.28	-	-	-
Other financial assets (Refer Notes - 9 and 18)	-	-	58.59	58.59	-	-	-
Derivative contracts (Refer Notes - 9)	145.56	-	-	145.56	-	-	145.56
Total	**445.09**	**6.66**	**1,235.64**	**1,687.39**	**299.53**	**-**	**152.22**
Financial liabilities							
Non-current borrowings (Refer Note - 22)	-	-	802.09	802.09	-	-	-
Current borrowings (Refer Note - 26)	-	-	315.83	315.83	-	-	-
Lease liabilities (Refer Note - 4b)	-	-	2,385.57	2,385.57	-	-	-
Deposits	-	-	297.91	297.91	-	-	-
Trade payables (Refer Note - 27)	-	-	2,114.28	2,114.28	-	-	-
Other financial liabilities (Refer Notes - 23 and 28)	-	-	262.68	262.68	-	-	-
Derivative contracts (Refer Note - 28)	3.29	-	-	3.29	3.29	-	-
Derivative Instruments (Refer Note - 23)	145.95	-	-	145.95	-	-	145.95
Total	**149.24**	**-**	**6,178.36**	**6,327.60**	**3.29**	**-**	**145.95**

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

The investments made in subsidiaries and joint venture as at March 31, 2022 is ₹ 827.80 Crore (March 31, 2021: ₹ 682.87 Crore) and are measured at cost.

Key inputs for level 1 and 3 fair valuation techniques

a) Derivative contracts:

   i) Forward contracts: Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Company (level 1)

b) Derivative Instruments:

   i) Option contracts: Fair value of option contracts is determined basis valuation performed by independent valuer appointed by the Company (level 3)

c) Investment:

   i) Unquoted equity instruments: Valuation has been done by considering the net worth of the company and price to book multiple to arrive at the fair value (level 3)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

₹ in Crore

Particulars	Fair Value as at March 31, 2022	Significant unobservable inputs	Fair Value as at March 31, 2022		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Call Option	164.60	Risk adjusted discount rate	154.20	172.80	Increase in discount rate by 0.50% would decrease the fair value by ₹ 10.40 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 8.20 Crore
		EBITDA margin projection	160.60	166.00	Increase in margin by 0.50% would decrease the fair value by ₹ 4.00 Crore and decrease in margin by 0.50% would increase the fair value by ₹ 1.40 Crore
		Revenue projection	162.10	166.20	Increase in revenue by 0.50% would decrease the fair value by ₹ 2.50 Crore and decrease in revenue by 0.50% would increase the fair value by ₹ 1.60 Crore
Put Option	167.93	Risk adjusted discount rate	162.10	172.50	Increase in discount rate by 0.50% would decrease the fair value by ₹ 5.83 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 4.57 Crore
		EBITDA margin projection	173.50	160.70	Increase in margin by 0.50% would increase the fair value by ₹ 5.57 Crore and decrease in margin by 0.50% would decrease the fair value by ₹ 7.23 Crore
		Revenue projection	169.00	165.50	Increase in revenue by 0.50% would increase the fair value by ₹ 1.07 Crore and decrease in revenue by 0.50% would decrease the fair value by ₹ 2.43 Crore

₹ in Crore

Particulars	Fair Value as at March 31, 2021	Significant unobservable inputs	Fair Value as at March 31, 2021		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Call Option	145.56	Risk adjusted discount rate	137.42	152.59	Increase in discount rate by 0.50% would decrease the fair value by ₹ 8.14 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 7.03 Crore.
		EBITDA margin projection	143.65	146.48	Increase in EBITDA margin by 0.50% would decrease the fair value by ₹ 1.91 Crore and decrease in EBITDA margin by 0.50% would increase the fair value by ₹ 0.92 Crore.
		Revenue projection	141.81	147.90	Increase in revenue projection by 0.50% would decrease the fair value by ₹ 3.75 Crore and decrease in revenue projection by 0.50% would increase the fair value by ₹ 2.34 Crore.

Particulars	Fair Value as at March 31, 2021	Significant unobservable inputs	Fair Value as at March 31, 2021		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Put Option	145.95	Risk adjusted discount rate	139.87	152.01	Increase in discount rate by 0.50% would decrease the fair value by ₹ 6.08 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 6.06 Crore.
		EBITDA margin projection	150.20	139.95	Increase in EBITDA margin by 0.50% would increase the fair value by ₹ 4.25 Crore and decrease in EBITDA margin by 0.50% would decrease the fair value by ₹ 6.00 Crore.
		Revenue projection	147.52	144.59	Increase in revenue projection by 0.50% would increase the fair value by ₹ 1.57 Crore and decrease in revenue projection by 0.50% would decrease the fair value by ₹ 1.36 Crore.

B. Risk management objectives and policies

The Company'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 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 sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

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 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, 2022 and March 31, 2021.

i) Interest rate risk

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2022, approximately 99% of the Company's borrowings are at a fixed rate of interest (March 31, 2021: 98%).

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 Company's profit/ (loss) before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2022		As at March 31, 2021	
Basis points (%)	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax ₹ in Crore	**(0.06)**	**0.06**	(0.09)	0.09

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.

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.

The Company manages foreign currency risk by hedging its transactions using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months. As at March 31, 2022, the Company has hedged Nil (March 31, 2021: Nil) of its receivables in foreign currency and 91% (March 31, 2021: 89%) of its payables in foreign currency.

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

As at March 31, 2022

	Currency	**Foreign currency in Crore**	**₹ in Crore**
Forward contracts to buy (Hedge of payables)	**USD**	**4.61**	**349.93**

As at March 31, 2021

	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy (Hedge of payables)	USD	2.86	214.71

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

As at March 31, 2022

	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	**USD**	**0.26**	**19.56**
	EURO	**0.07**	**5.76**
	GBP	**0.07**	**7.16**
	HKD	**0.03**	**0.28**
Trade receivables	**USD**	**0.27**	**20.55**
	EURO	**0.04**	**3.63**
	GBP	**0.07**	**7.22**
	HKD	**0.16**	**1.57**
Bank balances	**USD**	**0.00***	**0.09**
	CNY	**0.02**	**0.20**
	BDT	**0.07**	**0.06**

As at March 31, 2021

	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	USD	0.19	13.85
	EURO	0.02	1.89
	GBP	0.06	5.65
	HKD	0.62	5.79
Trade receivables	USD	0.12	9.08
	EURO	0.05	4.01
	GBP	0.09	9.29
Bank balances	USD	0.00*	0.09
	CNY	0.01	0.07
	BDT	0.11	0.09

* The amount has been rounded off in Crore.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Company's loss before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	As at March 31, 2022		As at March 31, 2021	
Basis points (%)	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax ₹ in Crore	**(0.10)**	**0.10**	(0.07)	0.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

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 Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Standalone Statement of Profit and Loss.

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

Trade receivables

Customer credit risk is managed by each business unit, subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2022, the Company has 16 customers (March 31, 2021: 20 customers) that owed the Company more than ₹ 5.00 Crore each and accounts for approximately 80% (March 31, 2021: 86%) of all the receivables outstanding. There are 175 customers (March 31, 2021: 87 customers) with balances greater than ₹ 0.50 Crore each and accounts for approximately 18% (March 31, 2021: 13%) of the total amounts receivable.

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

The Company's maximum exposure to credit risk for the components of the Standalone Balance Sheet as at March 31, 2022 and March 31, 2021, is the carrying amount as provided in Note - 15.

c) Liquidity risk

The Company monitors its risk of shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. Approximately, 37% of the Company's debt will mature in less than one year as at March 31, 2022 (March 31, 2021: 28%) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to various sources of funding.

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

As at March 31, 2022

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	**627.24**	**797.07**	**-**	**1,424.31**
Cumulative redeemable preference shares	**-**	**0.51**	**-**	**0.51**
Lease liabilities	**897.94**	**1,918.32**	**228.43**	**3,044.69**
Other financial liabilities	**317.17**	**-**	**167.93**	**485.10**
Deposits	**152.60**	**228.36**	**-**	**380.96**
Trade payables	**3,335.62**	**-**	**-**	**3,335.62**
Total	**5,330.57**	**2,944.26**	**396.36**	**8,671.19**

As at March 31, 2021

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	432.24	967.67	-	1,399.91
Cumulative redeemable preference shares	-	0.51	-	0.51
Lease liabilities	847.52	1,789.10	130.07	2,766.69
Other financial liabilities	213.07	52.90	145.95	411.92
Deposits	130.63	167.28	-	297.91
Trade payables	2,114.28	-	-	2,114.28
Total	3,737.74	2,977.46	276.02	6,991.22

*Includes interest

Excessive risk concentration

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

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

NOTE - 48
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 policy of the Company is to borrow funds through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. 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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Short-term debts (including current maturities of long-term borrowings)	**449.97**	315.83
Long-term debts	**757.40**	802.09
Total borrowings	**1,207.37**	1,117.92
Equity	**2,882.14**	2,684.58

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

NOTE - 49
ACQUISTION OF REEBOK INDIA BUSINESS

On December 14, 2021, the Board approved acquiring the exclusive online and offline rights to the global brand 'Reebok' for India, Bhutan, Nepal, Bangladesh, Maldives, Sri Lanka market and purchase of certain assets of 'Reebok India Company' including inventory, currents assets/liabilities by way of entering into a Licensing Agreement and a Purchase Agreement, respectively. The transaction will be effective upon:a) completion of transfer of global ownership of 'Reebok' Brand from Adidas to Authentic Brand Group, US and b) signing of definitive agreement(s) and necessary statutory approvals, if any.

NOTE - 50
SETTING UP OF D2C SUBSIDIARY

On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C') business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means.

NOTE - 51
ACQUISTION OF HOUSE OF MASABA LIFESTYLE PRIVATE LIMITED ("HMLPL")

On January 14, 2022, the Board of Directors approved the acquisition of majority stake in HMLPL by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. HMLPL houses apparel, non-apparel, beauty and personal care and accessories business under the brand 'Masaba'. The Board of Directors at their meeting held on May 18, 2022 noted the completion of the conditions precedent and authorised officers of the Company to take necessary actions to close the acquisition by signing definitive agreements. Post signing of the definitive agreements the Company will hold 52.4% stake in HMLPL making it a subsidiary of the Company.

NOTE - 52
RATIO DISCLOSURES

	As at March 31, 2022	As at March 31, 2021	% Change	Reasons for variance more than 25%
Current ratio (times)[1]	**1.03**	1.08	-4.63%	Not applicable
Debt equity ratio (times)[2]	**0.17**	0.22	21.92%	Not applicable
Debt service coverage ratio (times)[3]	**0.04**	(0.67)	105.74%	Increase in Earnings before interest and tax and reduction in principal repayments compared to previous year
Return On Equity (%)[4]	**-2.90%**	-34.46%	91.58%	Decrease in Loss for the year
Inventory turnover (times)[5]	**3.50**	2.53	38.22%	Increase in Revenue from Operations for the year
Debtors turnover (times)[6]	**11.55**	8.02	44.01%	Increase in Revenue from Operations for the year
Trade Payables turnover (times)[7]	**1.70**	0.93	-82.80%	Increase in purchases in line with increase in Revenue from Operations.
Net capital turnover (times)[8]	**11.67**	5.67	105.82%	Increase in Revenue from Operations and increase in net working capital
Net profit margin (%)[9]	**-1.03%**	-12.54%	91.79%	Increase in Revenue from Operations resulting in decrease in Loss for the year
Return On Average Capital Employed (%)[10]	**3.52%**	-4.44%	179.28%	Increase in Earnings before interest and tax compared to previous year
Return On Investment (%)[11]	**2.13%**	-2.90%	173.45%	Increase in Earnings before interest and tax and increase in total assets 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* 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE - 53
LARGE CORPORATE DISCLOSURE

The Company is a Large Corporate as per the SEBI circular number SEBI/HO/DDHS/CIR/P/2018/144 ¬dated November 26, 2018. Below is disclosure required as per the said circular:

Details of the current block — **₹ in Crore**

Particulars	**Details**
2-year block period	**FY2021-22, FY2022-23**
Incremental borrowing done in FY 2021-22 (a)	**400.00**
Mandatory borrowing to be done through debt securities in FY 2021-22 (b) = (25% of a)	**100.00**
Actual borrowing done through debt securities in FY 2021-22 (c)	**400.00**
Shortfall in the borrowing through debt securities, if any, for FY 2020-21 carried forward to FY 2021-22 (d)	**Nil**
Quantum of (d), which has been met from (c) (e)	**Nil**
Shortfall, if any, in the mandatory borrowing through debt securities for FY 2021-22 {after adjusting for any shortfall in borrowing for FY 2020-21 which was carried forward to FY 2021-22} (f)= (b)-[(c)-(e)]	**Nil**
Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	**NA**

NOTE - 54
SEGMENT INFORMATION

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the Consolidated Financial Statements of the Company and therefore no separate disclosure on segment information is given in these Standalone Financial Statements.

NOTE - 55
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

The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly return with such banks and the details are as under:

For the year ended March 31, 2022

₹ in Crore

Name of the Bank/Financial Institution	Aggregate working capital limits sanctioned basis security of current assets	Nature of Current Assets offered as Security	Amount disclosed as per quarterly return	Amount as per books of account	Difference *
State Bank of India, HDFC Bank Limited and Axis Bank Limited (Quarter ended June 2021)	808.00	Inventory and books debts	2,677.55	2,808.54	130.99
State Bank of India, HDFC Bank Limited and Axis Bank Limited (Quarter ended September 2021)	808.00	Inventory and books debts	3,141.96	3,315.73	173.77
State Bank of India, HDFC Bank Limited and Axis Bank Limited (Quarter ended December 2021)	808.00	Inventory and books debts	2,928.97	3,254.04	325.07
State Bank of India, HDFC Bank Limited and Axis Bank Limited(Quarter ended March 2022)	808.00	Inventory and books debts	2,986.09	3,483.63	497.54

For the year ended March 31, 2021

Name of the Bank/Financial Institution	Aggregate working capital limits sanctioned basis security of current assets	Nature of Current Assets offered as Security	Amount disclosed as per quarterly return	Amount as per books of account	Difference *
State Bank of India, HDFC Bank Limited and Axis Bank Limited (Quarter ended June 2020)	808.00	Inventory and books debts	2,883.59	3,031.34	147.75
State Bank of India, HDFC Bank Limited and Axis Bank Limited (Quarter ended September 2020)	808.00	Inventory and books debts	2,716.52	3,001.18	284.66
State Bank of India, HDFC Bank Limited and Axis Bank Limited (Quarter ended December 2020)	808.00	Inventory and books debts	2,531.98	2,688.62	156.64
State Bank of India, HDFC Bank Limited and Axis Bank Limited(Quarter ended March 2021)	808.00	Inventory and books debts	2,475.36	2,342.83	(132.53)

*Certain categories of inventories and book debts were excluded in the quarterly returns filed by the Company.

(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 or previous 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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

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

(viii) UNDISCLOSED INCOME

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

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the current or previous 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 or previous year. The Company did not have any Investment Property during the current or previous year.

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

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

NOTE - 56
PREVIOUS YEAR FIGURES

Standalone Financial Statements for the year ended March 31, 2022 have been prepared in accordance with amended Division II of Schedule III to the Companies Act, 2013. Balances of certain assets and liabilities as at the previous year ended March 31, 2021 have been regrouped or reclassified, where necessary, to comply with the amended Division II of Schedule III. Such reclassifications did not have a material impact on the financial statements.

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

A. J. SHAIKH
Partner
Membership No. : 203637

Place: Mumbai
Date : May 18, 2022

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Fashion and Retail Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Aditya Birla Fashion and Retail Limited (hereinafter referred to as the "Holding Company") which includes the financial statements of ABFRL Employee Welfare Trust and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (Refer Note 53 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, 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 a summary of significant accounting policies 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 joint venture as at March 31, 2022, of consolidated total comprehensive loss (comprising of loss and other comprehensive income), 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 joint venture 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-paragraph 16 of the Other Matters section below, 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 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 Matters	How our audit addressed the key audit matters
Impairment assessment of goodwill (Refer Note 5A to the consolidated financial statements) The Group has goodwill of ₹ 2,209.20 crores as at March 31, 2022. The goodwill was acquired in business combinations recorded in the prior years and was allocated to cash generating units (CGU) of the Company. In accordance with Ind AS 36, *Impairment of Assets*, goodwill 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 has been allocated by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU which is higher of value in use and fair value less costs of disposal. Impairment assessment of goodwill requires significant management judgement and estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates. Given the judgement, subjectivity and sensitivity of key parameters to the changes in economic conditions, the impairment assessment of goodwill is considered to be a key audit matter.	Our audit procedures included the following: • Understood and evaluated the design and tested operating effectiveness of Holding company's controls to assess impairment of goodwill on an annual basis. • Evaluated whether the CGUs were determined and the goodwill allocation was performed in accordance with requirements of Ind AS 36 and our knowledge of the Group operations. • Evaluated the appropriateness of the approach selected by the management to determine the recoverable amount of the CGU. • Evaluated the objectivity, competency and independence of the management expert engaged by the Holding Company. • Assessed the reasonableness of the cashflow projections by testing the key management assumptions and estimates used in the impairment analysis and evaluated the consistency of the cashflow projections with the budgets approved by the Board of Directors. • Evaluated the sensitivity analysis performed by management on the growth rates and discount rate to determine whether reasonable changes in these key assumptions would result in the carrying amounts of individual CGUs to exceed their recoverable amounts. • Involved auditor's expert to assist in evaluating the impairment assessment including certain assumptions used. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on procedures above, management's impairment assessment of goodwill appears to be reasonable.
Provision for Inventory obsolescence (Refer Notes 12 and 41(f) to the consolidated financial statements) The Group held inventories of ₹ 2,929.59 crores as at March 31, 2022. In accordance with Ind AS 2, *Inventories*, inventories are carried at lower of cost or net realizable value. The Group operates in a fast changing fashion market where there is a risk of inventory falling out of fashion and proving difficult to be sold above cost. Management has a policy to recognize provisions for inventory considering assessment of future trends and the Group's past experience related to its ability to liquidate the aged inventory.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for inventory obsolescence. • Evaluated the methodology used by the management to determine the provision for inventory obsolescence and determined whether the method is consistent with that applied in the prior year. • Assessed whether the changes in the methodology (if any), are reasonable and consistent with our understanding of the changes in the business. • Evaluated the ageing report including assessing its completeness and the underlying management judgements and estimates made. Further, assessed on a sample basis whether the calculation of provision for obsolescence is in accordance with Group's policy.

Key Audit Matters	How our audit addressed the key audit matters
The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimates.	• Verified appropriate approvals for specific obsolescence provisions and assessed their reasonableness on a sample basis. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provision for inventory obsolescence.
Provision for discount and sales returns (Refer Note 41(g) to the consolidated financial statements) The Group has recognized provision for unsettled discounts and sales returns amounting to ₹ 231.88 crores and ₹ 393.39 crores respectively, as at March 31, 2022. Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring control of promised goods to a customer. Recognition of revenue requires determination of the net selling price after considering variable consideration including forecast of sales returns and discounts. The estimate of sales returns and discounts depends on contract terms, forecasts of sales volumes and past history of quantum of returns. The expected returns and discounts that have not yet been settled with the customers are estimated and accrued. Determination of provision for discounts and sales returns is determined as a key audit matter as it involves significant management judgement and estimation.	Our audit procedures included the following: • Understood and evaluated the design and tested the operating effectiveness of Group's controls to assess the adequacy of provision for discounts and sales returns. • Evaluated the periodic account reconciliations prepared by the management during the year. • Evaluated the management estimates and judgements in determining the provision for discounts and sales returns and assessed whether the same is consistent with the prior year. • Evaluated the contract terms for a sample of customer contracts to assess the reasonableness of the provision for discounts and returns and determine whether the same is in line with terms of the contract. • Verified credits notes issued to customers on a sample basis and assessed the validity of claims with the underlying documents and appropriate approvals. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we did not identify any material exceptions in recognition and measurement of provisions for discount and sales returns.

5. The following Key Audit Matter was included in the memorandum of work performed dated May 11, 2022 on the consolidated financial statements of Sabyasachi Calcutta LLP issued by an independent firm of Chartered Accountants ('Component auditor') reproduced by us as under:

Key Audit Matter	How the work of the Component auditor addressed the key audit matter
Impairment assessment of intangible asset Sabyasachi Calcutta LLP has an Intangible Asset being 'Brand' amounting to ₹623.26 crores as at March 31, 2022 which was recognized in previous year on reconstitution of the Limited Liability Partnership.	The audit procedures included the following: • Understood the Sabyasachi Calcutta LLP's management process of forecasting the future cash flows, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data, wherever necessary;

Key Audit Matter	How the work of the Component auditor addressed the key audit matter
Sabyasachi Calcutta LLP's management has engaged independent valuation expert to perform impairment assessment of brand by determining their recoverable amount using the value in use method. Sabyasachi Calcutta LLP's management has determined that the brand has an indefinite useful life. Impairment assessment of brand with indefinite useful life is considered as a key audit matter since it requires estimates such as projected cash flows, discount rates, growth rates over the projection period and terminal growth rates which are subjective and sensitive to changes in economic conditions.	• Assessed that the methodology used by Sabyasachi Calcutta LLP's management to estimate the value in use of the brand is consistent with accounting standards and is in line with the valuation standards applicable in India; • Involved auditor's expert to assess the methodologies used by Sabyasachi Calcutta LLP's management to determine the recoverable amount of the Intangible Asset; • Evaluated the Sabyasachi Calcutta LLP management's determination that no re-estimation of the useful life of the brand is considered necessary at the year end. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on procedures above, management's impairment assessment of the brand appears to be reasonable.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Chairman's Statement, Report of Board of Directors, Sustainability and Business Responsibility Report, Corporate Governance Report and Management Discussion and Analysis Report but does not include the consolidated financial statements and our auditor's report thereon.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms 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 consolidated changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance

of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal 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.

    - 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 ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture 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.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. The consolidated financial statements of the Company for the year ended March 31, 2021 were audited by another firm of chartered accountants under the Act who, vide their report dated May 28, 2021, expressed an unmodified opinion on those consolidated financial statements.

16. We did not audit the financial statements of 4 subsidiaries (including a step down subsidiary), included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 1,145.79 crores and net assets of ₹874.45 crores as at March 31, 2022, total revenue of

₹269.20 crores, total profit after tax of ₹10.16 crores and total comprehensive income (comprising of profit and other comprehensive loss) of ₹ 9.74 crores and net cash outflows of ₹2.65 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

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 matter 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.

    (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 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 as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies (as applicable) and joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) 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'.

    (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint venture – Refer Notes 25 and 46 to the consolidated financial statements.

ii. The Group and its joint venture did not have any long-term contracts including derivative contracts as at March 31, 2022 for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture incorporated in India during the year.

iv. (a) The respective Managements of the Holding Company and its subsidiaries and a joint venture 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 and a joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries and a joint venture 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and a joint venture ("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 a joint venture 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 and a joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and a joint venture 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 joint venture 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; and

(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 and a joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Holding Company, its subsidiary companies, and joint venture, has not declared or paid any dividend during the year.

19. The Group and its joint venture have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJFDRZ5331

Place: Mumbai
Date: May 18, 2022

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of Aditya Birla Fashion and Retail Limited on the consolidated financial statements for the year ended March 31, 2022

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, 2022, we have audited the internal financial controls with reference to Consolidated financial statements of Aditya Birla Fashion and Retail Limited (hereinafter referred to as "the Holding Company"), 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 Consolidated financial statements is not applicable to all the subsidiaries and a joint venture incorporated in India namely Jaypore E-commerce Private Limited, TG Apparel & Decor Private Limited, Sabyasachi Calcutta LLP, Indivinity Clothing Retail Private Limited, Finesse International Design Private Limited and Goodview Fashion Private Limited, respectively, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company, 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, is 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 deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to 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.

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

Meaning of Internal Financial Controls with reference to 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 Consolidated 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 Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company which is a company incorporated in India, has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJFDRZ5331

Place: Mumbai
Date: May 18, 2022

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 Fashion and Retail Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given remarks in their CARO report on the standalone financial statements of the respective companies to whom requirements of CARO 2020 is applicable and 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 in the respective CARO reports
1.	Aditya Birla Fashion and Retail Limited	L18101MH2007PLC233901	Holding Company of the group	May 18, 2022	(i)(c) and (ii)(b)
2.	Finesse International Design Private Limited	U74900DL2007PTC164203	Subsidiary	May 11, 2022	(xvii)
3.	Indivinity Clothing Retail Private Limited	U18109HR2021PTC093323	Subsidiary	May 12, 2022	(xvii)
4.	Goodview Fashion Private Limited	U18100HR1996PTC096704	Joint Venture	May 12, 2022	(xvii)
5.	Jaypore E-Commerce Private Limited	U51900DL2012PTC289276	Subsidiary	May 11, 2022	(xvii)
6.	TG Apparel & Decor Private Limited	U51109DL2015PTC288706	Subsidiary	May 11, 2022	(xvii)

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

A. J. Shaikh
Partner
Membership Number: 203637
UDIN: 22203637AJFDRZ5331

Place: Mumbai
Date: May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

₹ in Crore

	Notes	Page No.	As at March 31, 2022	As at March 31, 2021
ASSETS				
I Non-current assets				
(a) Property, plant and equipment	3a	294	**631.20**	574.71
(b) Capital work-in-progress	3b	295	**102.57**	37.60
(c) Right-of-use assets	4a	296	**2,522.93**	2,141.42
(d) Investment property	4c	297	**1.92**	1.92
(e) Goodwill	5	298	**2,209.20**	2,209.20
(f) Other intangible assets	5	298	**693.99**	699.65
(g) Intangible assets under development			**0.64**	-
(h) Financial assets				
(i) Investment in joint venture	6a	301	**68.57**	66.93
(ii) Other investments	6b	302	**7.32**	6.66
(iii) Loans	7	302	**1.56**	2.59
(iv) Security deposits	8	302	**323.58**	308.95
(v) Other financial assets	9	302	**3.32**	0.46
(i) Deferred tax assets	10	303	**380.46**	333.92
(j) Non-current tax assets (net)			**22.81**	24.89
(k) Other non-current assets	11	304	**101.97**	71.93
Total - Non-current assets			**7,072.04**	6,480.83
II Current assets				
(a) Inventories	12	304	**2,929.59**	1,846.96
(b) Financial assets				
(i) Current investments	13	305	**608.14**	344.31
(ii) Loans	14	306	**7.14**	6.54
(iii) Security deposits	15	306	**118.96**	100.90
(iv) Trade receivables	16	307	**756.43**	607.97
(v) Cash and cash equivalents	17	309	**118.22**	246.13
(vi) Bank balance other than Cash and cash equivalents	18	311	**2.31**	15.62
(vii) Other financial assets	19	311	**43.56**	15.66
(c) Other current assets	20	311	**750.17**	596.00
Total - Current assets			**5,334.52**	3,780.09
TOTAL - ASSETS			**12,406.56**	10,260.92

ADITYA BIRLA FASHION AND RETAIL LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

₹ in Crore

	Notes	Page No.	As at March 31, 2022	As at March 31, 2021
EQUITY AND LIABILITIES				
I Equity				
(a) Equity share capital	21	312	**938.29**	915.05
(b) Other equity	22	316	**1,835.03**	1,728.74
Equity attributable to owners of the Company			**2,773.32**	2,643.79
(c) Non-controlling interest	22	316	**15.20**	32.48
Total - Equity			**2,788.52**	2,676.27
II Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	319	**777.97**	814.37
(ii) Lease liabilities	4b	297	**2,076.46**	1,754.13
(iii) Deposits			**228.36**	167.28
(iv) Other financial liabilities	24	322	**421.92**	427.11
(b) Deferred tax liabilities	10	303	**211.94**	212.25
(c) Provisions	25	322	**101.68**	95.84
(d) Other non-current liabilities	26	323	**11.73**	11.44
Total - Non-current liabilities			**3,830.06**	3,482.42
III Current liabilities				
(a) Financial liabilities				
(i) Borrowings	27	323	**454.36**	322.01
(ii) Lease liabilities	4b	297	**791.63**	709.27
(iii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	28	323	**87.44**	26.89
Total outstanding dues of creditors other than micro enterprises and small enterprises	28	323	**3,323.12**	2,125.53
(iv) Deposits			**152.62**	130.73
(v) Other financial liabilities	29	324	**336.90**	219.70
(b) Liabilities for current tax (net)			**2.29**	-
(c) Provisions	30	325	**101.32**	91.98
(d) Other current liabilities	31	325	**538.30**	476.12
Total - Current liabilities			**5,787.98**	4,102.23
TOTAL - EQUITY AND LIABILITIES			**12,406.56**	10,260.92
Summary of significant accounting policies	2.3			

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 18, 2022

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

		Notes	Page No.	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenue from operations	32	326	**8,136.22**	5,248.92
II	Other income	33	327	**100.55**	73.40
III	**Total income (I + II)**			**8,236.77**	5,322.32
IV	**Expenses**				
	(a) Cost of materials consumed	34a	328	**867.18**	421.25
	(b) Purchase of stock-in-trade	34b	328	**3,793.42**	1,526.72
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	34c	328	**(940.43)**	614.99
	(d) Employee benefits expense	35	329	**1,158.53**	865.39
	(e) Finance costs	36	329	**350.71**	502.60
	(f) Depreciation and amortisation expense	37	329	**997.03**	962.75
	(g) Rent expense	45a & 4a	353 & 296	**393.22**	10.67
	(h) Other expenses	38	330	**1,764.38**	1,255.15
	Total expenses			**8,384.04**	6,159.52
V	**Loss before Share in Profit/ (Loss) of Joint Venture and Tax (III - IV)**			**(147.27)**	(837.20)
VI	Add: Share in Profit / (Loss) of Joint Venture			**2.34**	(0.34)
VII	**Loss before tax (V+ VI)**			**(144.93)**	(837.54)
VIII	**Income tax expense**				
	(a) Current tax	39	331	**20.89**	40.12
	(b) Deferred tax	39	331	**(47.46)**	(141.66)
				(26.57)	(101.54)
IX	**Loss for the year (VII - VIII)**			**(118.36)**	(736.00)
X	**Other comprehensive income/ (loss)**				
	Items that will not be reclassified to profit or loss				
	(a) Re-measurement gains/ (losses) on defined benefit plans			**1.82**	2.89
	Income tax effect on above			**(0.35)**	(0.73)
	(b) Fair value gains/ (losses) on equity instruments			**0.64**	(0.50)
	Income tax effect on above			**(0.16)**	0.13
	Items that will be reclassified to profit or loss				
	(a) Exchange differences on translation of foreign operations			**0.10**	0.02
	Income tax effect on above			**-**	-
	Total other comprehensive income/ (loss) for the year			**2.05**	1.81
XI	**Total comprehensive income/ (loss) for the year (IX + X)**			**(116.31)**	(734.19)
XII	**Loss attributable to**				
	- Owners of the Company			**(108.72)**	(672.51)
	- Non-controlling interest			**(9.64)**	(63.49)
				(118.36)	(736.00)

ADITYA BIRLA FASHION AND RETAIL LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

	Notes	Page No.	Year ended March 31, 2022	Year ended March 31, 2021
XIII Other comprehensive income/ (loss) attributable to				
- Owners of the Company			**1.99**	1.67
- Non-controlling interest			**0.06**	0.14
			2.05	1.81
XIV Total comprehensive income/ (loss) attributable to				
- Owners of the Company			**(106.73)**	(670.84)
- Non-controlling interest			**(9.58)**	(63.35)
			(116.31)	(734.19)
XV Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2021 : ₹ 10)]	40	332		
Basic (₹)			**(1.18)**	(8.23)
Diluted (₹)			**(1.18)**	(8.23)
Summary of significant accounting policies	2.3			

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 18, 2022

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

a. Equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Equity shares of ₹ 10 each issued				
As at the beginning of the year	937,736,163	937.73	773,964,840	773.96
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) & (iv)]	280,504	0.28	163,268,882	163.27
Exercise of Options (Refer Note - 44)	492,871	0.49	502,441	0.50
As at the end of the year	938,509,538	938.50	937,736,163	937.73

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
Equity shares of ₹ 10 each subscribed and fully paid				
As at the beginning of the year	937,530,659	915.05	773,947,987	773.95
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) & (iv)]	280,504	22.75	163,080,231	140.60
Exercise of Options (Refer Note - 44)	492,871	0.49	502,441	0.50
As at the end of the year	938,304,034	938.29	937,530,659	915.05

b. Other equity

₹ in Crore

	Share suspense account (Refer Note - 22)	Reserves and surplus					Other comprehensive income			Equity attributable to owners of the Company	Non-controlling interest (Refer Note-22)	Total other equity
		Securities premium (Refer Note - 22)	Retained earnings (Refer Note - 22)	Share options outstanding account (Refer Note - 22)	Treasury shares (Refer Note - 22)	Capital reserve (Refer Note - 22)	Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Foreign currency translation reserve (Refer Note-22)			
As at April 01, 2020	0.02	773.64	(444.92)	44.15	(100.49)	21.69	(2.31)	2.21	(0.05)	293.94	19.90	313.84
Pursuant to business combination (Refer Note - 22)	-	-	-	-	-	-	-	-	-	-	450.14	450.14
Profit/ (Loss) during the year	-	-	(672.51)	-	-	-	-	-	-	(672.51)	(63.49)	(736.00)
Share forfeiture/ (issued) during the year	-	-	-	-	-	0.19	-	-	-	0.19	-	0.19
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) & (iv)]	-	2,097.49	-	-	-	-	-	-	-	2,097.49	-	2,097.49
Non-controlling Interest put option (Refer Note - 24)	-	-	-	-	-	-	-	-	-	-	(374.21)	(374.21)
Premium on exercise of Options	-	0.06	-	-	-	-	-	-	-	0.06	-	0.06
Other comprehensive income for the year	-	-	-	-	-	-	2.03	(0.37)	0.01	1.67	0.14	1.81
Recognition of Share based payment	-	-	-	11.87	-	-	-	-	-	11.87	-	11.87
Transfer to Securities Premium on exercise of Options	-	8.39	-	(8.39)	-	-	-	-	-	-	-	-
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	(3.97)	-	-	-	-	(3.97)	-	(3.97)
As at March 31, 2021	0.02	2,879.58	(1,117.43)	47.63	(104.46)	21.88	(0.28)	1.84	(0.04)	1,728.74	32.48	1,761.22

ADITYA BIRLA FASHION AND RETAIL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

	Share suspense account (Refer Note - 22)	Reserves and surplus					Other comprehensive income			Equity attributable to owners of the Company	Non-controlling interest (Refer Note-22)	Total other equity
		Securities premium (Refer Note - 22)	Retained earnings (Refer Note - 22)	Share options outstanding account (Refer Note - 22)	Treasury shares (Refer Note - 22)	Capital reserve (Refer Note - 22)	Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 22)	Fair value gains/ (losses) on equity instruments (Refer Note - 22)	Foreign currency translation reserve (Refer Note-22)			
As at April 01, 2021	0.02	2,879.58	(1,117.43)	47.63	(104.46)	21.88	(0.28)	1.84	(0.04)	1,728.74	32.48	1,761.22
Profit/ (Loss) during the year	-	-	(108.72)	-	-	-	-	-	-	(108.72)	(9.64)	(118.36)
Other comprehensive income for the year	-	-	-	-	-	-	1.39	0.50	0.10	1.99	0.06	2.05
Recognition of Share based payment	-	-	-	29.13	-	-	-	-	-	29.13	-	29.13
Share forfeiture/ (issued) during the year	-	-	-	-	-	(0.14)	-	-	-	(0.14)	-	(0.14)
Equity shares under Rights Issue and Preferential Issue [Refer Note- 21(iii) & (iv)]	-	226.05	-	-	-	-	-	-	-	226.05	-	226.05
Non-controlling interest relating to Sabyasachi Calcutta LLP recognised on April 01, 2021	-	-	-	-	-	-	-	-	-	-	374.21	374.21
Difference between Put option liability and NCI relating to Sabyasachi Calcutta LLP [Refer Note - 2.3(XIII)]	-	-	(46.94)	-	-	-	-	-	-	(46.94)	46.94	-
Non-controlling interest relating to Sabyasachi Calcutta LLP derecognised on March 31, 2022	-	-	-	-	-	-	-	-	-	-	(421.15)	(421.15)
Acquisition of NCI share	-	-	2.65	-	-	-	-	-	-	2.65	(2.65)	-
Transfer to Securities Premium on exercise of Options	-	12.55	-	(12.55)	-	-	-	-	-	-	-	-
Treasury shares issued/ (purchased) by ESOP Trust	-	-	-	-	1.37	-	-	-	-	1.37	-	1.37
Others	-	-	5.05	(4.15)	-	-	-	-	-	0.90	(5.05)	(4.15)
As at March 31, 2022	0.02	3,118.18	(1,265.39)	60.06	(103.09)	21.74	1.11	2.34	0.06	1,835.03	15.20	1,850.23

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 18, 2022

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities			
Loss before tax		**(144.93)**	(837.54)
Adjustments for:			
Depreciation and amortisation expense	37	**997.03**	962.75
Finance costs	36	**348.40**	500.38
Gain on retirement of right-of-use assets	33	**(14.85)**	(21.74)
Rent concession on lease rentals	4b, 41k & 45a	**(219.18)**	(343.72)
(Profit)/ Loss on sale/ discard of property, plant and equipment		**(2.66)**	0.72
Share-based payment to employees	35	**29.13**	11.70
Interest income	33	**(9.38)**	(2.42)
Liabilities no longer required written back		**(2.10)**	(3.83)
Net gain on sale of current investments	33	**(20.23)**	(3.29)
Net Unrealised exchange (gain)/ loss		**3.69**	1.46
Expense/ (income) on financial assets/ liabilities that is designated as fair value through profit or loss		**(28.16)**	(27.08)
Provision for doubtful debts, deposits and advances	38	**7.17**	14.22
Bad debts written off	38	**1.22**	1.89
Share of (profit)/ loss of Joint Venture		**(2.34)**	0.34
Operating profit before working capital changes		**942.81**	253.84
Changes in working capital:			
(Increase)/ decrease in trade receivables		**(155.51)**	224.93
(Increase)/ decrease in inventories		**(1,082.63)**	611.14
(Increase)/ decrease in other assets		**(196.59)**	(6.05)
Increase/ (decrease) in trade payables		**1,259.83**	(53.17)
Increase/ (decrease) in provisions		**15.59**	(7.64)
Increase/ (decrease) in other liabilities		**183.45**	83.57
Cash generated from operations		**966.95**	1,106.62
Income taxes paid (net of refund)		**(16.44)**	(2.82)
Net cash flows from operating activities		**950.51**	1,103.80
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets and capital advance		**(347.95)**	(161.26)
Consideration on acquisition of/ investment in subsidiaries, net of cash acquired		**-**	15.56
Drawings by minority holder of Limited Liability Partnership Firm		**-**	(316.24)
Investments in joint venture		**-**	(67.18)
Purchase of current investments		**(10,008.14)**	(12,410.75)
Proceeds/ (Investment) in treasury shares held by ESOP Trust		**1.37**	(3.97)
Proceeds from sale of property, plant and equipment and intangible assets		**29.49**	2.74
Proceeds from sale/ maturity of current investments		**9,764.54**	12,083.44
Interest received		**9.24**	2.44
Net cash flows used in investing activities		**(551.45)**	(855.22)

ADITYA BIRLA FASHION AND RETAIL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from financing activities			
Proceeds from issue of equity shares		**0.49**	0.50
Proceeds from Rights Issue (net off share issue expenses)	21(iii)	**247.12**	738.66
Proceeds from Preferential Issue (net off share issue expenses)	21(iv)	**-**	1,499.63
Proceeds from non-current borrowings (net off charges)		**414.34**	692.32
Proceeds from sale of property, plant and equipment under sale and leaseback arrangement		**-**	28.65
Proceeds/ (repayments) from current borrowings (net)		**432.35**	(1,513.38)
Repayment of non-current borrowings		**(750.74)**	(833.67)
Repayment of lease liabilities		**(560.87)**	(406.10)
Interest paid		**(309.66)**	(475.87)
Net cash flows used in financing activities		**(526.97)**	(269.25)
Net Decrease in cash and cash equivalents		**(127.91)**	(20.67)
Cash and cash equivalents at the beginning of the year		**246.13**	266.80
Cash and cash equivalents at the end of the year	17	**118.22**	246.13
Components of Cash and cash equivalents			
Balances with banks - on current accounts		**36.75**	91.97
Balances with banks - on deposit accounts (original maturity less than 3 months)		**50.44**	124.43
Balances with credit card companies		**11.19**	4.12
Balances with e-wallet companies		**1.91**	1.21
Cash on hand		**13.67**	14.48
Cheques/ drafts on hand		**4.26**	9.92
Total Cash and cash equivalents		**118.22**	246.13

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

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 18, 2022

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

1. CORPORATE INFORMATION

Aditya Birla Fashion and Retail Limited ("the Company" or "the Holding Company"), a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400070.

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

The consolidated financial statements, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors in their meeting held on May 18, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;
- Share-based payment; and
- Derivative financial instruments.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Group has evaluated the effect of the amendments on its financial statements and complied with the same.

2.2 Functional and Presentation Currency:

The functional currency of the Group, its subsidiaries and its joint venture is determined on the basis of the primary economic environment in which it operates. The financial statements are presented in Indian Rupee (₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crore, unless otherwise stated. (₹ 1 Crore is equal to ₹ 10 Million)

2.3 Summary of significant accounting policies

(I) Principles of consolidation

The consolidated financial statements (CFS) comprise the financial statements of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Company and its Subsidiaries and Joint Venture. 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 of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

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

<u>Consolidation procedures for subsidiaries:</u>

- 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 Company.

Equity Accounted Investees:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains resulting from the transaction between the Group and joint venture are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

When the Group's share of losses of joint venture equals or exceeds its interest in that joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the Consolidated Statement of Profit and Loss separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The financial statements of the joint venture 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 joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture 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.

(II) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

(III) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents assets, liabilities, income and expenses which relate to the Group as a whole and are not allocated to the segments.

Inter-segment transfers

The Group generally accounts for inter-segment sales at arm's length basis in a manner similar to transactions with third parties.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income, expense and other common assets and liabilities which are not allocated to any business segment.

Segment accounting policies

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.

(IV) 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.

(V) Foreign currencies

Transactions and balances:

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Consolidated Balance Sheet date.

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

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

For the purposes of presenting these consolidated financial statements, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into Indian Rupees, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences arising on translation for consolidation are recognised in OCI and accumulated in other equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

(VI) 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.

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

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The 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 programme

The Group operates a loyalty programme which allows customers to accumulate points

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

<u>Income from services</u>

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.

<u>Interest income</u>

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 Group estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

<u>Export incentives income</u>

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

<u>Commission income</u>

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.

(VII) Government grants

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

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

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

(VIII) Borrowing costs

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

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

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

(IX) Taxes

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.

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

<u>Deferred tax</u>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

The Group had adopted the new tax regime in the Financial Year 2019-20 under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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

(X) Property, plant and equipment

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

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

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

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 is same as Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Factory buildings	Freehold buildings	30 years
Fences, wells, tube wells	Freehold buildings	5 years
Borewells (pipes, tubes and other fittings)	Freehold buildings	5 years
Other office equipment	Office equipment	5 years
Electrical installations and equipment (at factory)	Plant and equipment	10 years

(b) Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Other than continuous process plant (single shift)	Plant and equipment	15 years	20 years
Plant and machinery – retail stores	Plant and equipment	15 years	5 – 6 years
Furniture and fittings – retail stores	Furniture and fixtures	10 years	5 – 6 years
Furniture and fittings – shop in shop stores	Furniture and fixtures	10 years	3 years
Motorcycles, scooters and other mopeds	Vehicles	10 years	5 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	Vehicles	6 years for motor cars and 8 years for motor buses and motor lorries	4 – 5 years
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	4 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office equipment	5 years	4 years
Electrically operated vehicles including battery powered or fuel cell powered vehicles	Vehicles	8 years	5 years

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

<u>Leasehold assets</u>

Assets	Estimated useful life
Leasehold improvements at stores	5 to 6 years or period of lease, whichever is shorter
Leasehold improvements other than stores	Period of lease

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

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

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

(XI) 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 of 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.

(XII) Intangible assets

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

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 Consolidated Statement of Profit and Loss.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Amortisation methods and periods

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 years	Amortised on straight-line basis
Brands/ trademarks	10 years	Amortised on straight-line basis, except where the Brand/Trademark is considered to have indefinite life
Technical knowhow	10 years	Amortised on straight-line basis
Franchisee rights	20 years	Amortised on straight-line basis over the period of franchise agreement
Non-Compete	7 years	Amortised on straight-line basis

(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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. 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.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

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.

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 put option held by the group over such non-controlling shares remains unexercised, the group accounts for the non-controlling interest and the written put option at the end of each reporting period as below:

a) 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;

b) The group de-recognises the non-controlling interest as if it was acquired at the end of the reporting period;

c) The group recognises a financial liability in respect of the written put option at the present value of the amount payable on exercise of the non-controlling interest; and

d) Difference between b) and c) is accounted for as an equity transaction.

Upon exercise of the put option over the non-controlling interest the amount recognised as financial liability is extinguished by payment of the exercise price.

If the put option over the non-controlling interest remains unexercised, non-controlling interest is recognised at the amount it would have been, as if the 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.

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.

(XIV) Impairment of non-financial assets

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

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

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

(XV) Leases

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, the Group has the right to direct the use of the asset 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.

<u>Where the Group is the lessee</u>

Right-of-use assets

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

The right-of-use asset is subsequently depreciated using the straight-line method from the 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 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 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 Group presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Consolidated Balance Sheet.

Short-term leases and leases of low value assets

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

Where the Group is the lessor

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.

(iii) There is no substantive change to other terms and conditions of the lease.

Pursuant to the above amendment, the Group has applied the practical expedient with effect from April 01, 2020. The Group has accounted the unconditional rent concessions in “Rent expenses” in the Consolidated Statement of Profit and Loss.

Adoption of the COVID-19 related concessions – amendments to Ind AS 116, Leases with effect from April 1, 2021 has resulted in recognition of ₹ 219.18 crores as income from lease concession during the year. This amendment is not expected to have any material impact on the Statement of Profit and Loss for the future years.

(XVI) 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 Consolidated Statement of Profit and Loss are recognised immediately in the Consolidated Statement of Profit and Loss.

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

All 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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

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

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

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

(iv) Equity investments

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

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

Impairment of financial assets:

The Group applies simplified approach of expected credit loss model for recognising impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

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

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

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12- month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

a provision matrix, which takes into account historical credit loss experience and adjusted for forward looking information.

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

(b) <u>Non derivative financial liabilities</u>

(i) Classification as debt or equity

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

(1) Equity instruments:

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

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

(2) Compound financial instruments:

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

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

(3) Financial liabilities:

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

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

Financial liabilities at FVTPL:

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Financial liabilities subsequently measured at amortised cost:

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

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

(ii) Loans and borrowings

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

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

(iii) Foreign exchange gains and losses

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

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

- For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Consolidated Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

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

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

De-recognition of financial assets and financial liabilities

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Offsetting financial instruments

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

(XVII) Derivative financial instruments

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the Consolidated Statement of Profit and Loss when the hedge item affects the Consolidated Statement of Profit and Loss or treated as basis adjustment, if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

(XVIII) Inventories

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

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

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

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates (Refer Note – 41f).

(XIX) 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 – 46).

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.

(XX) Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

The Group makes defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the Consolidated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

(d) Compensated absences

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

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

(XXI) Share-based payment

Employees of the Group receive remuneration in the form of equity-settled instruments and stock appreciation rights 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.

The Group has created an "ABFRL Employee Welfare Trust" (ESOP Trust) and uses it as a vehicle for distributing shares to employees under the Employee Stock Option Scheme 2019 or any subsequent Stock Option Scheme. The trust purchase shares of the Company from the market, for giving shares to employees. The Group treats trust as its extension and shares held by trust are treated as treasury shares.

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 Company'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.

(XXII) Earnings per share

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

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, considered in ascertaining the 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 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.

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

(XXIII) Cash and cash equivalents

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

2.4 New and amended standards adopted by the Group:

The Group has applied the following amendments to Ind AS for the first time from the annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.5 Standards issues but not yet effective:

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended the following accounting standards. These amendments are effective from April 01, 2022 and early adoption is permitted in some cases.

a) Ind AS 16, Property Plant and equipment

b) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

c) Ind AS 101, First time adoption of Indian Accounting Standards

d) Ind AS 103, Business Combinations

e) Ind AS 109, Financial Instruments

f) Ind AS 41, Agriculture

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

NOTE: 3a
PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

	Freehold land*	Freehold buildings*	Plant and equipment	Leasehold improve-ments	Computers	Furniture and fixtures	Office equipment	Vehicles	Total
Cost									
As at April 01, 2020	5.92	42.74	216.72	300.96	113.33	510.56	133.93	15.96	1,340.12
Additions	-	0.62	24.75	44.93	9.05	62.28	6.12	0.41	148.16
Addition pursuant to business combination	-	-	7.37	2.49	1.01	12.06	1.53	0.81	25.27
Disposals	-	-	22.72	21.84	4.77	70.85	4.15	3.44	127.77
As at March 31, 2021	5.92	43.36	226.12	326.54	118.62	514.05	137.43	13.74	1,385.78
Additions	-	-	80.18	83.63	16.99	96.07	14.19	2.17	293.23
Disposals	-	-	46.85	26.43	2.20	74.55	2.53	5.85	158.41
As at March 31, 2022	5.92	43.36	259.45	383.74	133.41	535.57	149.09	10.06	1,520.60
Depreciation									
As at April 01, 2020	-	4.11	79.67	152.83	76.22	312.06	66.74	5.60	697.23
Depreciation for the year (Refer Note - 37)	-	1.56	39.81	49.76	17.61	88.93	7.35	3.77	208.79
Disposals	-	-	17.12	20.92	4.73	46.13	3.25	2.80	94.95
As at March 31, 2021	-	5.67	102.36	181.67	89.10	354.86	70.84	6.57	811.07
Depreciation for the year (Refer Note - 37)	-	1.57	57.15	52.20	9.00	81.22	9.14	3.04	213.32
Disposals	-	-	39.84	20.77	1.50	66.34	1.93	4.61	134.99
As at March 31, 2022	-	7.24	119.67	213.10	96.60	369.74	78.05	5.00	889.40
Net carrying value as at:									
March 31, 2022	5.92	36.12	139.78	170.64	36.81	165.83	71.04	5.06	631.20
March 31, 2021	5.92	37.69	123.76	144.87	29.52	159.19	66.59	7.17	574.71

Net carrying value

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	631.20	574.71
Total	**631.20**	574.71

* The title deeds of immovable properties, included in Property, Plant and Equipment above are held in the name of the Group except for Freehold land and Freehold building wherein the Gross Block amounting to ₹ 5.92 Crore (March 31, 2021: ₹ 5.92 Crore) and ₹ 0.13 Crore (March 31, 2021: ₹ 0.13 Crore), respectively, which are held in the name of the demerged companies and are in the process of being transferred to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 3b
CAPITAL WORK-IN-PROGRESS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	**102.57**	37.60
Total	**102.57**	37.60

Ageing of Capital work-in-progress as on March 31, 2022 ₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	**83.27**	**13.46**	**5.79**	**-**	**102.52**
(ii) Projects temporarily suspended	**-**	**-**	**-**	**0.05**	**0.05**

Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan	To be completed in				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Project 1	-	-	-	-	-
(ii) Project 2	-	-	-	-	-

Ageing of Capital work-in-progress as on March 31, 2021 ₹ in Crore

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	24.56	11.34	0.02	0.03	35.95
(ii) Projects temporarily suspended	0.38	1.27	-	-	1.65

Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan	To be completed in				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Project 1	-	-	-	-	-
(ii) Project 2	-	-	-	-	-

There are no projects as on the reporting periods where costs have been exceeded cost as compared to its original plan or where completion is overdue.

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

(a) Right-of-use assets

₹ in Crore

	Land	Buildings*	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost							
As at April 01, 2020	**10.42**	**2,755.67**	**9.56**	**3.70**	**38.77**	**1.62**	**2,819.74**
Additions	-	741.37	6.96	0.20	51.42	2.32	**802.27**
Addition pursuant to business combination	0.27	30.46	-	-	-	-	**30.73**
Termination	-	250.66	-	-	-	-	**250.66**
As at March 31, 2021	**10.69**	**3,276.84**	**16.52**	**3.90**	**90.19**	**3.94**	**3,402.08**
Additions	-	1,225.58	4.81	-	6.40	2.28	**1,239.07**
Termination	-	162.67	-	-	-	-	**162.67**
As at March 31, 2022	**10.69**	**4,339.75**	**21.33**	**3.90**	**96.59**	**6.22**	**4,478.48**
Depreciation							
As at April 01, 2020	**0.39**	**612.25**	**0.04**	**0.02**	**0.18**	**0.01**	**612.89**
Depreciation for the year (Refer Note - 37)	0.13	723.16	1.74	-	7.33	0.04	**732.40**
Termination	-	84.63	-	-	-	-	**84.63**
As at March 31, 2021	**0.52**	**1,250.78**	**1.78**	**0.02**	**7.51**	**0.05**	**1,260.66**
Depreciation for the year (Refer Note - 37)	0.13	738.33	4.05	0.79	18.21	1.04	**762.55**
Termination	-	67.66	-	-	-	-	**67.66**
As at March 31, 2022	**0.65**	**1,921.45**	**5.83**	**0.81**	**25.72**	**1.09**	**1,955.55**
Net carrying value as at:							
As at March 31, 2022	**10.04**	**2,418.30**	**15.50**	**3.09**	**70.87**	**5.13**	**2,522.93**
As at March 31, 2021	**10.17**	**2,026.06**	**14.74**	**3.88**	**82.68**	**3.89**	**2,141.42**

* The title deeds of Right of Use assets above are held in the name of the Group except for Buildings wherein the Gross Block amounts to ₹ 259.93 Crore (March 31, 2021: ₹ 259. 93 Crore) which are held in the name of the demerged companies and are in the process of being transferred to the Group.

Net carrying value

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Right-of-use assets	**2,522.93**	2,141.42
Total	**2,522.93**	2,141.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(b) Lease liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening balance	**2,463.40**	2,501.80
Additions	**1,198.00**	758.25
Addition pursuant to business combination	**-**	31.99
Retirements	**(105.66)**	(173.40)
Interest expense on lease liabilities	**214.27**	224.91
Rent concession (Refer Note - 41k)	**(219.18)**	(343.72)
Payments	**(682.74)**	(536.43)
Closing balance	**2,868.09**	2,463.40
Current	**791.63**	709.27
Non-current	**2,076.46**	1,754.13

For maturity analysis of lease liabilities, refer Note - 45a.

(c) Investment Property

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Freehold Land and Structure	**1.92**	1.92
Total	**1.92**	1.92
Fair value of investment property	**8.23**	9.83

The above fair value has been arrived on the basis of assessable market value of the above property as per rate specified by Directorate of Registration and Stamp Revenue, Government of West Bengal.

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

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer software	Technical know-how	Franchisee rights	Non-Compete right	Total
Cost							
As at April 01, 2020	1,983.06	79.77	80.85	1.84	33.81	3.00	2,182.33
Additions	-	0.17	7.34	-	-	-	7.51
Addition pursuant to business combination	226.14	606.50	-	-	-	-	832.64
Disposals	-	-	0.26	-	-	-	0.26
As at March 31, 2021	2,209.20	686.44	87.93	1.84	33.81	3.00	3,022.22
Additions	-	0.65	15.85	-	-	-	16.50
Addition pursuant to business combination	-	-	-	-	-	-	-
Disposals	-	-	1.47	-	-	-	1.47
As at March 31, 2022	2,209.20	687.09	102.31	1.84	33.81	3.00	3,037.25
Amortisation							
As at April 01, 2020	-	16.38	63.57	1.28	10.55	0.29	92.07
Amortisation for the year (Refer Note - 37)	-	8.54	11.64	0.20	1.18	-	21.56
Disposals	-	-	0.26	-	-	-	0.26
As at March 31, 2021	-	24.92	74.95	1.48	11.73	0.29	113.37
Amortisation for the year (Refer Note - 37)	-	8.69	11.29	-	1.18	-	21.16
Disposals	-	-	0.47	-	-	-	0.47
As at March 31, 2022	-	33.61	85.77	1.48	12.91	0.29	134.06
Net carrying value as at:							
March 31, 2022	2,209.20	653.48	16.54	0.36	20.90	2.71	2,903.19
March 31, 2021	2,209.20	661.52	12.98	0.36	22.08	2.71	2,908.85

Net carrying value

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Goodwill	2,209.20	2,209.20
Other intangible assets	693.99	699.65
Total	**2,903.19**	2,908.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 5A
IMPAIRMENT TESTING OF GOODWILL

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

1. Pantaloons CGU
2. Madura Fashion & Lifestyle CGU
3. Forever 21 CGU
4. Jaypore CGU
5. Finesse CGU
6. Sabyasachi CGU

Pantaloons CGU

During the year ended March 31, 2013, the Company acquired Pantaloons format business ('Pantaloons business') from Future Retail Limited ("FRL"), which consisted of fashion retail business operating under the brand name "Pantaloons". Pantaloons is a leading large format fashion retailer engaged in retailing of apparel and accessories. The business thus acquired is Pantaloons CGU.

Madura Fashion & Lifestyle CGU

Pursuant to the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective shareholders and creditors ("Composite Scheme"), Madura Undertaking of ABNL and MGL Retail Undertaking of MGLRCL ("demerged undertakings") were transferred to the Company on a going concern basis, w.e.f. April 01, 2015.

Madura Undertaking is a leading premium branded apparel player in India with brands like Louis Philippe, Van Heusen, Allen Solly and Peter England, and MGL Retail Undertaking is primarily engaged in promoting lifestyle brands and having licences to retail various international brands like Armani Collezioni, Hugo Boss, Versace Collection and many more under one roof, 'The Collective'. Both these divisions jointly comprise the Madura Fashion & Lifestyle CGU.

Forever 21 CGU

Effective July 01, 2016, the Company acquired exclusive franchise rights for the Indian market of Forever 21 business comprising of operating retail stores in India for the sale of clothing, artificial jewellery, accessories and related merchandise under the brand name "Forever 21" ("F21"), and is considered as a separate CGU.

Jaypore CGU

Effective July 02, 2019, the Company entered in a Share Purchase Agreement(s) with Jaypore E-Commerce Private Limited ("Jaypore") and TG Apparel & Decor Private Limited ("TG Apparel") which sells ethnic fashion merchandise under its own brand "Jaypore" and of other third-party brands through stores and on-line channels. Consequent to the above, Jaypore, Jaypore Inc., USA (an overseas wholly-owned subsidiary of Jaypore) and TG Apparel become wholly-owned subsidiaries of the Company. These Companies together are considered as a separate CGU "Jaypore CGU".

Jaypore Inc., USA, an overseas wholly-owned subsidiary of Jaypore was dissolved on September 21, 2020.

Finesse CGU

Effective July 26, 2019, the Company entered into a strategic partnership with India's leading designers "Shantanu & Nikhil" by way of acquisition of 51% stake in 'Finesse International Design Private Limited' ("Finesse"), which is primarily engaged in the business of occasional and ceremonial contemporary apparel for men and women under the brand name 'Shantanu & Nikhil'. Finesse became the subsidiary of the Company and is considered as a separate CGU "Finesse CGU".

Sabyasachi CGU

Effective February 24, 2021, the Company entered into Agreement with Sabyasachi Calcutta LLP [formerly M/s. Sabyasachi Couture, a partnership firm ("Sabyasachi") with a profit share of 51% to the Company, which is engaged in the business of manufacturing, distribution and sale of designer apparel, accessories and jewellery under its own brand 'Sabyasachi' (the "Brand" or "Brand – 'Sabyasachi'"). Sabyasachi is India's largest and most influential luxury designer brands with strong Indian roots and global appeal. The Brand straddles categories such as apparel, accessories and jewellery and has a strong franchisee network in India, US, UK, and the Middle East. Considering the terms of the Agreement, Sabyasachi Calcutta LLP became the subsidiary of the Company and is considered as a separate CGU "Sabyasachi CGU". Also refer Note - 47a.

For the purpose of Segment reporting, Madura Fashion & Lifestyle, Forever 21 , Jaypore, Finesse and Sabyasachi CGUs have been aggregated to form Madura Fashion & Lifestyle segment in accordance with Ind AS 108.

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Pantaloons CGU	**1,167.55**	1,167.55
Madura Fashion & Lifestyle CGU	**627.67**	627.67
Forever 21 CGU	**64.38**	64.38
Jaypore CGU	**88.44**	88.44
Finesse CGU	**35.02**	35.02
Sabyasachi CGU	**226.14**	226.14
Total	**2,209.20**	2,209.20

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, 2022, has been determined based on value in use using cash flow projections from financial budgets approved by senior management covering a three years period ended March 31, 2025 and cash flow projections for financial years 2026 and 2027 has been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. The Group has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2027. The pre-tax discount rate is applied to cash flow projections for impairment testing during the financial years. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 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 pre-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 except for Forever 21 CGU, Jaypore CGU ,Finesse CGU and Sabyasachi CGU. The growth rate of these CGUs considers the Group's plan to launch new stores/ expected same store growth, digital e-commerce and change in merchandise.

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

	Terminal growth rate		Discount rate	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Pantaloons CGU	**5.00%**	6.00%	**14.50%**	13.64%
Madura Fashion & Lifestyle CGU	**5.00%**	6.00%	**15.00%**	14.41%
Forever 21 CGU	**5.00%**	6.00%	**14.90%**	15.41%
Jaypore CGU	**5.00%**	6.00%	**19.10%**	19.58%
Finesse CGU	**5.00%**	6.00%	**15.20%**	16.04%
Sabyasachi CGU	**5.00%**	-	**18.70%**	-

NOTE: 6
(a) INVESTMENT IN JOINT VENTURE

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Joint Venture (Refer Note - 47b)		
Share in Net Assets	**38.13**	38.13
Goodwill	**29.05**	29.05
Equity Investment in Joint Venture - at cost	**67.18**	67.18
Share in profit / (loss) after tax (including other comprehensive income) of Joint Venture	**1.39**	(0.25)
Total	**68.57**	66.93

(b) OTHER INVESTMENTS: (Carried at fair value through other comprehensive income)

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Unquoted equity instruments		
7,000 (March 31, 2021: 7,000) fully paid equity shares of ₹ 10/- each of Birla Management Centre Services Limited*	**7.32**	6.66
Total	**7.32**	6.66
* Increase is on account of fair valuation.		
Aggregate book value of unquoted investments	**75.89**	73.59
Aggregate amount of impairment in value of investments	**-**	-

NOTE: 7
NON-CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Loans and advances to employees		
Secured, considered good	**-**	-
Unsecured, considered good	**1.56**	2.59
Loans receivables, which have significant increase in credit risk	**-**	-
Credit impaired	**-**	-
Total	**1.56**	2.59

NOTE: 8
NON-CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Security deposits		
Deposits to related party - unsecured, considered good (Refer Note - 48)	**5.64**	5.64
Unsecured, considered good	**317.94**	303.31
Unsecured, considered doubtful	**0.31**	0.14
Provision for doubtful deposits	**(0.31)**	(0.14)
Total	**323.58**	308.95

NOTE: 9
NON-CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Other bank balance		
Bank deposits with more than 12 months maturity from the Balance Sheet date	**3.32**	0.46
Total	**3.32**	0.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 10
DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

Reflected in the Consolidated Balance Sheet as follows:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	**380.46**	333.92
Deferred tax liabilities	**211.94**	212.25

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

₹ in Crore

	Consolidated Balance Sheet		Consolidated Statement of Profit and Loss	
	As at March 31, 2022	As at March 31, 2021	**Year ended March 31, 2022**	Year ended March 31, 2021
Depreciation and amortisation expense	**(256.69)**	(260.27)	**(3.58)**	303.26
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	**24.76**	21.08	**(3.68)**	22.91
Provision for share-based payment	**7.27**	0.73	**(6.54)**	1.76
Loss as per income tax computations available for offsetting against future taxable income	**492.25**	477.05	**(15.20)**	(459.31)
Intangibles recognised in business combinations	**(7.36)**	(7.36)	**-**	(1.33)
Deferred tax impact on share of loss in joint venture	**-**	-	**-**	(0.09)
Impact of Ind AS 116				
ROU assets and lease liabilities	**115.81**	105.19	**(10.62)**	(13.90)
Others	**4.42**	(2.50)	**(7.33)**	5.64
Net deferred tax assets (net)	**380.46**	333.92	**(46.95)**	(141.06)
Deferred tax liabilities				
Deferred tax pursuant to business combination	**211.94**	211.94	**-**	-
Others	**-**	0.31		
Deferred tax liabilities (Net)	**211.94**	212.25		

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.

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

₹ in Crore

	Deferred tax assets (net)		Deferred tax liabilities (net)	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
As at the beginning of the year	**333.92**	194.96	**(212.25)**	(7.25)
Deferred tax pursuant to business combinations (Refer Note - 47)	**-**	4.93	**-**	(211.94)
Deferred tax income/ (expense) recognised in profit and loss	**47.05**	134.72	**0.31**	6.94
Deferred tax impact on share of loss in joint venture	**-**	(0.09)	**-**	-
Deferred tax income/ (expense) recognised in OCI during the year (Refer Note - 39)	**(0.51)**	(0.60)	**-**	-
As at the end of the year	**380.46**	333.92	**(211.94)**	(212.25)

NOTE: 11
OTHER NON-CURRENT ASSETS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Capital advances	**17.76**	1.29
Prepayments	**43.46**	18.08
Advances to suppliers	**-**	3.00
Balances with government authorities (other than income tax)	**40.08**	47.00
Other receivables	**0.67**	2.56
Total	**101.97**	71.93

NOTE: 12
INVENTORIES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Inventories		
At lower of cost and net realisable value		
Raw materials	**307.51**	196.02
Includes Goods-in-transit ₹ 125.03 Crore (March 31, 2021: ₹ 71.57 Crore)		
Work-in-progress	**65.51**	33.74
Finished goods	**306.24**	158.09
Includes Goods-in-transit ₹ 1.90 Crore (March 31, 2021: ₹ Nil)		
Stock-in-trade	**2,192.44**	1,432.50
Includes Goods-in-transit ₹ 28.46 Crore (March 31, 2021: ₹ 18.05 Crore)		
Stores and spares	**34.43**	9.99
Packing materials	**23.46**	16.62
Total	**2,929.59**	1,846.96

During the year ended March 31, 2022, ₹ 37.09 Crore (March 31, 2021: ₹ 19.95 Crore) is recognised as an expense for inventories carried at net realisable value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 13
CURRENT INVESTMENTS (Carried at fair value through profit and loss (FVTPL))

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Quoted investments		
Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus) (March 31, 2022: 25,70,542.054 units, March 31, 2021: 51,46,153.781 units)	**87.51**	170.61
Aditya Birla Sun Life Overnight Fund - Growth- Direct Plan (March 31, 2022: Nil, March 31, 2021: 11,58,380.796 units)	**-**	128.92
Aditya Birla Sunlife Money Market Fund (March 31, 2022: 1,37,771.60 units March 31, 2021: Nil)	**4.08**	-
Aditya Birla Sunlife Liquid Fund (March 31, 2022: 379,345.35 units, March 31, 2021: 22,623.47 units)	**13.02**	0.75
Aditya Birla Sun Life Savings Fund- Growth (March 31, 2022: 20,322.745 units, March 31, 2021: Nil)	**0.89**	-
Aditya Birla Sun Life Liquid Fund (March 31, 2022: 241,593.084 units, March 31, 2021: Nil)	**8.22**	-
Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan (March 31, 2022: 32,20,919.551 units, March 31, 2021: Nil)	**95.43**	-
Axis Money Market - Regular Growth(MM-GP) (March 31, 2022: 3,35,483.883 units, March 31, 2021: Nil)	**38.49**	-
Axis Liquid Fund - Regular Growth(CF-GP) (March 31, 2022: 1,52,008.935 units, March 31, 2021: Nil)	**35.72**	-
ABSL Money Manager Fund Units (March 31, 2022: 2,53,319.96 units, March 31, 2021: Nil)	**7.51**	-
ABSL Savings Fund Units (March 31, 2022: 1,85,839.79 units, March 31, 2021: Nil)	**8.18**	-
Axis Money Market Fund Units (March 31, 2022: 70,008.14 units, March 31, 2021: Nil)	**8.03**	-
DSP Saving Fund - Regular Plan Growth (March 31, 2022: 35,11,989.369 units, March 31, 2021: Nil)	**15.03**	-
DSP Liquidity Fund - Regular Plan Growth (March 31, 2022: 39,768.674 units, March 31, 2021: Nil)	**12.00**	-
DSP Floater Fund - Regular - Growth Plan (March 31, 2022: Nil, March 31, 2021: 2,18,85,315.269 units)	**-**	22.00
HDFC Money Market Fund - Regular Growth Plan (March 31, 2022: 89,682.608 units, March 31, 2021: Nil)	**41.17**	-
HDFC Liquid Fund - Regular Growth Plan (March 31, 2022: 90,592.704 units, March 31, 2021: Nil)	**37.61**	-
HDFC Ultra Short Term Fund - Regular - Growth Plan (March 31, 2022: Nil, March 31, 2021: 1,85,94,443.411 units)	**-**	22.03
ICICI Prudential Money Market - Fund Growth (March 31, 2022: 5,04,139.019 units, March 31, 2021: Nil)	**15.34**	-
IDFC Cash Fund Units (March 31, 2022: 5,940.95 units, March 31, 2021: Nil)	**1.52**	-
Invesco Liquid Fund Units (March 31, 2022: 17,266.16 units, March 31, 2021: Nil)	**5.02**	-

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Kotak Liquid Fund Regular Plan Growth (March 31, 2022: 82,127.437 units, March 31, 2021: Nil)	35.14	-
Kotak Equity Arbitrage Fund Growth Regular Plan (March 31, 2022: 10,16,322.965 units March 31, 2021: Nil)	3.07	-
L & T Liquid Fund - Regular Growth (March 31, 2022: 69,130.529 units, March 31, 2021: Nil)	20.05	-
Mirae Asset Cash Management Fund - Regular Plan (March 31, 2022: 1,40,625.465 units, March 31, 2021: Nil)	31.17	-
SBI Liquid Fund Regular Growth (March 31, 2022: 1,66,171.185 units, March 31, 2021: Nil)	55.02	-
UTI Overnight Fund - Regular Plan (March 31, 2022: 7,030.267 units, March 31, 2021: Nil)	2.03	-
UTI Liquid Cash Plan - Regular Plan (March 31, 2022: 45,350.426 units, March 31, 2021: Nil)	15.71	-
UTI Arbitrage Fund (March 31,2022: 9,298.017 units, March 31, 2021: Nil)	3.22	-
UTI Money Market Fund Units (March 31, 2022: 32,223.80 units, March 31, 2021: Nil)	7.95	-
Total	**608.14**	344.31
Aggregate book value of quoted investments	**608.14**	344.31
Aggregate market value of quoted investments	**608.14**	344.31

NOTE: 14
CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	**7.14**	6.54
Loans receivables, which have significant increase in credit risk	-	-
Credit impaired	-	-
Total	**7.14**	6.54

NOTE: 15
CURRENT FINANCIAL ASSETS - SECURITY DEPOSITS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Security deposits		
Unsecured, considered good	**118.96**	100.90
Unsecured, considered doubtful	**9.20**	8.04
Provision for doubtful deposits	**(9.20)**	(8.04)
Total	**118.96**	100.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 16
TRADE RECEIVABLES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Trade receivables from others	**781.32**	634.30
Less: Loss Allowances	**(24.89)**	(26.33)
Total	**756.43**	607.97

Break-up for security details:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured, considered good	**104.00**	70.57
Unsecured, considered good	**677.32**	563.73
Total	**781.32**	634.30

Ageing of Trade Receivables:

₹ in Crore

Particulars	Outstanding as on March 31, 2022 (for following periods from due date of payments)						
	Not Due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	550.86	198.43	6.24	2.04	0.90	0.83	759.30
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:*							
Disputed	-	0.11	-	0.11	0.89	6.62	7.73
Undisputed	-	0.32	5.59	0.07	2.14	6.17	14.29
(ix) Provision on Trade Receivables assessed on individual basis							(22.02)
(x) Expected credit loss							(2.87)
Total	550.86	198.86	11.83	2.22	3.93	13.62	756.43

Ageing of Trade Receivables:

₹ in Crore

Particulars	Outstanding as on March 31, 2021 (for following periods from due date of payments)						
	Not Due	0 - 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	258.88	143.58	183.06	19.32	1.77	1.36	607.97
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(viii) Trade Receivables assessed for credit risk on individual basis:*							
Disputed	-	-	0.02	0.24	0.73	6.38	7.37
Undisputed	0.03	3.73	3.71	4.14	4.81	2.54	18.96
(ix) Provision on Trade Receivables assessed on individual basis							(26.33)
(x) Expected credit loss							-
Total	258.91	147.31	186.79	23.70	7.31	10.28	607.97

* The Group has recognised allowance of ₹ 22.02 Crore (March 31, 2021: ₹ 26.33 Crore) on trade receivables, which were assessed for credit risk on individual basis.

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

For terms and conditions relating to related party receivables, refer Note - 48.

Trade receivables are generally non-interest bearing and on terms of 30 to 180 days.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	Expected credit loss (%)					
	As at March 31, 2022			As at March 31, 2021		
	Departmental stores	Depletion key accounts	Trade Channel	Departmental stores	Depletion key accounts	Trade Channel
Not due	0.00%	0.00%	0.64%	-	-	-
0-90 days	0.00%	0.00%	3.12%	-	-	-
91-180 days	0.00%	0.00%	3.44%	-	-	-
181-365 days	0.00%	0.00%	4.10%	-	-	-
1-2 years	0.00%	0.00%	4.32%	-	-	-
2-3 years	0.00%	0.00%	4.41%	-	-	-

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

₹ in Crore

	As at March 31, 2022			As at March 31, 2021		
	Departmental stores	Depletion key accounts	Trade Channel	Departmental stores	Depletion key accounts	Trade Channel
Not due	-	-	242.25	-	-	-
0-90 days	-	-	18.91	-	-	-
91-180 days	-	-	2.52	-	-	-
181-365 days	-	-	2.34	-	-	-
1-2 years	-	-	3.57	-	-	-
2-3 years	-	-	3.84	-	-	-
Total	-	-	273.43	-	-	-

* The amount is net of provision for discount and refund liabilities.

Movement in the expected credit loss allowance

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	**26.33**	19.64
On account of business combination	-	0.40
Expected credit loss provision made/ (reversed) on trade receivables calculated at lifetime expected credit losses	**1.12**	(0.40)
Specific provision (reversed)/ made	**(2.56)**	6.69
As at the end of the year	**24.89**	26.33

NOTE: 17
CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Current accounts	**36.75**	91.97
Deposit accounts (original maturity less than 3 months)	**50.44**	124.43
Balances with credit card companies	**11.19**	4.12
Balances with e-wallet companies	**1.91**	1.21
Cash on hand	**13.67**	14.48
Cheques/ drafts on hand	**4.26**	9.92
Total	**118.22**	246.13

The Group has undrawn committed borrowing facility available to the extent of ₹ 3,546.00 Crore as at March 31, 2022 (March 31, 2021: ₹ 3,714.28 Crore).

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

As at March 31, 2022

₹ in Crore

	As at March 31, 2021	Adjust-ments	Pursuant to business combinations	Cash flows (net)	Non-cash changes: Fair value adjust-ments	Non-cash changes: Others	As at March 31, 2022
Investing activities							
Non-current investments	**73.59**	**-**	**-**	**-**	**0.66**	**1.64**	**75.89**
Current investments	**344.31**	**-**	**-**	**243.60**	**2.80**	**17.43**	**608.14**
Total	**417.90**	**-**	**-**	**243.60**	**3.46**	**19.07**	**684.03**
Financing activities							
Non-current borrowings	**814.37**	**-**	**-**	**(36.40)**	**-**	**-**	**777.97**
Current borrowings (including current maturities of non-current borrowings)	**322.01**	**-**	**-**	**132.35**	**-**	**-**	**454.36**
Lease liabilities	**2,463.40**	**-**	**-**	**(560.87)**	**-**	**965.56**	**2,868.09**
Total	**3,599.78**	**-**	**-**	**(464.92)**	**-**	**965.56**	**4,100.42**

As at March 31, 2021

₹ in Crore

	As at March 31, 2020	Adjust-ments	Pursuant to business combinations	Cash flows (net)	Non-cash changes: Fair value adjust-ments	Non-cash changes: Others	As at March 31, 2021
Investing activities							
Non-current investments	7.16	-	-	70.73	(0.50)	(3.80)	73.59
Current investments	7.04	-	-	327.31	0.33	9.63	344.31
Total	14.20	-	-	398.04	(0.17)	5.83	417.90
Financing activities							
Non-current borrowings	856.93	-	2.58	(45.14)	-	-	814.37
Current borrowings (including current maturities of non-current borrowings)	1,926.10	-	5.50	(1,609.59)	-	-	322.01
Lease liabilities	2,501.80	-	31.99	(377.45)	-	307.06	2,463.40
Total	5,284.83	-	40.07	(2,032.18)	-	307.06	3,599.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 18
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Earmarked deposits		
Current accounts	**0.11**	0.11
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)*#	**2.20**	15.51
Total	**2.31**	15.62

* Bank balance other than cash and cash equivalents are held as margin money under lien to banks for assuring guarantees.

Bank deposits amounting to ₹ Nil (March 31, 2021 ₹ 13.37 Crore) of Sabyasachi Calcutta LLP (a subsidiary of the Company) are held as margin money under lien to banks for assuring guarantees and against term loan/ working capital facilities.

NOTE: 19
CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Interest accrued on deposits	**0.17**	0.03
Other receivables	**43.39**	15.63
Total	**43.56**	15.66

NOTE: 20
OTHER CURRENT ASSETS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Capital advances	**0.12**	-
Prepayments	**57.93**	20.82
Advance to suppliers	**142.33**	110.36
Export incentives	**1.14**	3.08
Balances with government authorities (other than income tax)	**332.70**	247.35
Government grant receivables	**1.24**	1.11
Insurance claim receivables	**0.84**	0.07
Right to return assets	**206.26**	195.51
Other receivables	**7.61**	17.70
Total	**750.17**	596.00

NOTE: 21
EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	**1,00,00,00,000**	**1,000.00**	1,00,00,00,000	1,000.00
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

Issued equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	**93,77,36,163**	**937.73**	77,39,64,840	773.96
Increase during the year towards:				
Equity shares under Rights Issue [Refer Note - 21(iii)]	**2,80,504**	**0.28**	9,00,98,151	90.10
Equity shares under Preferential Issue [Refer Note - 21(iv)]	-	-	7,31,70,731	73.17
Exercise of Options (Refer Note - 44)	**4,92,871**	**0.49**	5,02,441	0.50
As at the end of the year	**93,85,09,538**	**938.50**	93,77,36,163	937.73

Subscribed and paid-up equity share capital

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹ in Crore	No. of shares	₹ in Crore
As at the beginning of the year	**93,75,30,659**	**915.05**	77,39,47,987	773.95
Increase during the year towards:				
Equity shares under Rights Issue [Refer Note - 21(iii)]	**2,80,504**	**22.75**	8,99,09,500	67.43
Equity shares under Preferential Issue [Refer Note - 21(iv)]	-	-	7,31,70,731	73.17
Exercise of Options (Refer Note - 44)	**4,92,871**	**0.49**	5,02,441	0.50
As at the end of the year	**93,83,04,034**	**938.29**	93,75,30,659	915.05

(i) Shares held by Promoters :

Shares held by Promoters as at March 31, 2022			% Change during the year
Promoter name	No. of Shares	% of total shares	
Birla Group Holdings Private Limited	17,15,52,967	18.28	-0.01%
IGH Holdings Private Limited	13,64,72,680	14.54	0.01%
Grasim Industries Limited	9,75,93,931	10.40	0.00%
Umang Commercial Company Private Limited	6,50,66,998	6.93	0.00%
Hindalco Industries Limited	5,02,39,794	5.35	0.00%
Pilani Investment and Industries Corporation Limited	39,88,866	0.43	0.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Shares held by Promoters as at March 31, 2022			% Change during the year
Promoter name	**No. of Shares**	**% of total shares**	
Mrs. Rajashree Birla	**8,63,696**	**0.09**	**0.00%**
Birla Industrial Finance (India) Limited	**1,66,508**	**0.02**	**0.00%**
Birla Consultants Limited	**1,66,422**	**0.02**	**0.00%**
ABNL Investment Limited	**77,430**	**0.01**	**0.00%**
Birla Industrial Investments (India) Limited	**34,666**	**0.00**	**0.00%**
Mr. Kumar Mangalam Birla	**33,966**	**0.00**	**0.00%**
Mrs. Neerja Birla	**20,270**	**0.00**	**0.00%**
Mrs. Vasavadatta Bajaj	**19,542**	**0.00**	**0.00%**
Aditya Vikram Kumar Mangalam Birla HUF	**1,780**	**0.00**	**0.00%**
Total	**52,62,99,516**	**56.09**	

Shares held by Promoters as at March 31, 2021			% Change during the year
Promoter name	No. of Shares	% of total shares	
Birla Group Holdings Private Limited	17,15,52,967	18.29	-3.87%
IGH Holdings Private Limited	13,63,22,680	14.53	3.55%
Grasim Industries Limited	9,75,93,931	10.41	-0.88%
Umang Commercial Company Private Limited	6,50,66,998	6.94	-1.46%
Hindalco Industries Limited	5,02,39,794	5.36	-0.46%
Pilani Investment and Industries Corporation Limited	39,88,866	0.43	0.14%
Mrs. Rajashree Birla	8,63,696	0.09	0.01%
Birla Industrial Finance (India) Limited	1,66,508	0.02	0.00%
Birla Consultants Limited	1,66,422	0.02	0.00%
ABNL Investment Limited	77,430	0.01	0.00%
Birla Industrial Investments (India) Limited	34,666	0.00	0.00%
Mr. Kumar Mangalam Birla	33,966	0.00	0.00%
Mrs. Neerja Birla	20,270	0.00	0.00%
Mrs. Vasavadatta Bajaj	19,542	0.00	0.00%
Aditya Vikram Kumar Mangalam Birla HUF	1,780	0.00	0.00%
Total	52,61,49,516	56.12	

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

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

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

(iii) Issue of Right Shares

Rights Issue - 2020 :

a) Approval : On May 27, 2020, the Board approved fund raising by way of a Rights Issue. On June 25, 2020, it further approved the terms of the issue i.e. 9,04,65,693 equity shares of face value of ₹ 10 each ("RES") at a price of ₹ 110 per Rights Equity Share (including premium of ₹ 100 per RES), aggregating to ₹ 995.12 Crore, in the ratio of 9 RES for every 77 existing fully-paid shares held by the eligible equity shareholders as on the Record Date i.e. July 1, 2020.

b) Application : On July 28, 2020, 9,02,77,042 RES of face-value ₹ 10 each were allotted as Partly paid shares ("PPS") to the eligible applicants who paid the application amount of ₹ 55 per RES (including premium of ₹ 50). Allotment of 1,88,651 RES has been kept in abeyance, pending regulatory/ other clearances.

c) First Call : On January 11, 2021, the 'First call' money of ₹ 27.50 per PPS (including premium of ₹ 25) was called for. On 8,99,09,500 PPS, the amount due, was successfully received. 3,67,542 PPS were forfeited due to non-payment, in accordance with the Articles of Association and Letter of Offer [dated June 28, 2020] ("LoF").

d) Final Call : On July 5, 2021, the final call money of ₹ 27.50 per PPS (including premium of ₹ 25) was called for and the payment period ended on July 19, 2021. The Company issued a 'Reminder cum Forfeiture Notice' to those shareholders who were yet to pay the amount due, thereby allowing time until September 30, 2021 and further extended to May 31, 2022.

e) Annulment of Forfeiture: On September 1, 2021, the Board of Directors approved annulment of 3,67,542 partly paid-up shares ("PPS") which were earlier forfeited. The Company has received payment towards 2,80,504 PPS and has allowed further time until May 31, 2022 to remaining shareholders.

f) There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the LoF.

g) Pursuant to IND AS 33, basic and diluted earnings per share for the relevant previous year have been restated for the bonus element in respect of the aforesaid Rights Issue.

(iv) Preferential Issue to foreign portfolio investors

On October 23, 2020, the Board of Directors approved issuance of equity shares on a preferential basis to Flipkart Investments Private Limited ("Flipkart"), a foreign portfolio investor, duly registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, aggregating upto ₹ 1,500 Crore ("Preferential Issue"). The Company received the approval of shareholders by way of Postal Ballot on November 22, 2020 and received the approval of Competition Commission of India on January 20, 2021. On January 28, 2021, post completion of the closing conditions under the Investment Agreement, the Board of Directors approved allotment of 7,31,70,731 fully paid-up equity shares to Flipkart at ₹ 205 per Equity Share (of which ₹ 10 is towards face value and ₹ 195 towards premium) on receipt of the consideration. There has been no deviation in the use of proceeds of the Preferential Issue, from the objects stated in the Investment agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	**% of paid-up share capital**	No. of shares held	% of paid-up share capital
Birla Group Holdings Private Limited	**17,15,52,967**	**18.28%**	17,15,52,967	18.29%
IGH Holdings Private Limited	**13,64,72,680**	**14.54%**	13,63,22,680	14.53%
Grasim Industries Limited	**9,75,93,931**	**10.40%**	9,75,93,931	10.41%
Flipkart Investments Private Limited	**7,31,70,731**	**7.80%**	7,31,70,731	7.80%
Umang Commercial Company Private Limited	**6,50,66,998**	**6.93%**	6,50,66,998	6.94%
Hindalco Industries Limited	**5,02,39,794**	**5.35%**	5,02,39,794	5.36%

(vi) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting year

On effectiveness of the Composite Scheme of Arrangement amongst the Company, erstwhile Aditya Birla Nuvo Limited ("ABNL"), Madura Garments Lifestyle Retail Company Limited ("MGLRCL") and their respective Shareholders and Creditors under Section 391 to 394 of the Companies Act, 1956, the Company had issued 67,98,19,778 Equity Shares to the Shareholders of ABNL and MGLRCL ("said Shares"). Out of the said Shares, 67,60,37,600 Equity Shares were allotted to the Shareholders of ABNL and MGLRCL on January 27, 2016. However, pursuant to Clause 21 of the Composite Scheme, allotment of 37,82,178 Equity Shares to 3,475 Non-Resident Shareholders, including 4 Overseas Corporate Bodies ("OCBs") of ABNL ("NRE Shareholders") was kept pending until receipt of applicable regulatory approvals. Thereafter, from time to time, the Company has allotted 20,71,265 Equity Shares to 1,407 NRE Shareholders, who held accounts in India on Non-repatriation basis and provided such valid details.

In view of the amended provisions of the "Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017" and the authority granted by the Board of Directors (on February 04, 2019), 16,94,060 Equity Shares were allotted to 2,064 NRE Shareholders of ABNL (excluding OCBs) on March 19, 2019. Post this allotment, out of the said Shares, 16,853 Equity Shares held by 4 OCBs shall remain pending for allotment until the receipt of Regulatory approvals.

Summary of Shares allotted pursuant to the Composite Scheme, as at the end of five years immediately preceding the reporting year:

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	No.of shares	No.of shares	No.of shares	No.of shares	No.of shares
Equity shares allotted as fully paid-up pursuant to demerger contracts for consideration other than cash	**72,61,19,443**	72,61,19,443	72,61,19,443	72,61,19,443	72,44,25,383

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

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Group, refer Note - 44.

NOTE: 22
OTHER EQUITY

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Share suspense account (Refer Note - 21(vi))		
As at the beginning of the year	**0.02**	0.02
Allotted to Non Resident shareholders during the year - Nil equity shares (March 31, 2021: Nil)	**-**	-
As at the end of the year	**0.02**	0.02
Reserves and surplus		
Securities premium		
As at the beginning of the year	**2,879.58**	773.64
Equity shares under Rights Issue (net off share issue expenses of ₹ Nil (March 31, 2021: ₹ 5.12 Crore)) [Refer Note- 21(iii)]	**226.05**	671.03
Equity shares under Preferential Issue (net off share issue expenses of ₹ Nil (March 31, 2021: ₹ 0.37 Crore)) [Refer Note- 21(iv)]	**-**	1,426.46
Premium on exercise of Options	**12.55**	8.45
As at the end of the year	**3,118.18**	2,879.58
Retained earnings		
As at the beginning of the year	**(1,117.43)**	(444.92)
Loss for the year	**(108.72)**	(672.51)
Difference between Put option liability and NCI relating to Sabyasachi Calcutta LLP [Refer Note - 2.3(XIII)]	**(46.94)**	-
Acquisition of NCI share	**2.65**	-
Others	**5.05**	-
As at the end of the year	**(1,265.39)**	(1,117.43)
Share options outstanding account		
As at the beginning of the year	**47.63**	44.15
Recognition of Share based payment	**29.13**	11.87
Transfer to Securities Premium on exercise of Options	**(12.55)**	(8.39)
Others	**(4.15)**	-
As at the end of the year	**60.06**	47.63
Treasury shares (Refer Note - 44)		
As at the beginning of the year	**(104.46)**	(100.49)
Shares issued/ (purchases) by ESOP Trust during the year	**1.37**	(3.97)
As at the end of the year	**(103.09)**	(104.46)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crore

		As at March 31, 2022	As at March 31, 2021
Capital reserve			
As at the beginning of the year		**21.88**	21.69
Changes during the year [due to forfeiture of Rights equity shares (Refer Note - 21(iii))]		**(0.14)**	0.19
As at the end of the year		**21.74**	21.88
Other comprehensive income			
Remeasurement gains/ (losses) on defined benefit plans			
As at the beginning of the year		**(0.28)**	(2.31)
Gains/ (losses) during the year		**1.39**	2.03
As at the end of the year		**1.11**	(0.28)
Fair value gains/ (losses) on equity instruments			
As at the beginning of the year		**1.84**	2.21
Gains/ (losses) during the year		**0.50**	(0.37)
As at the end of the year		**2.34**	1.84
Foreign currency translation reserve			
As at the beginning of the year		**(0.04)**	(0.05)
Gains/ (losses) during the year		**0.10**	0.01
As at the end of the year		**0.06**	(0.04)
Other equity attributable to owners of the Company	**(A)**	**1,835.03**	1,728.74
Non-controlling interest			
As at the beginning of the year		**32.48**	19.90
Pursuant to business combinations (Refer Note - 47)		**-**	450.14
Non-controlling interest relating to Sabyasachi Calcutta LLP recognised on April 01, 2021		**374.21**	-
Difference between Put option liability and NCI relating to Sabyasachi Calcutta LLP [Refer Note - 2.3(XIII)]		**46.94**	-
Non-controlling interest relating to Sabyasachi Calcutta LLP derecognised on March 31, 2022 (Refer Note - 24)		**(421.15)**	-
Acquisition of NCI share		**(2.65)**	-
Profit/ (Loss) during the year		**(9.58)**	(63.35)
Others		**(5.05)**	-
Non-controlling Interest put option (Refer Note - 24)		**-**	(374.21)
As at the end of the year	**(B)**	**15.20**	32.48
Total other equity	**(A+B)**	**1,850.23**	1,761.22

Other equity

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Share suspense account (Refer Note - 21(vi))	**0.02**	0.02
Reserves and surplus		
Securities premium	**3,118.18**	2,879.58
Retained earnings	**(1,265.39)**	(1,117.43)
Share options outstanding account	**60.06**	47.63
Treasury shares (Refer Note - 44)	**(103.09)**	(104.46)
Capital reserve	**21.74**	21.88
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans	**1.11**	(0.28)
Fair value gains/ (losses) on equity instruments	**2.34**	1.84
Foreign currency translation reserve	**0.06**	(0.04)
Other equity attributable to owners of the Company	**1,835.03**	1,728.74
Non-controlling interest	**15.20**	32.48

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

1. **Share suspense account (Refer Note - 21(vi))**

   As per the Scheme of Arrangement, the Non-Resident shareholders of ABNL, holding shares on repatriation basis, are allotted shares upon receiving necessary regulatory approval(s). The amount lying in share suspense account pertains to shares not allotted on account of pending requisite approvals.

2. **Securities premium**

   Securities premium is used to record the premium on issue of shares, and is utilised in accordance with the provisions of the Companies Act, 2013.

3. **Retained earnings**

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

4. **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.

5. **Treasury shares (Refer Note - 44)**

   The equity shares of the Company have been acquired from open markets for Employee Stock Option Scheme 2019 and is held by ABFRL Employee Welfare Trust (ESOP Trust) at cost. Trust issue and allot shares to employees at the time of exercise of ESOP by employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

6. Capital reserve

Capital reserve pertains to the reserve created out of the difference between the share capital issued and the net assets taken over at the time of Scheme of Arrangement and forfeiture of Rights shares.

7. 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.

8. Fair value gains/ (losses) on equity instruments

It represents the cumulative gains/(losses) arising on the fair valuation of equity shares (other than investments in subsidiaries, which are carried at cost) measured at fair value through other comprehensive income. This fair value gains/ (losses) will not be reclassified subsequently to Consolidated Statement of Profit and Loss.

9. Foreign currency translation reserve

The translation reserve comprise foreign currency exchange differences arising from the translation of the financial statements of foreign operations. This gains/ (losses) will be reclassified subsequently to Consolidated Statement of Profit and Loss.

NOTE: 23
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore

	Effective interest rate % p.a.	Maturity	As at March 31, 2022	As at March 31, 2021
Redeemable non-convertible debentures				
Redeemable non-convertible debentures - Series 6 Zero coupon (Unsecured)*	8.71%	November 11, 2022	-	434.18
Redeemable non-convertible debentures - Series 7 Zero coupon (Unsecured)*	8.75%	May 22, 2023	**324.61**	325.00
Redeemable non-convertible debentures - Series 8 Zero coupon (Unsecured)*	5.89%	September 09, 2024	**399.46**	-
Term loans from banks				
Term loan from HDFC Bank (TUF) (Secured)[1]	1 year MCLR + 0.25%	March 15, 2025	**6.67**	10.00
Term loan from Standard Chartered Bank (Secured)[3]	Repo rate + 4.00% **	March 31, 2034	**0.79**	1.35
Term loan from Axis Bank (Secured)[4]	1 Year MCLR + 1.25%	September 30, 2024	**5.57**	8.36
Term loan from Yes Bank (Secured)[5]	EBLR + 0.95%	August 09, 2024	-	2.20
Term loan-FCTL (Secured)[6]	Reference Rate+1.90%	March 31, 2023	**14.21**	-
Vehicle loans from banks				
Vehicle loan from Yes Bank (Secured)[8]	8.14%	April 02, 2025	-	0.37
Term loan from others				
Other borrowings (Unsecured)[9]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	**26.15**	32.40
Preference shares				
Cumulative redeemable preference shares[10]	8.00%	March 29, 2024	**0.50**	0.50
Cumulative redeemable preference shares[11]	6.00%	October 12, 2024	**0.01**	0.01
Total			**777.97**	814.37

*Net off unamortised charges

** The rate of interest for previous year ended March 31,2020 was MCLR+0.50%. The same has been revised to Repo rate+4.00% w.e.f. January 11, 2021 onwards.

Current maturities of long-term borrowings

₹ in Crore

	Effective interest rate % p.a.	Maturity	As at March 31, 2022	As at March 31, 2021
Current maturities of long-term borrowings				
Redeemable non-convertible debentures - Series 5 Zero coupon (Unsecured)	8.96%	August 14, 2021	-	300.00
Redeemable non-convertible debentures - Series 6 Zero coupon (Unsecured)*	8.71%	November 11, 2022	**434.69**	-
Term loan from HDFC Bank (TUF) (Secured) [1]	1 year MCLR + 0.25%	March 15, 2025	**3.33**	3.33
Term loan from HDFC bank (TUF) (Unsecured)[2]	Base Rate + 0.20%	March 23, 2022	-	4.32
Term loan from Standard Chartered Bank (Secured)[3]	Repo rate + 4.00% **	March 31, 2034	**0.64**	0.64
Term loan from Axis Bank (Secured)[4]	1 Year MCLR + 1.25%	September 30, 2024	**2.80**	0.60
Term loan from Yes Bank (Secured)[5]	EBLR + 0.95%	August 09, 2024	-	0.87
Term loan-FCTL (Secured)[6]	Reference Rate + 1.90%	March 31, 2023	**0.95**	-
Vehicle loan from HDFC Bank (Secured)[7]	10.25%	November 07, 2021	-	0.03
Vehicle loan from Yes Bank (Secured)[8]	8.14%	April 02, 2025	-	0.10
Other borrowings (Unsecured)[9]	8.00% - 14.37%	March 14, 2025 - February 15, 2027	**10.07**	8.12
Total (included in Current Borrowings)			**452.48**	318.01
*Net off unamortised charges				
Aggregate secured borrowings			**34.96**	27.85
Aggregate unsecured borrowings			**1,195.49**	1,104.53

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 institutions for the specific purpose for which it was taken.

The Group has registered all the charges with Registrar of Companies within the statutory period.

Details of security and terms of repayment

1. Term loan from HDFC Bank (TUF) secured by way of exclusive charge over movable assets of the Company's plant situated at Bhubaneswar, Odisha. The loan is repayable in 24 equal quarterly instalments commencing from June 15, 2019.
2. The repayment terms of term loan from HDFC Bank (TUF) are 21 quarterly instalments commencing from March 23, 2017. First four instalments of ₹ 0.20 Crore each, next four instalments of ₹ 0.25 Crore each, next four instalments of ₹ 0.30 Crore each, next four instalments of ₹ 0.40 Crore each and next 5 instalments of ₹ 1.08 Crore each.
3. Term loan is secured against the residential/ commercial property of director of Finesse International Design Private Limited (a subsidiary of the Company). The loan is repayable in 180 equal monthly instalments commencing from April 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

4. Term loan is secured by way of first charge created by hypothecation of movable property, plant and equipment and current assets of Finesse International Design Private Limited (a subsidiary of the Company) excluding vehicles both present and future. The loan is repayable in 12 structured quarterly instalments commencing from December 2021, i.e., after the moratorium period of 12 months.

5. Term Loan is secured by the exclusive charge on fixed deposit amounting to ₹ 1.50 Crore of Sabyasachi Calcutta LLP (a subsidiary of the Company). The loan is repayable in quarterly instalments commencing from May 2020 i.e after the moratorium period of 6 months.

6 Foreign Currency Term Loan (FCTL in US Dollars) from a Bank taken by the Subsidiary of the Company (M/s Sabyasachi Inc.) is secured by an irrevocable Standby Letter of Credit backed by its Parent entity (Sabyasachi Calcutta LLP) and charge over all moveable and immovable Property, plant and equipment of the Subsidiary. The loan is repayable in 16 equal quarterly instalments starting from March 31, 2023.

7 Vehicle loan is secured by way of first charge created by hypothecation of vehicles of Finesse International Design Private Limited (a subsidiary of the Company). The loan is repayable in 84 equal monthly instalments commencing from December 2014.

8 Vehicle loan is secured by hypothecation of specific vehicles of Sabyasachi Calcutta LLP (a subsidiary of the Company). The loan is repayable in 84 equated monthly instalments commencing from May 2018.

9 Loan amounting to ₹ 29.87 Crore is repayable in 20 equal quarterly instalments commencing from March 2020 and loan amounting to ₹ 6.35 Crore is repayable in 48-60 equal monthly instalment commencing on various dates through January 16, 2021 to February 15, 2022.

Details of Cumulative redeemable preference shares

10 5,00,000 8% Cumulative redeemable preference shares of ₹ 10/- each are entitled to a cumulative dividend @ 8% p.a. The dividend proposed by the Board of Directors, if any, shall be subject to the approval of the shareholders in the ensuing Annual General Meeting. Pursuant to the terms of issuance, the due date for redemption of 8% Redeemable Cumulative Preference Shares was March 30, 2019. While the Company had net profits for the financial year 2018-19, it did not have distributable profits in terms of Section 123 of the Act as it had past accumulated losses. Accordingly, pursuant to the unanimous consent of all the preference shareholders and in terms of the applicable provisions of the Act, the Board of Directors of the Company, vide a circular resolution dated April 11, 2019 approved the variation in terms of the preference shares to the extent of extending the redemption dates by a period of 5 years i.e. upto March 29, 2024. In the event of liquidation of the Company, before redemption of preference shares, the holders of preference shares will have priority over the holders of equity shares in the payment of dividend and repayment of capital.

11 500 6% Cumulative redeemable preference shares of ₹ 100/- each are entitled to a cumulative dividend @ 6% p.a. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. Pursuant to the terms of issuance, the due date for redemption of 6% Redeemable Cumulative Preference Shares was October 13, 2019. While the Company had net profits for the financial year 2018-19, it did not have distributable profits in terms of Section 123 of the Act as it had past accumulated losses. Accordingly, pursuant to the unanimous consent of all the preference shareholders and in terms of the applicable provisions of the Act, the Board of Directors of the Company, vide a circular

resolution dated April 11, 2019 approved the variation in terms of the preference shares to the extent of extending the redemption dates by a period of 5 years i.e. upto October 12, 2024. In the event of liquidation of the Company, before redemption of preference shares, the holders of preference shares will have priority over the holders of equity shares in the payment of dividend and repayment of capital.

TUF - Technology Upgradation Fund.

NOTE: 24
NON-CURRENT FINANCIAL LIABILITIES- OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	-	52.90
Non-controlling interest put option*	**421.15**	374.21
Others	**0.77**	-
Total	**421.92**	427.11

*During the previous year, the Company acquired 51% stake in Sabyasachi Calcutta LLP by entering into an agreement on February 24, 2021. Under the terms of the Agreement, the Company has provided a Put Option to Mr. Sabyasachi Mukherjee to sell his entire holding of 49% to the Company over a period of fourteen years starting from the end of five years from the aforesaid date and thereafter in three tranches, should an initial public offer of the organisation (after conversion to a company) does not take place. In respect of the balance 49% held by promoter of Sabyasachi Calcutta LLP, the Company has accounted the same as non-current financial liability considering the put option. This qualifies as a liability under Ind AS since the Company does not have an unconditional right to not purchase the interest as per the terms of the Agreement. The Non-Controlling Interest has been recorded at the present value of the expected future cash outflows based on an independent valuation performed by the Company's appointed independent valuer.

NOTE: 25
NON-CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Employee benefit obligation		
Provision for compensated absence	**1.77**	-
Provision for gratuity (Refer Note - 43)	**32.98**	27.12
Stock Appreciation Rights (SAR)	**0.18**	-
Provision for pending litigations (Refer Note - 46)	**66.75**	68.72
Total	**101.68**	95.84

Movement of provision for pending litigations during the year:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening balance	**68.72**	78.51
Add: provision made during the year	**0.65**	4.53
Less: provision utilised during the year	**(0.70)**	(1.58)
Less: provision reversed during the year	**(1.92)**	(12.74)
Closing balance	**66.75**	68.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 26
OTHER NON-CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Deferred income	11.73	11.44
Total	**11.73**	11.44

NOTE: 27
CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand from banks		
Cash credit/ Working capital demand loan (Secured)	1.88	4.00
Current maturities of long-term borrowings (Refer Note - 23)	452.48	318.01
Total current borrowings	**454.36**	322.01
Aggregate secured borrowings	9.60	9.57
Aggregate unsecured borrowings	444.76	312.44

Details of security

Current borrowings are secured by way of first pari passu charge on the current assets and second pari passu charge on the movable and immovable assets of the respective entities of the Group.

NOTE: 28
TRADE PAYABLES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	87.44	26.89
Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,323.12	2,125.53
Total	**3,410.56**	2,152.42

* Includes payable to related parties, for terms and conditions with related parties (Refer Note - 48).

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
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*	97.22	27.61
Interest due on the above	0.39	0.01
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;	-	-

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	**1.43**	0.88
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	**6.90**	5.08
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.	**-**	-

* Includes amount due to Creditors for capital supplies/ services amounting to ₹ 9.78 Crore as at March 31, 2022 (March 31, 2021 : ₹ 0.72 Crore).

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.

Ageing of Trade Payables:

₹ in Crore

Particulars	**Outstanding as on March 31,2022 (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	**77.07**	**9.28**	**0.16**	**0.08**	**0.24**	**86.83**
(ii) Others	**2,942.01**	**292.43**	**12.47**	**7.55**	**66.15**	**3,320.61**
(iii) Disputed dues – MSME	**-**	**0.44**	**0.17**	**-**	**-**	**0.61**
(iv) Disputed dues – Others	**0.56**	**0.01**	**0.74**	**0.18**	**1.02**	**2.51**

Particulars	Outstanding as on March 31,2021 (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	23.44	3.42	0.03	-	-	26.89
(ii) Others	1,566.60	433.42	38.93	17.13	67.59	2,123.67
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	0.59	0.10	0.15	1.02	1.86

NOTE: 29
CURRENT FINANCIAL LIABILITIES - OTHERS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	**133.41**	99.86
Interest accrued and due on borrowings	**0.01**	-
Creditors for capital supplies/ services	**59.10**	12.42
Book overdraft	**-**	1.57
Derivative contracts	**3.20**	3.29
Employee Payable	**139.50**	98.52
Others	**1.68**	4.04
Total	**336.90**	219.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 30
CURRENT PROVISIONS

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Employee benefit obligation		
Provision for compensated absences	**90.89**	85.68
Provision for gratuity (Refer Note - 43)	**1.01**	0.92
Stock Appreciation Rights (SAR)	**7.03**	0.27
Provision for contingency*	**2.39**	5.11
Total	**101.32**	91.98

*Provision for contingency of Sabyasachi Calcutta LLP (a subsidiary of the Company) is created towards differential rate for embroidery charges claimed by Job workers towards job work of earlier years. The claims are under process of settlement.

NOTE: 31
OTHER CURRENT LIABILITIES

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Advances received from customers	**84.66**	64.29
Deferred revenue*	**16.43**	10.22
Other advances received	**1.67**	1.76
Statutory dues (other than income tax)	**64.66**	37.49
Refund liabilities	**370.88**	362.32
Deferred income	**-**	0.04
Total	**538.30**	476.12

*** Deferred revenue**

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	**10.22**	16.53
Deferred during the year	**25.40**	30.08
Released to the Consolidated Statement of Profit and Loss	**(19.19)**	(36.39)
As at the end of the year	**16.43**	10.22

The deferred revenue relates to the accrual and release of customer loyalty points, according to the loyalty programme of respective businesses. As at March 31, 2022, the estimated liability towards unredeemed points amounts to ₹ 16.43 Crore (March 31, 2021: ₹ 10.22 Crore).

NOTE: 32
REVENUE FROM OPERATIONS

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from sale of products		
Sale of products	**8,064.53**	5,174.14
Revenue from redemption of loyalty points (Refer Note - 31)	**19.19**	36.39
Total revenue from sale of products	**8,083.72**	5,210.53
Revenue from rendering of services	**9.34**	2.27
Other operating income		
Scrap sales	**9.87**	10.01
Export incentives	**9.16**	6.77
Licence fees and royalties	**4.65**	1.46
Space on hire	**1.43**	0.56
Commission income	**17.78**	17.32
Others	**0.27**	-
Total	**8,136.22**	5,248.92

(a) Right to return assets and refund liabilities:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Right to return assets	**206.26**	195.51
Refund liabilities	**370.88**	362.32

(b) Contract balances:

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Contract assets		
Trade receivables	**756.43**	607.97
Contract liabilities		
Advances received from customers	**84.66**	64.29
Deferred revenue	**16.43**	10.22

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contracted price	**9,420.78**	6,123.02
Less:		
Sales return	**671.56**	495.93
Discount	**596.57**	367.95
Loyalty points	**16.43**	10.22
Revenue as per the Consolidated Statement of Profit and Loss	**8,136.22**	5,248.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Madura Fashion & Lifestyle		
Revenue from retail operations	**3,301.25**	1,968.61
Revenue from non-retail operations	**2,208.90**	1,421.73
	5,510.15	3,390.34
Pantaloons		
Revenue from retail operations	**2,486.63**	1,788.52
Revenue from non-retail operations	**139.44**	70.06
	2,626.07	1,858.58
Revenue as per the Consolidated Statement of Profit and Loss	**8,136.22**	5,248.92

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from customers outside India	**197.61**	113.59
Revenue from customers within India	**7,938.61**	5,135.33
Revenue as per the Consolidated Statement of Profit and Loss	**8,136.22**	5,248.92

NOTE: 33
OTHER INCOME

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income	**9.38**	2.42
Net gain on sale of current investments	**20.23**	3.29
Fair value gain on financial instruments at FVTPL	**33.44**	31.50
Gain on retirement of right-of-use assets (Refer Note - 4a & 45a)	**14.85**	21.74
Miscellaneous income	**22.65**	14.45
Total	**100.55**	73.40

NOTE: 34
COST OF MATERIALS CONSUMED

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Materials consumed		
Inventories at the beginning of the year	**196.02**	188.14
Add: Purchases	**978.67**	423.69
	1,174.69	611.83
Inventories taken over pursuant to business combinations		
Raw materials	**-**	5.44
Less: Inventories at the end of the year	**307.51**	196.02
Total	**867.18**	421.25

	Year ended March 31, 2022	Year ended March 31, 2021
(b) Purchase of stock-in-trade		
Purchase of stock-in-trade	**3,793.42**	1,526.72
Total	**3,793.42**	1,526.72

(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Opening inventories		
Finished goods	**158.09**	186.98
Stock-in-trade	**1,432.50**	1,952.11
Work-in-progress	**33.74**	22.25
	1,624.33	2,161.34
Inventories taken over pursuant to business combinations		
Finished goods	**-**	18.38
Stock-in-trade	**-**	49.57
Work-in-progress	**-**	10.03
	-	77.98
	1,624.33	2,239.32
Less:		
Closing inventories		
Finished goods	**297.71**	158.09
Stock-in-trade	**2,192.43**	1,432.50
Work-in-progress	**74.62**	33.74
	2,564.76	1,624.33
(Increase)/Decrease in inventories	**(940.43)**	614.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 35
EMPLOYEE BENEFITS EXPENSE

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	**1,011.77**	758.30
Contribution to provident and other funds (Refer Note - 43)	**58.56**	51.25
Share-based payment to employees (Refer Note - 44)	**29.13**	11.70
Gratuity expense (Refer Note - 43)	**17.81**	15.39
Staff welfare expenses	**41.26**	28.75
Total	**1,158.53**	865.39

NOTE: 36
FINANCE COSTS

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on borrowings	**133.59**	267.84
Interest expense on lease liabilities (Refer Note - 4b & 45a)	**214.27**	224.91
Other borrowing costs	**0.54**	7.63
Fair value impact on financial instruments at FVTPL	**2.31**	2.22
Total	**350.71**	502.60

NOTE: 37
DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer Note - 3a)	**213.32**	208.79
Depreciation on right-of-use assets (Refer Note - 4a & 45a)	**762.55**	732.40
Amortisation on intangible assets (Refer Note - 5)	**21.16**	21.56
Total	**997.03**	962.75

NOTE: 38
OTHER EXPENSES

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	**5.04**	3.74
Power and fuel	**11.55**	8.15
Electricity charges	**99.49**	76.42
Repairs and maintenance		
Buildings	**0.31**	0.52
Plant and machinery	**11.17**	9.78
Others	**179.06**	148.36
Insurance	**11.27**	11.22
Rates and taxes	**15.37**	20.05
Processing charges	**98.44**	51.79
Commission to selling agents	**140.30**	108.39
Brokerage and discounts	**1.32**	0.66
Advertisement and sales promotion	**292.98**	120.07
Transportation and handling charges	**148.37**	86.57
Royalty expenses	**18.58**	15.93
Legal and professional expenses	**114.95**	125.36
Bad debts written off	**1.22**	1.89
Allowances for bad and doubtful debts	**2.01**	6.29
Provision for bad and doubtful deposits and advances	**5.16**	7.93
Printing and stationery	**14.82**	10.37
Travelling and conveyance	**58.37**	28.51
Communication expenses	**4.68**	5.84
Loss on sale/ discard of property, plant and equipment	**-**	0.72
Bank and credit card charges	**38.52**	27.48
Payment to auditors (Refer details below)	**2.40**	2.06
Donation	**0.01**	0.05
Postage expenses	**4.88**	-
Foreign exchange loss (net)	**9.16**	8.85
Information technology expenses	**138.71**	79.13
Outsourcing, housekeeping and security expenses	**294.03**	258.74
Corporate Social Responsibility (CSR) expenses (Refer Note - 42)	**2.94**	2.00
Directors' fees	**0.63**	0.68
Miscellaneous expenses	**38.64**	27.60
Total	**1,764.38**	1,255.15

Payment to auditors*:

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
For audit fees (including Limited Review fees)	**1.72**	1.53
For tax audit fees	**0.24**	0.18
For other services**	**0.34**	0.22
For reimbursement of expenses	**0.10**	0.13
Total	**2.40**	2.06

* Includes fees of subsidiaries to other auditors.

**Above excludes fees of ₹ Nil (March 31, 2021 : ₹ 0.45 Crore) paid to auditors of the Company for certification services for Rights Issue, which is considered as part of share issue expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE: 39
INCOME TAX EXPENSE

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

Consolidated Statement of Profit and Loss:

Profit or loss section

₹ in Crore

		Year ended March 31, 2022	Year ended March 31, 2021
Current income tax			
Current income tax charge*		**20.89**	40.12
	(A)	**20.89**	40.12
Deferred tax			
Relating to origination and reversal of temporary differences		**(47.46)**	(141.66)
	(B)	**(47.46)**	(141.66)
Total	(A+B)	**(26.57)**	(101.54)

OCI section

Deferred tax related to items recognised in OCI during the year

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Net (gains)/ losses on re-measurement of defined benefit plans	**(0.35)**	(0.73)
Net (gains)/ losses on fair value of equity instruments	**(0.16)**	0.13
Total	**(0.51)**	(0.60)

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Accounting Loss before income tax	**(144.93)**	(837.54)
Tax expense/ (income) at India's statutory income tax rate of 25.17% (March 31, 2021: 25.17%)	**(36.48)**	(210.81)
Expenses not allowed under the Income tax Act:		
- Corporate Social Responsibility	**0.74**	0.54
- Expenses disallowed for tax purposes	**1.06**	1.17
- Others	**2.24**	0.03
- Impact of differential higher income tax rate applicable to a subsidiary	**5.87**	(1.00)
- One time impact of amendment in Section 32 of the Income-tax Act, 1961 (Refer Note - 41c)	**-**	68.84
- Tax on Capital gains under Section 45(4) of the Income-tax Act, 1961	**-**	39.69
Income tax expenses/ (income) as per Statement of Profit and Loss Account	**(26.57)**	(101.54)

*Current Tax for the year ended March 31, 2021, included a one-time tax of ₹ 39.69 Crore on deemed capital gains on reconstitution of Sabyasachi Calcutta LLP ("the LLP") relating to existing partners arising from the induction of the Company as a partner in the LLP. This was entirely attributable to the Non-Controlling interest in LLP and not to the Company.

NOTE: 40
EARNINGS PER SHARE (EPS)

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

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

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

₹ in Crore

		Year ended March 31, 2022	Year ended March 31, 2021
Loss for calculation of EPS	**(A)**	**(108.72)**	(672.51)
Weighted average number of equity shares for calculation of Basic EPS	**(B)**	**924,931,614**	816,700,886
Basic EPS (₹)	**(A/B)**	**(1.18)**	(8.23)
Weighted average number of equity shares outstanding		**924,931,614**	816,700,886
Weighted average number of potential equity shares*		**8,024,183**	28,796,459
Weighted average number of equity shares for calculation of Diluted EPS		**924,931,614**	816,700,886
Diluted EPS (₹)	**(C)**	**(1.18)**	(8.23)
Nominal value of shares (₹)		**10.00**	10.00

Treasury shares are adjusted in computing the weighted average number of equity shares outstanding during the year in calculation of EPS.

Basic and diluted earnings per share for the year ended March 31, 2021, have been restated for the bonus element in respect of Rights issue made during the year ended March 31, 2022.

*Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not 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 - 44.

NOTE - 41
SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets including Goodwill

Impairment exists when the carrying value of an asset or Cash-Generating Unit (CGU) exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next three years and next 2 years have been extrapolated to demonstrate the tapering of growth rate for computation of perpetual cash flows. These cashflows are considered as a base to arrive at the value of perpetuity. The budget do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the value in use for the different CGUs, are disclosed and further explained in Note - 5A.

(b) Share-based payment

The Group uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option, volatility and dividend yield. For cash-settled transactions, the liability needs to be remeasured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Consolidated Statement of Profit and Loss. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note - 44.

(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, 2022, the Group has ₹ 1,955.10 Crore (March 31, 2021: ₹ 1,894.70 Crore) of tax losses carried forward as per income tax records of the Group. These losses pertain to unabsorbed business loss as at March 31, 2022 of ₹ 647.25 Crore (March 31, 2021:₹ 641.59 Crore) which has an expiry of eight years and unabsorbed depreciation loss as at March 31, 2022 of ₹ 1,307.85 Crore (March 31, 2021: ₹ 1,253.11 Crore) which do not have any expiry period. Further details on taxes are disclosed in Notes - 10 and 39.

During the previous year, the Finance Act, 2021 had amended Section 32 of the Income Tax Act, 1961, whereby effective from April 1, 2020, goodwill of a business was not considered as a depreciable asset and depreciation on goodwill not allowed as deductible expenditure. Consequent to such amendment, in accordance with the requirements of Ind AS 12 - Income Taxes, the Company recognised a one-time net deferred tax expense amounting to ₹ 68.84 Crore representing net deferred tax liability ('DTL') arising from difference between the carrying value of goodwill as per books of account and as per updated tax written down value of NIL resulting from the aforementioned amendment.

In view of the amendments introduced by the Finance Act, 2021 to the Income Tax Act, 1961 and considering the opinion received by the Company from a senior legal counsel, as at March 31, 2021, the Company recorded deferred tax asset of ₹ 243.11 Crore on the carry forward unabsorbed depreciation pertaining to goodwill relating to earlier years. The Company also recorded a deferred tax liability on the carrying value of goodwill as at March 31, 2021 considering no future deduction is available pursuant to the said amendment.

The reversal of the aforesaid DTL and cash outflow on this account is deemed unlikely as the value of associated goodwill is expected to be recovered through value in use.

(d) Employee benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note - 43.

(e) Revenue recognition – Loyalty points

The Group operates a loyalty programme where customers accumulate points for purchases made, which entitle them to discount on future purchases. The Group estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rate basis the Group's historic trends of redemption and expiry period of the points and such estimates are subject to uncertainty. As at March 31, 2022, the estimated liability towards unredeemed points amounts to ₹ 16.43 Crore (March 31, 2021: ₹ 10.22 Crore).

Further details are given in Note - 32.

(f) Provision on inventories

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

(g) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(h) Impairment allowance for doubtful debts

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off if the same are not collectible. The carrying amount of allowance for doubtful debts under ECL model is ₹ 24.89 Crore (March 31, 2021: ₹ 26.33 Crore). Further details about impairment allowance are given in Note - 16.

(i) Leases

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

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

(j) Assessment of COVID - 19 impact on operations

The Group has considered the impact of COVID-19 as evident so far in the consolidated financial statements and will also continue to closely monitor any material changes to future economic conditions which necessitate any further modifications.

(k) Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.

(iii) There is no substantive change to other terms and conditions of the lease.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19- Related Rent Concessions" effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient upto June 30, 2022.

The Group has accounted the unconditional rent concessions of ₹ 219.18 Crore (March 31, 2021: ₹ 343.72 Crore) during the year ended March 31, 2022. The same has been accounted as a reduction of rent expenses in the Consolidated Statement of Profit and Loss.

(l) Valuation of Non - controlling interest Put Option

The fair value of financial liability (put option) arising from acquisition agreements, has been determined at present value of consideration payable, 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 put option. Such valuation includes assumptions such as discount rate, future cashflow and EBITDA estimates. Such assumptions are reviewed at each reporting date.

(m) Going concern

The management has performed an assessment of the Group's ability to continue as a going concern. Based on the assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the consolidated financial statements have been prepared on a going concern basis.

NOTE - 42
DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013 AND RULES THEREON

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Group during the year	**-**	1.16
b) Amount approved by the Board to be spent during the year	**3.00**	2.00

₹ in Crore

	In Cash	**Yet to be paid in Cash**	**Total**
March 31, 2022:			
i) Construction/ acquisition of any asset	**-**	**-**	**-**
ii) On purposes other than (i) above	**2.94**	**-**	**2.94**
March 31, 2021:			
i) Construction/ acquisition of any asset	-	-	-
ii) On purposes other than (i) above	2.00	-	2.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

In case of Section 135(5) unspent amount				
Opening Balance as on April 01, 2021	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2022*
-	-	-	2.94	-

* Since the amount spent exceeds amount required to be spent, the unspent amount is Nil.

In case of Section 135(5) Excess amount spent			
Opening Balance as on April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Closing Balance as on March 31, 2022*
-	-	2.94	-

* The Group has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off against the amounts required to spent in the future year.

Details of ongoing projects along with

In case of Section 135(6) (Ongoing Project)						
Opening Balance as on April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Closing Balance as on March 31, 2022	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

NOTE - 43
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

The Group contributes to the Fund based on the actuarial valuation report. The Group has contributed to the Insurer Managed Fund (managed by Life Insurance Corporation of India), details of which is available in the table of Investment pattern of plan assets. Based on which, the Group is not exposed to any market risk.

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

Unfunded defined benefit plan

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	5.86	4.59
Interest cost on defined benefit obligation	1.98	1.62
Total	7.84	6.21

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	**31.05**	24.07
Addition pursuant to business combinations	**-**	4.04
Current service cost	**5.86**	4.59
Interest cost on defined benefit obligation	**1.98**	1.62
Actuarial (gain)/ loss on account of:		
Changes in demographic assumptions	**(0.19)**	(0.05)
Changes in financial assumptions	**(1.30)**	0.74
Experience adjustments	**2.02**	(2.04)
Actuarial (gain)/ loss recognised in OCI	**0.53**	(1.35)
Benefits paid	**(3.05)**	(2.23)
Liabilities assumed/ (settled)*	**0.47**	0.31
Closing defined benefit obligation	**36.84**	31.05

*On account of inter-company transfer.

Funded defined benefit plan

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	**10.16**	9.08
Interest cost on defined benefit obligation	**4.57**	4.26
Interest on plan assets	**(4.76)**	(4.16)
	9.97	9.18

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

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	**71.38**	64.46
Current service cost	**10.16**	9.08
Interest cost on defined benefit obligation	**4.57**	4.26
Actuarial (gain)/ loss on account of:		
Changes in financial assumptions	**(3.22)**	1.20
Experience adjustments	**1.16**	(2.44)
Actuarial (gain)/ loss recognised in OCI	**(2.06)**	(1.24)
Benefits paid	**(7.14)**	(4.94)
Liabilities assumed/ (settled)*	**(0.21)**	(0.24)
Closing defined benefit obligation	**76.70**	71.38

*On account of inter-company transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(ii) Change in fair value of plan assets

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Opening fair value of the plan assets	**74.39**	63.16
Contributions by the employer	**-**	6.77
Interest income on plan assets	**4.76**	4.16
Actuarial gain/ (loss) recognised in OCI		
Actual returns on plan assets less interest cost on plan assets	**0.40**	0.30
Closing fair value of the plan assets	**79.55**	74.39

Amounts recognised in the Consolidated Balance Sheet

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Present value of the defined benefit obligation at the end of the year:		
Funded	**76.70**	71.38
Unfunded	**36.84**	31.05
	113.54	102.43
Fair value of plan assets	**79.55**	74.39
Net liability/ (asset)	**33.99**	28.04
Net liability is classified as follows:		
Current	**1.01**	0.92
Non-current	**32.98**	27.12
Net liability	**33.99**	28.04

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.

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

	As at March 31, 2022	As at March 31, 2021
Discount rate		
Funded plan	**6.90%**	6.40%
Unfunded plan	**6.30% to 7.50%**	5.65% to 6.55%
Salary escalation rate		
Funded plan		
Management	**8.00%**	8.00%
Staff	**7.00%**	7.00%
Workers	**5.00%**	5.00%
Unfunded plan		
Stores	**5.00% to 9.00%**	5.00% to 9.00%
HO and Zones	**5.00% to 9.00%**	5.00% to 9.00%

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

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

A quantitative sensitivity analysis for significant assumptions is as follows:

	As at March 31, 2022		As at March 31, 2021	
Sensitivity level				
Discount rate	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	**(3.01)**	**3.22**	(2.93)	3.15
Unfunded plan	**(2.00)**	**2.24**	(1.17)	1.28
Salary escalation rate	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (Decrease) in DBO (₹ in Crore)				
Funded plan	**3.21**	**(3.02)**	3.11	(2.92)
Unfunded plan	**2.06**	**(1.87)**	1.21	(1.14)

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.

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

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

₹ in Crore

	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	**11.39**	10.81
Between 2 and 5 years	**44.82**	39.99
Between 6 and 10 years	**50.57**	42.12
Beyond 10 years	**125.77**	104.40
Total	**232.55**	197.32

The Group is expected to contribute ₹ 8.19 Crore to the gratuity fund during the year ended March 31, 2023.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 to 15 years (March 31, 2021: 4 to 16 years).

Defined contribution plans

Amount recognised as an expense and included in Note - 35 as “Contribution to provident and other funds”

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to Government Provident Fund	**43.51**	37.76
Contribution to Superannuation Fund	**1.10**	1.15
Contribution to Employee Pension Scheme (EPS)	**5.46**	4.87
Contribution to Employee State Insurance (ESI)	**7.85**	6.51
Contribution to Employee Deposit Linked Insurance Scheme (EDLIS)	**0.15**	0.08
Contribution to Labour Welfare Fund (LWF)	**0.12**	0.09
Contribution to National Pension Scheme (NPS)	**0.37**	0.79
Total	**58.56**	51.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

In respect of the Honourable Supreme Court ruling in February 2019 relating to computation of salaries for Provident Fund contribution, there is uncertainty and ambiguity in retrospective application and accordingly the Group will evaluate its position as clarity emerges.

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

NOTE - 44
SHARE-BASED PAYMENT

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Expense arising from equity-settled share-based payment transactions	**27.72**	11.67
Expense arising from cash-settled share-based payment transactions	**1.41**	0.03
Total	**29.13**	11.70

A. Employee share-based payment plans of Holding Company

a. Employee Stock Option Plans (Options and RSUs)

I. Employee Stock Option Scheme - 2013

During the year ended March 31, 2014, i.e. on July 22, 2013, the ESOP Compensation Committee of the Board of Directors of the Company (merged with Nomination and Remuneration Committee w.e.f. November 04, 2014) ("Committee") and the Board of Directors ("Board") approved the introduction of an Employee Stock Option Scheme, viz., Employee Stock Option Scheme - 2013 ("Scheme 2013") for issue of Stock Options in the form of Options ("Options") and/ or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Sixth Annual General Meeting of the Company, held on August 23, 2013, approved the introduction of the Scheme 2013 and authorised the Board/ Committee to finalise and implement the Scheme 2013.

Accordingly, under the said Scheme 2013, vide its resolution dated October 25, 2013, the Committee commenced granting of options.

i) Details of the grants under the Scheme 2013

	Tranche 1		Tranche 3
	Options	RSUs	RSUs
No. of Options/ RSUs	8,30,382	2,59,849	2,79,544
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting on December 7, 2016
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting

	Tranche 1		Tranche 3
	Options	RSUs	RSUs
Grant date	October 25, 2013	October 25, 2013	May 11, 2016
Grant/ exercise price (₹ per share)	102.10	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 104.10 NSE - 103.55	BSE - 104.10 NSE - 103.55	BSE - 152.10 NSE - 152.10
Method of settlement	Equity	Equity	Equity

There are no Options/RSUs unvested/excersiable under Tranche 2 as on March 31, 2022 and March 31, 2021.

Note:

RSUs – Tranche 3 were granted to employees of Madura Fashion & Lifestyle division of the Company, who were grantees of RSUs of Aditya Birla Nuvo Limited (“ABNL”) and had become employees of the Company pursuant to the effectiveness of the Composite Scheme of Arrangement between the Company, ABNL, Madura Garments Lifestyle Retail Company Limited and their respective shareholders and creditors under Section 391 to 394 of the Companies Act, 1956. Accordingly, as per the terms and conditions of the grant, these RSUs vested as per the original vesting schedule of ABNL RSUs, i.e., on December 7, 2016.

ii) Movement of Options and RSUs granted

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

	As at March 31, 2022			
	No. of Options	**Weighted average exercise price (₹ per share)**	**No. of RSUs**	**Weighted average exercise price (₹ per share)**
Tranche 1				
Outstanding at the beginning of the financial year	**12,129**	**102.10**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year*	(4,603)	102.10	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**7,526**	**102.10**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**7,526**	**102.10**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	**N.A.**	**N.A.**	**-**	**-**
Granted during the financial year	N.A.	N.A.	-	-
Exercised during the financial year	N.A.	N.A.	-	-
Lapsed during the financial year	N.A.	N.A.	-	-
Outstanding at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**
Unvested at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**
Exercisable at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**

* The weighted average share price at the date of exercise of these Options was ₹ 271.98.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
<u>Tranche 1</u>				
Outstanding at the beginning of the financial year	**12,129**	**102.10**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**12,129**	**102.10**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**12,129**	**102.10**	**-**	**-**
<u>Tranche 3</u>				
Outstanding at the beginning of the financial year	**N.A.**	**N.A.**	**37,840**	**10.00**
Granted during the financial year	N.A.	N.A.	-	-
Exercised during the financial year*	N.A.	N.A.	(37,840)	10.00
Lapsed during the financial year	N.A.	N.A.	-	-
Outstanding at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**
Unvested at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**
Exercisable at the end of the financial year	**N.A.**	**N.A.**	**-**	**-**

* The weighted average share price at the date of exercise of these Options was ₹ 141.21.

The weighted average remaining contractual life for the Options outstanding as at March 31, 2022, is 1 years (March 31, 2021: 2 years) and for RSUs outstanding as at March 31, 2022, is Nil (March 31, 2021: Nil).

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

	Options	RSUs	
	Tranche 1	Tranche 1	Tranche 3
Expected dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	45.93	45.93	37.41
Risk-free interest rate (%)	8.58	8.58	7.37
Weighted average fair value per Option/ RSU (₹)	52.96	95.90	142.63
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model

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

During the year ended March 31, 2018, i.e. on July 25, 2017, the Nomination and Remuneration Committee of the Board of Directors of the Company ("NRC") and the Board of Directors ("Board") approved the introduction of another Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies, subject to the approval of the Shareholders of the Company. Shareholders of the Company, vide a resolution passed at the Tenth Annual General Meeting of the Company, held on August 23, 2017, approved the introduction of the Scheme 2017 and authorised the Board/ NRC to finalise and implement the Scheme 2017.

Accordingly, under the said Scheme 2017, vide its resolution dated September 8, 2017, the Committee commenced granting of options.

i) Details of the grants under Scheme 2017

	Options				RSUs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of Options/ RSUs	37,38,254	14,406	2,88,122	90,039	13,04,558	14,568	1,17,144	30,349
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	September 08, 2017	October 27, 2017	February 02, 2018	April 18, 2018	September 08, 2017	October 27, 2017	February 02, 2018	April 18, 2018
Grant/ exercise price (₹ per share)	178.30	148.10	163.60	150.80	10.00	10.00	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 176.40 NSE - 176.50	BSE - 147.95 NSE - 148.70	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10	BSE - 176.40 NSE - 176.50	BSE - 147.95 NSE - 148.70	BSE - 156.35 NSE - 156.55	BSE - 147.70 NSE - 147.10
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity

ii) Movement of Options and RSUs granted

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

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**16,41,845**	**178.30**	**5,12,881**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(1,64,561)	178.30	(1,72,971)	10.00
Lapsed during the financial year	(79,234)	178.30	-	-
Outstanding at the end of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**13,98,050**	**178.30**	**3,39,910**	**10.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 2				
Outstanding at the beginning of the financial year	**5,402**	**148.10**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	(5,402)	148.10	-	-
Outstanding at the end of the financial year	**-**	**-**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	**1,62,069**	**163.60**	**72,838**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(90,038)	163.60	(60,698)	10.00
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**72,031**	**163.60**	**12,140**	**10.00**
Tranche 4				
Outstanding at the beginning of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Unvested at the end of the financial year	**22,509**	**150.80**	**-**	**-**
Exercisable at the end of the financial year	**45,020**	**150.80**	**30,349**	**10.00**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 255.86.

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

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**25,26,110**	**178.30**	**9,84,226**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	-	-	(4,57,317)	10.00
Lapsed during the financial year	(8,84,265)	178.30	(14,028)	10.00
Outstanding at the end of the financial year	**16,41,845**	**178.30**	**5,12,881**	**10.00**
Unvested at the end of the financial year	**5,63,689**	**178.30**	**-**	**-**
Exercisable at the end of the financial year	**1,078,156**	**178.30**	**512,881**	**10.00**

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 2				
Outstanding at the beginning of the financial year	**7,203**	**148.10**	**7,284**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^^	-	-	(7,284)	10.00
Lapsed during the financial year	(1,801)	148.10	-	-
Outstanding at the end of the financial year	**5,402**	**148.10**	**-**	**-**
Unvested at the end of the financial year	**1,800**	**148.10**	**-**	**-**
Exercisable at the end of the financial year	**3,602**	**148.10**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	**216,092**	**163.60**	**72,838**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(54,023)	163.60	-	-
Outstanding at the end of the financial year	**162,069**	**163.60**	**72,838**	**10.00**
Unvested at the end of the financial year	**54,022**	**163.30**	**-**	**-**
Exercisable at the end of the financial year	**108,047**	**163.30**	**72,838**	**10.00**
Tranche 4				
Outstanding at the beginning of the financial year	**90,039**	**150.80**	**30,349**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(22,510)	150.80	-	-
Outstanding at the end of the financial year	**67,529**	**150.80**	**30,349**	**10.00**
Unvested at the end of the financial year	**45,019**	**150.80**	**30,349**	**10.00**
Exercisable at the end of the financial year	**22,510**	**150.80**	**-**	**-**

^^The weighted average share price at the date of exercise of these RSUs was ₹ 151.45.

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2022, is 3 years (March 31, 2021: 4 years) and for RSUs outstanding as at March 31, 2022, is 4 years (March 31, 2021: 4 years).

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

	Options				RSUs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	36.57	36.28	35.32	35.28	36.57	36.28	35.32	35.28
Risk-free interest rate (%)	6.70	6.75	7.43	7.43	6.77	6.98	7.54	7.54
Weighted average fair value per Option/RSU (₹)	77.04	63.85	71.56	65.93	171.41	141.29	156.99	144.20
Model used	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

During the year ended March 31, 2020, on July 26, 2019, the Nomination and Remuneration Committee and the Board of Directors ("Board"), approved introduction of Employee Stock Option Scheme, viz. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019") through trust route, for issue of Stock Options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs") to the identified employees of the Company and of its holding and subsidiary companies. Based on the loan granted by the Company, the Trust held 47,10,457 equity shares as at March 31, 2021. During the year ended March 31, 2022, the Trust purchased additional 2,23,128 equity shares to back the grants made under the Scheme 2019. As on March 31, 2022, the Trust holds 46,54,072 equity shares. 2,79,513 equity shares were exercised during the year.

Accordingly, under the said Scheme 2019, vide its resolution dated December 2, 2019, the Committee commenced granting of options.

i) Details of the grants under Scheme 2019

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
No. of Options/ RSUs	33,42,876	1,16,360	14,17,684	11,18,385	32,161
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting plan	Graded vesting - 25% every year	Graded vesting - 25% every year	Graded vesting - 25% every year	Bullet vesting at the end of 3rd year	Bullet vesting at the end of 3rd year
Exercise period	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Grant date	December 02, 2019	December 28, 2020	January 21, 2021	December 02, 2019	December 28, 2020
Grant/ exercise price (₹ per share)	225.25	164.10	173.55	10.00	10.00
Market price on the date of granting of Options/ RSUs (₹ per share)	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80	BSE - 173.05 NSE - 173.85	BSE - 226.90 NSE - 226.65	BSE - 163.85 NSE - 163.80
Method of settlement	Equity	Equity	Equity	Equity	Equity

ii) Movement of Options and RSUs granted

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

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
<u>Tranche 1</u>				
Outstanding at the beginning of the financial year	**24,52,614**	**225.25**	**10,71,150**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(92,682)	225.25	-	-
Lapsed during the financial year	(2,29,902)	225.25	(1,04,320)	10.00
Outstanding at the end of the financial year	**21,30,030**	**225.25**	**9,66,830**	**10.00**
Unvested at the end of the financial year	**14,67,262**	**225.25**	**9,58,790**	**10.00**
Exercisable at the end of the financial year	**6,62,768**	**225.25**	**8,040**	**10.00**

	As at March 31, 2022			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 2				
Outstanding at the beginning of the financial year	**1,16,360**	**164.10**	**32,161**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(3,636)	164.10	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**1,12,724**	**164.10**	**32,161**	**10.00**
Unvested at the end of the financial year	**87,270**	**164.10**	**-**	**-**
Exercisable at the end of the financial year	**25,454**	**164.10**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	**14,08,593**	**173.55**	**-**	**-**
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(1,83,195)	173.55	-	-
Lapsed during the financial year	(1,02,300)	173.55	-	-
Outstanding at the end of the financial year	**11,23,098**	**173.55**	**-**	**-**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**11,23,098**	**173.55**	**-**	**-**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 283.16.

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

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 1				
Outstanding at the beginning of the financial year	**33,28,332**	**225.25**	**11,08,335**	**10.00**
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(8,75,718)	225.25	(37,185)	10.00
Outstanding at the end of the financial year	**24,52,614**	**225.25**	**10,71,150**	**10.00**
Unvested at the end of the financial year	**24,52,614**	**225.25**	**10,71,150**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2021			
	No. of Options	Weighted average exercise price (₹ per share)	No. of RSUs	Weighted average exercise price (₹ per share)
Tranche 2				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	1,16,360	164.10	32,161	10.00
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**1,16,360**	**164.10**	**32,161**	**10.00**
Unvested at the end of the financial year	**1,16,360**	**164.10**	**32,161**	**10.00**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 3				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	14,17,684	173.55	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(9,091)	173.55	-	-
Outstanding at the end of the financial year	**14,08,593**	**173.55**	**-**	**-**
Unvested at the end of the financial year	**14,08,593**	**173.55**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

The weighted average remaining contractual life for the share Options outstanding as at March 31, 2022 is 5 years (March 31, 2021: 6 years) and for RSUs outstanding as at March 31, 2022 is 6 years (March 31, 2021: 7 years).

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

	Options			RSUs	
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	32.88	36.16	36.02	32.88	36.16
Risk-free interest rate (%)	6.66	5.62	5.62	6.76	6.19
Weighted average fair value per Option/RSU (₹)	112.00	84.39	76.78	216.18	158.10
Model used	Binomial model	Binomial model	Binomial model	Binomial model	Binomial mode

b. Stock Appreciation Rights (SARs)

The SAR compensation cost is amortised on a straight-line basis over the total vesting period of the SARs. Accordingly, ₹ 1.41 Crore (March 31, 2021: ₹ 0.03 Crore) has been taken to the Consolidated Statement of Profit and Loss.

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

On February 04, 2019, the Nomination and Remuneration Committee and the Board of Directors of the Company, at their respective meetings had approved the “Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019” (“SARs Scheme 2019”), to grant SARs in the form of “Option SARs” and “RSU SARs”, from time to time, to the eligible employees (as defined in the SARs Scheme 2019).

i) The details of the Plan are as below:

	SARs			
	Option SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of SARs	61,226	17,92,686	Nil	2,04,546
Method of accounting	Fair value	Fair value	NA	Fair value
Vesting plan	May 16, 2019 and September 08, 2019	August 18, 2024	NA	Graded vesting - 33.33% every year
Exercise period	3 years from the date of vesting	3 years from the date of vesting	NA	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	NA	November 03, 2021
Grant/ exercise price (₹ per share)	178.30	206.35	NA	288.10
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	NA	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	NA	Cash

	SARs			
	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
No. of SARs	6,880	6,38,700	1,005	56,533
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting plan	September 08, 2020	August 18, 2024	December 02, 2022	November 03, 2024
Exercise period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Grant date	May 15, 2019	August 18, 2021	August 18, 2021	November 03, 2021
Grant/ exercise price (₹ per share)	10.00	10.00	10.00	10.00
Market price on the date of granting of SARs (₹ per share)	BSE - 192.45 NSE - 192.80	BSE - 205.80 NSE - 205.90	BSE - 205.80 NSE - 205.90	BSE - 285.10 NSE - 285.15
Method of settlement	Cash	Cash	Cash	Cash

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii) Movement of SARs granted

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

	As at March 31, 2022		As at March 31, 2021	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 1				
Option SARs				
Outstanding at the beginning of the financial year	61,226	178.30	61,226	178.30
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(18,008)	178.30	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**43,218**	**178.30**	**61,226**	**178.30**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**43,218**	**178.30**	**61,226**	**178.30**
RSU SARs				
Outstanding at the beginning of the financial year	6,880	10.00	6,880	10.00
Granted during the financial year	-	-	-	-
Exercised during the financial year^	(2,024)	10.00	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**4,856**	**10.00**	**6,880**	**10.00**
Unvested at the end of the financial year	**-**	**-**	**-**	**-**
Exercisable at the end of the financial year	**4,856**	**10.00**	**6,880**	**10.00**
Tranche 2				
Option SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	17,92,686	206.35	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(75,447)	206.35	-	-
Outstanding at the end of the financial year	**17,17,239**	**206.35**	**-**	**-**
Unvested at the end of the financial year	**17,17,239**	**206.35**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
RSU SARs				
Outstanding at the beginning of the financial year	-	-	-	-
Granted during the financial year	6,38,700	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	(28,393)	10.00	-	-
Outstanding at the end of the financial year	**6,10,307**	**10.00**	**-**	**-**
Unvested at the end of the financial year	**6,10,307**	**10.00**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

	As at March 31, 2022		As at March 31, 2021	
	No. of SARs	Weighted average exercise price (₹ per share)	No. of SARs	Weighted average exercise price (₹ per share)
Tranche 3				
RSU SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	1,005	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**1,005**	**10.00**	**-**	**-**
Unvested at the end of the financial year	**1,005**	**10.00**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**
Tranche 4				
Option SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	2,04,546	288.10	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**2,04,546**	**288.10**	**-**	**-**
Unvested at the end of the financial year	**2,04,546**	**288.10**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**		
RSU SARs				
Outstanding at the beginning of the financial year	**-**	**-**	**-**	**-**
Granted during the financial year	56,533	10.00	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	-	-
Outstanding at the end of the financial year	**56,533**	**10.00**	**-**	**-**
Unvested at the end of the financial year	**56,533**	**10.00**	**-**	**-**
Exercisable at the end of the financial year	**-**	**-**	**-**	**-**

^The weighted average share price at the date of exercise of these Options and RSUs was ₹ 281.87.

The weighted average remaining contractual life for SARs options outstanding as at March 31, 2022 is 4 years (March 31, 2021 : 2 years) and for RSUs outstanding as at March 31, 2022, is 6 years (March 31, 2021: 2 years).

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

	Option SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	32.53	36.00	NA	36.71
Risk-free interest rate (%)	5.88	5.74	NA	5.78
Weighted average fair value per SAR (₹)	27.42	72.15	NA	94.85
Model used	Binomial model	Binomial model	NA	Binomial model

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	RSU SARs			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Expected dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	31.74	36.46	36.46	36.90
Risk-free interest rate (%)	6.24	6.16	6.16	6.08
Weighted average fair value per SAR (₹)	144.94	172.79	172.79	204.55
Model used	Binomial model	Binomial model	Binomial model	Binomial model

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

NOTE - 45
COMMITMENTS AND CONTINGENCIES

a) Leases

Lease commitments as lessee

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

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

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Other income		
Gain on retirement of right-of-use assets	**14.85**	21.74
Rent		
Expense relating to short-term leases	**47.26**	18.32
Expense relating to leases of low value assets	**1.35**	1.81
Variable rent*	**563.79**	332.20
Rent concession	**(219.18)**	(343.72)
Finance cost		
Interest expense on lease liabilities	**214.27**	224.91
Depreciation and amortisation expenses		
Depreciation on right-of-use assets	**762.55**	732.40
Other expenses		
Processing charges	**20.99**	15.52
Sublease payments received (not shown separately in the Consolidated Statement of Profit and Loss)	**0.80**	0.84

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

Contractual maturities of lease liabilities

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Within one year	**946.89**	870.05
After one year but not more than five years	**2,093.93**	1,846.17
More than five years	**323.38**	138.02
Total	**3,364.20**	2,854.24

The initial non-cancellable period of the lease agreement is upto 3 years, beyond which there is an option for the lessee to continue the lease, which the Group expects to continue for a period of 2 to 3 years after the initial non-cancellable period, accordingly 5 – 6 years has been considered as non-cancellable for the purpose of the above disclosure. 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, 2022 is ₹ 1,316.13 Crore (March 31, 2021 is ₹ 904.28 Crore).

The Group entered into a sale and leaseback transaction in respect of certain assets such as furniture and fixtures, office equipment etc., in line with its capital expenditure strategy. The assets were sold at fair values with no gains/ losses. Sale proceeds of ₹ Nil (March 31, 2021 : ₹ 28.65 Crore) were realised upon sale of such assets. The lease arrangement is for a period of 4-5 years. The same has been recorded as a right-of-use assets with corresponding lease liabilities.

Lease commitments for leases not considered in measurement of lease liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Lease commitment for short-term leases	**4.02**	8.51
Lease commitment for leases of low value assets	**0.02**	0.85
Total	**4.04**	9.36

Future Cash Outflows to which the Group is potentially exposed and not reflected in measurement of lease liabilities

₹ in Crore

Particulars	March 31, 2022		March 31, 2021	
Increase/ (decrease) in sales	**Increase by 5%**	**Decrease by 5%**	Increase by 5%	Decrease by 5%
Rent	**28.19**	**(28.19)**	16.61	(16.61)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

b) Capital commitments

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**98.76**	21.19
Customs duty on capital goods and raw materials imported under advance licensing/ EPCG scheme, against which export obligation is to be fulfilled	**0.03**	0.07
Total	**98.79**	21.26

c) Other commitments

Refer Note 47 for commitments towards investment in Goodview Fashion Private Limited.

NOTE - 46
CONTINGENT LIABILITIES NOT PROVIDED FOR

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debts		
Commercial taxes	**45.17**	27.04
Excise duty	**0.50**	0.50
Customs duty	**0.03**	2.54
Bank Guarantees	**37.43**	2.41
Textile committee cess	**0.75**	0.75
Others*	**17.15**	16.29
Total	**101.03**	49.53

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

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

The Group has reviewed all its pending litigations and proceedings, and has adequately provided for where provisions are required and disclosed the contingent liabilities in its 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 financial statements. In respect of litigations, where the management's assessment of a financial outflow is probable, the Group has a provision of ₹ 66.75 Crore as at March 31, 2022 (March 31, 2021: ₹ 68.72 Crore) (Refer Note-25).

Bank Guarantee is given by Sabyasachi Calcutta LLP (a subsidiary of the Company) to foreign bank in respect of standby letter of credit (SBLC) facility of USD 50,00,000 (March 31, 2021: USD 3,00,000) to be availed by M/s Sabyasachi Inc. (a wholly owned subsidiary of Sabyasachi Calcutta LLP).

Finesse International Design Private Limited (a subsidiary of the Company) received assessment orders under Section 153A related to block assessment in Income Tax for the assessment years 2013-14 to 2018-19, the demand of which is ₹ 2.16 Crore. During the year, the Company has received a favourable order for the assessment years 2013-14 to 2016-17 and the Company has filed further appeal for the assessment years 2017-18 to 2018-19 against the tax demand of ₹ 1.02 crore and is confident that the outcome is unlikely to result in a claim against the Company. Further, the Company has recourse to indemnification provided by the promoters of the Company vide the Share Subscription and Purchase Agreement executed with the Company.

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 including derivative contracts for which there were any material foreseeable losses.

NOTE - 47a
BUSINESS COMBINATIONS/ INVESTMENTS

Acquisitions during the year ended March 31, 2021

(i) Acquisition of 51% stake in Sabyasachi Calcutta LLP

On January 27, 2021, the Board of Directors had approved the acquisition of 51% stake in Sabyasachi Calcutta LLP [formerly M/s. Sabyasachi Couture, a partnership firm ("Sabyasachi" or "the LLP")] by entering into a Framework Agreement. On February 24, 2021, post completion of the customary closing conditions under the Framework Agreement, the Company concluded the acquisition. Considering the terms of the Framework Agreement, the LLP is considered as a subsidiary of the Company.On February 24, 2021, the partners of the LLP signed the LLP Agreement stipulating the capital of the partners and other terms and conditions in line with the aforesaid Framework Agreement as amended by the LLP Agreement and Framework Agreement on May 27, 2021.

Fair value recognised on acquisition

	₹ in Crore	₹ in Crore
Assets taken over		
Property, plant and equipment	25.27	
Capital work-in-progress	1.46	
Right-of-use assets	29.54	
Investment Property	1.92	
Other intangible assets (Brand)	606.50	
Inventories	91.32	
Security deposits	3.03	
Trade receivables	1.80	
Cash and cash equivalents	27.23	
Deferred tax asset	4.93	
Other assets	7.03	800.03
Liabilities taken over		
Borrowings	8.08	
Lease liabilities	30.79	
Deferred tax liabilities (Refer below)	211.94	
Trade payables	21.82	
Other payables	42.91	315.54
Total identifiable net assets at fair value as at February 24, 2021 (A)		**484.49**
Agreed capital contribution as on February 24, 2021 (B)		710.63
Goodwill recognised (B- A) (Refer below)		**226.14**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

In accordance with the purchase price allocation conducted by the Company during the previous year ended March 31, 2021, the Company recorded all the identifiable assets and liabilities including the 'Sabyasachi' brand. As per the LLP Agreement, the agreed capital contribution as on February 24, 2021 is determined to be ₹ 710.63 Crore leading to a goodwill of ₹ 14.20 Crore. The Company invested ₹ 389.84 Crore in the LLP for its share of 51% and as per the LLP Agreement, existing partners (promoters) withdrew ₹ 277.00 Crore, post infusion of capital by the Company.

During February 2022, at the time of filing of the Income Tax return for the Financial year ended March 31, 2021, management based on expert advice determined that depreciation on the 'Sabyasachi' brand is not allowable as a deduction under the Income Tax Act, 1961. This resulted in a taxable temporary difference between the carrying amount of 'Sabyasachi' brand and its tax base. Ind AS 103, Business Combination, permits adjustments to the provisional amounts recorded at the time of initial recognition of a business combination within a period of 12 months by restating the balances for the comparative period. Accordingly, an additional deferred tax liability amounting to ₹ 211.94 Crore has been recorded in respect of the aforesaid taxable temporary difference with a corresponding adjustment to the amount of goodwill by restating the comparative information for the prior year. Goodwill is allocated entirely to the Madura Fashion & Lifestyle Segment. Other intangible assets primarily comprise of the Brand and Trademarks ("Sabyasachi") which has been determined by management to have an indefinite life.

As per Framework Agreement, the Company has provided Mr. Sabyasachi Mukherjee, Put Option to sell his entire holding, i.e. 49% to the Company over a period of fourteen years starting from the end of five years from the aforesaid date and thereafter in three tranches, should an initial public offer of the organisation (after conversion to a company) does not take place. The Company has a Call option to purchase the entire holding of Mr. Sabyasachi Mukherjee in case the Put Option is not exercised at the end of fourteen years. In respect of the balance 49% held by promoter of Sabyasachi Calcutta LLP, the Company has accounted the same as non-current financial liability considering the put option. This qualifies as a liability under Ind AS since the Company does not have an unconditional right to not purchase the interest as per the terms of the Agreement. The Non-Controlling Interest has been recorded at the present value of the expected future cash outflows based on an independent valuation performed by the Company's appointed independent valuer. In accordance with Ind AS, the Group has elected an accounting policy choice to recognise the gross liability with a corresponding derecognition of non-controlling interest balance in its consolidated financial statements. Further, the Group has made an accounting policy choice to present any subsequent change in the fair value of gross liability in other equity.

(ii) Investment in 80% equity stake in Indivinity Clothing Retail Private Limited

On February 24, 2021, the Board of Directors approved the investment of ₹ 63.00 Crore in 80% equity stake in Indivinity Clothing Retail Private Limited ["ICRPL"] by way of entering into 'Share Subscription and Shareholders Agreement' ["SSSA"]. On March 26, 2021, post completion of the customary closing conditions under the said SSSA, ICRPL became a subsidiary of the Company. The balance 20% equity is held by the promoter. ICRPL was incorporated on March 03, 2021 to carry-on the business of manufacture, and sale of apparel, jewellery and accessories.

NOTE - 47b
INTEREST IN JOINT VENTURE

On February 24, 2021, the Board of Directors approved the acquisition of 33.50% stake in Goodview Fashion Private Limited [formerly known as Goodview Properties Private Limited] ["GFPL"], by way of entering into a 'Share Purchase and Subscription agreement' ["SPSA"] along with a 'Shareholders Agreement'. On March 19, 2021, post completion of the customary closing conditions under the said SPSA, the Company concluded the acquisition. Considering the terms of the SPSA and Shareholders' Agreement, the investment in GFPL is considered as a Joint Venture.

Below is the joint venture of the Group which have been accounted as per equity method of accounting. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(A) Goodview Fashion Private Limited [formerly known as Goodview Properties Private Limited] - Proportion of ownership interest 33.50%

(a) Summarised Balance Sheet ₹ in Crore

Particulars	Acquisition Date
Current assets, including cash and cash equivalents	24.89
Non-current assets	122.02
Current liabilities, including tax payable	(27.54)
Non-current liabilities, including deferred tax liabilities	(18.33)
Net Assets	**101.04**
Group Share in %	33.50%
Group Share before Call option	**33.85**
Purchase consideration paid by the Company	67.18
Less: Fair value of Call option (Tranche 2)	(4.28)
Net Purchase consideration paid by the Company towards acquistion of equity stake in business	**62.90**
Goodwill	**29.05**

(b) Summarised statement of profit and loss ₹ in Crore

Particulars	**Year ended March 31, 2022**	Period ended March 31, 2021
Revenue from operations	**63.49**	1.27
Other income	**0.34**	0.04
Total Income	**63.83**	1.31
Cost of materials consumed	**7.77**	0.17
Changes in inventories of stock-in-trade	**(3.37)**	(0.44)
Employee benefits expense	**11.33**	0.40
Finance costs	**2.03**	0.09
Depreciation and amortisation expense	**6.10**	0.30
Other expenses	**33.00**	1.81
Total expenses	**56.86**	2.33
Profit/ (Loss) before tax for the Year/ Period	**6.97**	(1.02)
Income tax expense/(credit)	**1.75**	(0.26)
Profit/ (Loss) for the Year/ Period	**5.22**	(0.76)
Other comprehensive income (loss) for the Year/ period	**(0.26)**	0.02
Total comprehensive income for the Year/ period	**4.96**	(0.74)
Group's share of profit/(loss) after tax for the Year/ period	**1.66**	(0.25)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The contingent liabilities of joint venture as at March 31, 2022 is Nil (March 31, 2021 : Nil) and capital commitments as at March 31, 2022 is amounting to ₹ 0.01 Crore (March 31, 2021 : ₹ 0.02 Crore)

On or after the expiry of 3 years from the Closing Date and till the expiry of 5 years from the Closing Date, the Company has right but not an obligation, to acquire all or such number of Promoter securities from the Promoter of Goodview Fashion Private Limited so as to increase the shareholding to 51%. This is referred to as the Tranche 2 call option. Tranche 2 call option will be exercised by acquiring the said equity shares at a value based on specific formula.

Also, the agreement stipulates a simultaneous call and put option (the Company holds the call options and has written the put options), whereby, after the expiry of 10 years, in certain specified time periods, the Company can acquire, if it exercises the call option it holds, and will also be required to acquire, if Promoter exercises the put options the Company has written, all or such number of equity shares so as to increase its shareholding to 100%. These call and put options are to be exercised by acquiring/selling the said equity shares at fair value. Accordingly, the fair value of the option is Nil.

NOTE - 48
RELATED PARTY TRANSACTIONS

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

Name of related parties

Joint Venture

Goodview Fashion Private Limited - with effect from March 19, 2021

Other related parties in which directors are interested

Aditya Birla Fashion and Retail Jan Kalyan Trust

Grasim Premium Fabric Private Limited (formerly known as Soktas India Private Limited) upto June 20, 2021

Aditya Birla Management Corporation Private Limited

Indiginus Learning Private Limited - with effect from June 05, 2020

Post-employment benefit plans

Aditya Birla Fashion and Retail Limited - Employees Group Superannuation Scheme Trust

Aditya Birla Fashion and Retail Limited - Employees Group Gratuity Fund Trust

Key Management Personnel (“KMP”)

Mr. Kumar Mangalam Birla - Chairman and Non-Executive Director with effect from February 24, 2021

Mr. Himanshu Kapania - Vice Chairman and Non-Executive Director

Mr. Ashish Dikshit - Managing Director

Mr. Vishak Kumar - Whole-time Director with effect from February 24, 2021

Ms. Sangeeta Pendurkar - Whole-time Director with effect from February 24, 2021

Mr. Arun Thiagarajan - Independent Director upto May 10, 2020

Mr. Nish Bhutani - Independent Director with effect from June 05, 2020

Ms. Preeti Vyas- Independent Director with effect from March 31, 2021

Mr. Sunirmal Talukdar - Independent Director

Mr. Sanjeeb Chaudhuri - Independent Director upto June 05, 2020

Ms. Sukanya Kripalu - Independent Director

Mr. Yogesh Chaudhary - Independent Director with effect from March 17, 2021

Mr. Arun Kumar Adhikari - Independent Director with effect from May 19, 2021

Mr. Sushil Agarwal - Non-Executive Director upto March 31, 2021

Mr. Vikram Rao - Non-Executive Director with effect from March 17, 2021

Mr. Jagdish Bajaj - Chief Financial Officer

Ms. Geetika Anand - Company Secretary

Relative of Key Management Personnel ("KMP")

Ms. Karuna Rao upto March 31, 2021

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

₹ in Crore

	Year ended March 31, 2022			Year ended March 31, 2021		
	Joint Venture	**KMP and Relative of KMP**	**Other related parties**	Joint Venture	KMP and Relative of KMP	Other related parties
Purchase of goods	**-**	**-**	**2.84**	-	-	7.92
Reimbursement of expenses paid to	**-**	**-**	**19.24**	-	-	25.36
Consultancy services	**-**	**-**	**-**	-	-	0.10
Share in Profit (loss) after tax (including other comprehensive income) of Joint Venture	**1.66**	**-**	**-**	(0.25)	-	-
Contribution to trusts	**-**	**-**	**4.37**	-	-	10.18
Deposits given	**-**	**-**	**-**	-	-	3.48
Repayment of deposit	**-**	**-**	**-**	-	-	5.54
Investment made in Joint Venture	**-**	**-**	**-**	12.45	-	-
Remuneration paid to KMP*	**-**	**33.77**	**-**	-	9.85	-
Remuneration paid to relative of KMP	**-**	**-**	**-**	-	0.01	-

* Includes director sitting fees

Balances outstanding

₹ in Crore

	As at March 31, 2022		As at March 31, 2021	
	KMP and Relative of KMP	**Other related parties**	KMP and Relative of KMP	Other related parties
Amounts owed to related parties	**-**	**4.82**	-	19.26
Deposits receivable	**-**	**5.64**	-	5.64

The above amounts are classified as security deposit receivable and trade payables (Refer Notes - 8 and 28 respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Disclosure 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:

Disclosure of transactions with the entity belonging to the promoter/ promoter group holding 10% or more shareholding in the Company

Transactions during the financial year

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Grasim Industries Limited		
Reimbursement of expenses recovered from	**1.95**	1.53
Purchase of goods	**22.87**	0.84

Balances outstanding

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Grasim Industries Limited		
Amounts owed to entity	**16.59**	-
Amounts owed by entity	**0.71**	0.03

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables. For the year ended March 31, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key Managerial Personnel (KMP) of the Company

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	**22.58**	6.18
Post-employment benefits	**1.41**	0.46
Share-based payment	**9.78**	3.21
Total	**33.77**	9.85

Year ended March 31, 2022 KMP remuneration is not comparable with previous year as current year remuneration for whole time directors is for twelve months which was 36 days during the previous year.

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

KMPs interests in the Employee Stock Options and RSUs

Scheme	Grant date	Expiry date	Exercise price (₹)	As at March 31, 2022	As at March 31, 2021
				Number outstanding	Number outstanding
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
Options - Tranche 1	September 08, 2017*	September 07, 2026	178.30	**4,87,709**	5,76,248
Options - Tranche 3	February 2, 2018*	February 1, 2027	163.60	**45,020**	1,35,058
Options - Tranche 4	April 18, 2018	April 17, 2027	150.80	**67,529**	67,529
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
Options - Tranche 1	December 02, 2019*	December 01, 2028	225.25	**730,456**	8,05,911
Options - Tranche 3	January 21, 2021	January 20, 2027	173.55	**403,274**	5,28,250
Total				**17,33,988**	21,12,996
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017					
RSUs - Tranche 1	September 08, 2017	September 07, 2025	10.00	**91,048**	97,118
RSUs - Tranche 3	February 2, 2018*	February 1, 2026	10.00	**-**	60,698
RSUs - Tranche 4	April 18, 2018	April 17, 2026	10.00	**30,349**	30,349
Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019					
RSUs - Tranche 1	December 02, 2019*	December 01, 2027	10.00	**2,99,498**	2,99,498
Total				**4,20,895**	4,87,663
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
Options - Tranche 3	August 18, 2021	August 17, 2027	206.35	**3,36,369**	-
Options - Tranche 4	November 03, 2021	November 03, 2027	288.10	**2,04,546**	-
Total				**5,40,915**	-
Aditya Birla Fashion and Retail Limited Stock Appreciation Scheme 2019					
RSUs - Tranche 3	August 18, 2021	August 17, 2027	10.00	**92,964**	-
RSUs - Tranche 4	November 03, 2021	November 03, 2027	10.00	**56,533**	-
Total				**1,49,497**	-

* The above includes Options/RSU's granted to Mr. Vishak Kumar and Ms. Sangeeta Pendurkar who have been appointed as Whole-time Directors with effect from February 24, 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE - 49
GROUP INFORMATION

The consolidated financial statements of the Group include subsidiaries and joint venture 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, 2022	As at March 31, 2021
Jaypore E-Commerce Private Limited	Subsidiary	India	Retailing	**100.00%**	100.00%
TG Apparel & Decor Private Limited	Subsidiary	India	Retailing	**100.00%**	100.00%
Jaypore Inc. (dissolved on September 21, 2020)	Subsidiary	USA	Retailing	**NA**	NA
Finesse International Design Private Limited	Subsidiary	India	Manufacturing and retailing	**58.69%**	51.00%
Sabyasachi Calcutta LLP	Subsidiary	India	Manufacturing and retailing	**51.00%**	51.00%
Sabyasachi Inc.	Subsidiary	USA	Retailing	**51.00%**	51.00%
Indivinity Clothing Retail Private Limited	Subsidiary	India	Manufacturing and retailing	**80.00%**	80.00%
Goodview Fashion Private Limited	Joint Venture	India	Manufacturing and retailing	**33.50%**	33.50%

NOTE - 50
SEGMENT INFORMATION

Based on the "management approach", as defined under Ind AS 108 - Operating segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates the resources based on the analysis of various performance indicators by business segments. Accordingly, the business of the Group is divided into two business segments, which are as follows:

Segments	Activities
Madura Fashion & Lifestyle	Manufacturing, distribution and retailing of branded fashion apparel and accessories
Pantaloons	Retailing of apparel and accessories

Jaypore, TG Apparel, Jaypore Inc., Finesse, Forever 21, Sabyasachi, Sabyasachi Inc. and Indivinity businesses have been included in Madura Fashion & Lifestyle segment, considering all of these deal into branded apparel and is viewed as branded business.

Prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended March 31, 2022

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Eliminations	Total
Revenue					
External customers	**5,510.15**	**2,626.07**	**8,136.22**	**-**	**8,136.22**
Inter-segment	**182.62**	**-**	**182.62**	**(182.62)**	**-**
Total revenue	**5,692.77**	**2,626.07**	**8,318.84**	**(182.62)**	**8,136.22**

Year ended March 31, 2022 and As at March 31, 2022

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Corporate and eliminations	Total
Expenses/ (income)					
Depreciation and amortisation expense	**562.90**	**434.13**	**997.03**	**-**	**997.03**
Segment profit/ (loss)	**270.35**	**(66.43)**	**203.92**	**(348.85)**	**(144.93)**
Total assets	**7,386.07**	**3,973.09**	**11,359.16**	**1,047.40**	**12,406.56**
Total liabilities	**5,400.67**	**2,624.29**	**8,024.96**	**1,593.08**	**9,618.04**
Other disclosures					
Capital expenditure	**202.11**	**173.22**	**375.33**	**-**	**375.33**

Year ended March 31, 2021

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Eliminations	Total
Revenue					
External customers	3,390.34	1,858.58	5,248.92	-	5,248.92
Inter-segment	82.83	-	82.83	(82.83)	-
Total revenue	3,473.17	1,858.58	5,331.75	(82.83)	5,248.92

Year ended March 31, 2021 and As at March 31, 2021

₹ in Crore

Particulars	Madura Fashion & Lifestyle	Pantaloons	Total Segments	Corporate and eliminations	Total
Expenses/ (income)					
Depreciation and amortisation expense	542.58	420.17	962.75	-	962.75
Segment profit/ (loss)	(214.13)	(144.50)	(358.63)	(478.91)	(837.54)
Total assets	5,852.25	3,324.03	9,176.28	1,084.64	10,260.92
Total liabilities	4,004.86	2,016.07	6,020.93	1,563.72	7,584.65
Other disclosures					
Capital expenditure	740.85	50.77	791.62	-	791.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Eliminations' column. All Eliminations are part of detailed reconciliations presented further below.

Corporate and eliminations

Finance income and costs are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to these segments as they are also managed on a Group basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets including assets from acquisition of subsidiaries.

Reconciliation of amounts reflected in the consolidated financial statements:

Reconciliation of profit

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Segment profit/(loss)	**203.92**	(358.63)
Other unallocable (expenditure)/ income (net)	**14.00**	(0.48)
Finance costs (Refer Note - 36)	**(350.71)**	(502.60)
Inter-segment (loss)/ profit on sales (elimination)	**(14.48)**	24.51
Share in loss of Joint Venture	**2.34**	(0.34)
Loss before tax	**(144.93)**	(837.54)

Reconciliation of assets

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Segment operating assets	**11,359.16**	9,176.28
Cash and cash equivalents	**64.78**	93.65
Deferred tax assets (net) (Refer Note - 10)	**380.46**	333.92
Non-current tax assets (net)	**22.81**	24.89
Investment in Joint Venture (Refer Note - 6a)	**68.57**	66.93
Non-current investments (Refer Note - 6b)	**7.32**	6.66
Current Investments (Refer Note - 13)	**537.42**	299.53
Other corporate assets	**98.56**	383.59
Inter-segment eliminations	**(132.52)**	(124.53)
Total	**12,406.56**	10,260.92

Reconciliation of liabilities

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Segment operating liabilities	**8,024.96**	6,020.93
Current borrowings (Refer Note - 27)	**1.88**	4.00
Non-current borrowings (Refer Note - 23)	**777.97**	814.37
Current maturities of long-term borrowings (Refer Note - 27)	**452.48**	318.01
Interest accrued but not due on borrowings (Refer Note - 24 and 29)	**133.41**	152.76
Deferred tax liabilities (net) (Refer Note - 10)	**211.94**	212.25
Other corporate liabilities	**98.99**	152.15
Inter-segment eliminations	**(83.59)**	(89.82)
Total	**9,618.04**	7,584.65

Other information required by IND AS 108

₹ in Crore

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from customers outside India	**197.61**	113.59
Revenue from customers within India	**7,938.61**	5,135.33
Total	**8,136.22**	5,248.92

(i) Non current assets excluding Financial Instrument, Deferred tax assets, Investment accounted using equity method amounting to ₹ 6,265.33 Crore (March 31, 2021: ₹ 5,755.46 Crore) are held within India and ₹ 21.90 Crore (March 31, 2021: ₹ 5.86 Crore) are held outside India.

(ii) No single customer or customer group has accounted for more than 10% of the external revenues during the current and previous year.

NOTE - 51
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, 2022 and March 31, 2021 are as follows:

As at March 31, 2022

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 13)	608.14	7.32	-	615.46	608.14	-	7.32
Loans (Refer Notes - 7 and 14)	-	-	8.70	8.70	-	-	-
Security deposits (Refer Notes - 8 and 15)	-	-	442.54	442.54	-	-	-
Trade receivables (Refer Note - 16)	-	-	756.43	756.43	-	-	-
Cash and cash equivalents (Refer Note - 17)	-	-	118.22	118.22	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

As at March 31, 2022

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Bank balance other than Cash and cash equivalents (Refer Note - 18)	-	-	2.31	2.31	-	-	-
Other financial assets (Refer Notes - 9 and 19)	-	-	46.88	46.88	-	-	-
Total	608.14	7.32	1,375.08	1,990.54	608.14	-	7.32
Financial liabilities							
Non-current borrowings (Refer Note - 23)	-	-	777.97	777.97	-	-	-
Current borrowings (Refer Note - 27)	-	-	454.36	454.36	-	-	-
Lease liabilities (Refer Note - 4b)	-	-	2,868.09	2,868.09	-	-	-
Deposits	-	-	380.98	380.98	-	-	-
Trade payables (Refer Note - 28)	-	-	3,410.56	3,410.56	-	-	-
Other financial liabilities (Refer Notes - 24 and 29)	-	-	334.47	334.47	-	-	-
Derivative contracts (Refer Note - 29)	3.20	-	-	3.20	3.20	-	-
Non-controlling interest put option (Refer Note - 24)	421.15	-	-	421.15	-	-	421.15
Total	424.35	-	8,226.43	8,650.78	3.20	-	421.15

As at March 31, 2021

₹ in Crore

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
Investments (Refer Notes - 6b and 13)	344.31	6.66	-	350.97	344.31	-	6.66
Loans (Refer Notes - 7 and 14)	-	-	9.13	9.13	-	-	-
Security deposits (Refer Notes - 8 and 15)	-	-	409.85	409.85	-	-	-
Trade receivables (Refer Note - 16)	-	-	607.97	607.97	-	-	-
Cash and cash equivalents (Refer Note - 17)	-	-	246.13	246.13	-	-	-
Bank balance other than Cash and cash equivalents (Refer Note - 18)	-	-	15.62	15.62	-	-	-
Other financial assets (Refer Notes - 9 and 19)	-	-	16.12	16.12	-	-	-
Total	344.31	6.66	1,304.82	1,655.79	344.31	-	6.66
Financial liabilities							
Non-current borrowings (Refer Note - 23)	-	-	814.37	814.37	-	-	-
Current borrowings (Refer Note - 27)	-	-	322.01	322.01	-	-	-
Lease liabilities (Refer note - 4b)	-	-	2,463.40	2,463.40	-	-	-
Deposits	-	-	298.01	298.01	-	-	-
Trade payables (Refer Note - 28)	-	-	2,152.42	2,152.42	-	-	-
Other financial liabilities (Refer Notes - 24 and 29)	-	-	269.31	269.31	-	-	-
Derivative contracts (Refer Note - 29)	3.29	-	-	3.29	3.29	-	-
Non-controlling interest put option (Refer Note - 24)	374.21	-	-	374.21	-	-	374.21
Total	377.50	-	6,319.52	6,697.02	3.29	-	374.21

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

The carrying value of investment made in joint venture as at March 31, 2022 is ₹ 68.57 Crore (March 31, 2021: ₹ 66.93 Crore) and are measured at cost.

Key inputs for level 1 and 3 fair valuation techniques

a) Derivative contracts:

  i) Forward contracts: Fair value of forward foreign exchange contracts is determined using forward exchange rates as provided by banks to the Company (level 1)

b) Non-controlling interest put option :

  i) Option contracts: Fair value of option contracts is determined basis valuation performed by independent valuer appointed by the Company (level 3)

c) Investment:

  i) Unquoted equity instruments: Valuation has been done by considering the net worth of the company and price to book multiple to arrive at the fair value (level 3)

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

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

₹ in Crore

Particulars	Fair Value as at March 31, 2022	Significant unobservable inputs	Fair Value as at March 31,2022		Sensitivity
			Increase by 0.50%	Decrease by 0.50%	
Non-controlling interest put option	421.15	Risk adjusted discount rate	405.60	435.00	Increase in discount rate by 0.50% would decrease the fair value by ₹ 15.55 Crore and decrease in discount rate by 0.50% would increase the fair value by ₹ 13.85 Crore.
		EBITDA margin projection	429.90	410.00	Increase in EBITDA margin by 0.50% would increase the fair value by ₹ 8.75 Crore and decrease in EBITDA margin by 0.50% would decrease the fair value by ₹ 11.15 Crore.
		Revenue projection	422.90	417.30	Increase in revenue by 0.50% would increase the fair value by ₹ 1.75 Crore and decrease in revenue by 0.50% would decrease the fair value by ₹ 3.85 Crore.

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 reviews and agrees policies for managing each of these risks, which are summarised below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

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 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, 2022 and March 31, 2021.

i) Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2022, approximately 97% of the Group's borrowings are at a fixed rate of interest (March 31, 2021: 97%).

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, 2022		As at March 31, 2021	
Basis points (%)	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax				
₹ in Crore	**(0.18)**	**0.18**	(0.16)	0.16

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.

ii) Foreign currency risk

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

The Group manages foreign currency risk by hedging its transactions using foreign currency forward contracts. The foreign exchange forward contracts are not designated as cash flow hedges, and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months. As at March 31, 2022, the Group has hedged Nil (March 31, 2021: Nil) of its receivables in foreign currency and 91% (March 31, 2021: 88%) of its payables in foreign currency.

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

As at March 31, 2022	**Currency**	**Foreign currency in Crore**	**₹ in Crore**
Forward contracts to buy(Hedge of payables)	**USD**	**4.61**	**349.93**

As at March 31, 2021	Currency	Foreign currency in Crore	₹ in Crore
Forward contracts to buy(Hedge of payables)	USD	2.86	214.71

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

As at March 31, 2022	**Currency**	**Foreign currency in Crore**	**₹ in Crore**
Trade payables (net of advances)	**USD**	**0.27**	**20.70**
	EURO	**0.07**	**5.76**
	GBP	**0.07**	**7.16**
	HKD	**0.03**	**0.28**
Trade receivables	**USD**	**0.29**	**22.00**
	EURO	**0.04**	**3.63**
	HKD	**0.16**	**1.57**
	GBP	**0.07**	**7.22**
Bank balances	**USD**	**0.00***	**0.09**
	CNY	**0.02**	**0.20**
	BDT	**0.07**	**0.06**

* The amount has been rounded off in Crore.

As at March 31, 2021	Currency	Foreign currency in Crore	₹ in Crore
Trade payables (net of advances)	USD	0.20	14.62
	EURO	0.02	1.89
	GBP	0.06	5.65
	HKD	0.62	5.79
Trade receivables	USD	0.16	12.03
	EURO	0.05	4.01
	HKD	0.04	0.38
	GBP	0.09	9.29
Bank balances	USD	0.00*	0.09
	CNY	0.01	0.07
	BDT	0.11	0.09

* The amount has been rounded off in Crore.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant. The impact on the Group's loss before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	As at March 31, 2022		As at March 31, 2021	
Basis points (%)	**0.50% increase**	**0.50% decrease**	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax				
₹ in Crore	**(0.10)**	**0.10**	(0.08)	0.08

b) Credit risk

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

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

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

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

Trade receivables

Customer credit risk is managed by each business unit, subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at March 31, 2022, the Group has 16 customers (March 31, 2021: 20 customers) that owed the Group more than ₹ 5 Crore each and accounts for approximately 80% (March 31, 2021: 86%) of all the receivables outstanding. There are 177 customers (March 31, 2021: 87 customers) with balances greater than ₹ 0.50 Crore each and accounts for approximately 18% (March 31, 2021: 13%) of the total amounts receivable.

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

The Group's maximum exposure to credit risk for the components of the Consolidated Balance Sheet as at March 31, 2022 and March 31, 2021, is the carrying amount as provided in Note - 16.

c) Liquidity risk

The Group monitors its risk of shortage of funds. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. Approximately, 37% of the Group's debt will mature in less than one year as at March 31, 2022 (March 31, 2021: 28%) based on the carrying value of borrowings reflected in the Consolidated financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to various sources of funding.

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

As at March 31, 2022

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	631.62	817.63	-	1,449.25
Cumulative redeemable preference shares	-	0.51	-	0.51
Lease liabilities	946.89	2,093.93	323.38	3,364.20
Other financial liabilities	336.90	0.77	421.15	758.82
Deposits	152.62	228.36	-	380.98
Trade payables	3,410.56	-	-	3,410.56
Total	**5,478.59**	**3,141.20**	**744.53**	**9,364.32**

As at March 31, 2021

₹ in Crore

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings (other than preference shares)*	476.84	979.95	-	1,456.79
Cumulative redeemable preference shares	-	0.51	-	0.51
Lease liabilities	870.05	1,846.17	138.02	2,854.24
Other financial liabilities	219.70	52.90	374.21	646.81
Deposits	130.73	167.28	-	298.01
Trade payables	2,152.42	-	-	2,152.42
Total	3,849.74	3,046.81	512.23	7,408.78

*Includes interest

Excessive risk concentration

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE - 52
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):

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Short-term debts (including current maturities of long-term borrowings)	**454.36**	322.01
Long-term debts	**777.97**	814.37
Total borrowings	**1,232.33**	1,136.38
Total - Equity (Including Non-controlling interest)	**2,788.52**	2,676.27

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.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

NOTE - 53
ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

Year ended March 31, 2022 and As at March 31, 2022

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Parent								
Aditya Birla Fashion and Retail Limited	103.36%	2,882.14	68.18%	(80.70)	130.96%	2.69	67.07%	(78.01)
Subsidiaries								
Jaypore E-Commerce Private Limited	2.62%	73.16	21.73%	(25.72)	6.33%	0.13	22.01%	(25.60)
TG Apparel & Decor Private Limited	-0.02%	(0.46)	0.18%	(0.21)	-	-	0.18%	(0.21)
Finesse International Design Private Limited	0.65%	18.09	6.37%	(7.54)	-6.82%	(0.14)	6.60%	(7.68)
Sabyasachi Calcutta LLP	28.55%	796.15	-23.42%	27.72	-27.30%	(0.56)	-23.36%	27.16
Indivinity Clothing Retail Private Limited	1.38%	38.62	25.84%	(30.59)	1.21%	0.02	26.28%	(30.57)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Adjustments arising out of consolidation	-36.54%	(1,019.18)	1.12%	(1.32)	-4.38%	(0.09)	1.20%	(1.40)
Total	100.00%	2,788.52	100.00%	(118.36)	100.00%	2.05	100.00%	(116.31)
Non-controlling Interest in subsidiary		15.20		(9.64)		0.06		(9.58)
Finesse International Design Private Limited		7.48		(3.52)		0.06		(3.46)
Indivinity Clothing Retail Private Limited		7.72		(6.12)		-		(6.12)
Total		2,773.32		(108.72)		1.99		(106.73)

Year ended March 31, 2021 and As at March 31, 2021

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/ (loss) (OCI)		Share in total comprehensive income/ (loss) (TCI)	
	As % of consolidated net assets	₹ in Crore	As % of consolidated profit/ (loss)	₹ in Crore	As % of consolidated OCI	₹ in Crore	As % of TCI	₹ in Crore
Parent								
Aditya Birla Fashion and Retail Limited	100.31%	2,684.58	88.27%	(649.64)	88.51%	1.60	88.27%	(648.04)
Subsidiaries								
Jaypore E-Commerce Private Limited	-0.98%	(26.14)	2.25%	(16.58)	-4.43%	(0.08)	2.27%	(16.66)
TG Apparel & Decor Private Limited	-0.01%	(0.25)	-0.27%	2.00	-	-	-0.27%	2.00
Finesse International Design Private Limited	0.22%	5.84	1.40%	(10.29)	13.83%	0.25	1.37%	(10.04)
Sabyasachi Calcutta LLP	28.73%	769.00	7.48%	(55.02)	2.08%	0.04	7.49%	(54.98)
Indivinity Clothing Retail Private Limited	2.59%	69.19	0.01%	(0.04)	-	-	0.01%	(0.04)
Adjustments arising out of consolidation	-30.86%	(825.95)	0.87%	(6.43)	-	-	0.88%	(6.43)
Total	100.00%	2,676.27	100.00%	(736.00)	100.00%	1.81	100.00%	(734.19)
Non-controlling Interest in subsidiary		32.48		(63.49)		0.14		(63.35)
Finesse International Design Private Limited		13.58		(6.47)		0.12		(6.35)
Sabyasachi Calcutta LLP		5.06		(57.01)		0.02		(56.99)
Indivinity Clothing Retail Private Limited		13.84		(0.01)		-		(0.01)
Total		2,643.79		(672.51)		1.67		(670.84)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE - 54
ACQUISTION OF REEBOK INDIA BUSINESS

On December 14, 2021 the Board approved acquiring exclusive online and offline rights to the global brand 'Reebok' for the Indian market and other ASEAN countries and purchase of certain assets of 'Reebok India Company' including inventory, currents assets/liabilities by way of entering into a Licensing Agreement and a Purchase Agreement, respectively. As part of the transfer of global ownership of 'Reebok', various agreements have been signed between the Authentic Brand Group, US and Adidas. The transaction will be effective upon signing of definitive agreement(s) and necessary statutory approvals, if any.

NOTE - 55
SETTING UP OF D2C SUBSIDIARY

On February 4, 2022, the Board approved to set up a new subsidiary, for foraying into the Direct to Consumer ("D2C') business towards building a portfolio of distinct, new-age, digital brands across categories in fashion, beauty and other allied lifestyle segments. The D2C portfolio will be built through organic and inorganic means.

NOTE - 56
ACQUISITION OF MAJORITY STAKE IN 'HOUSE OF MASABA LIFESTYLE PRIVATE LIMITED' ("HMLPL")

On January 14, 2022, the Board of Directors approved the acquisition of majority stake in HMLPL by way of entering into a Binding Term Sheet subject to signing of definitive agreements, completion of closing conditions precedent to be set out in the definitive agreements and statutory approvals, if any. HMLPL houses apparel, non-apparel, beauty & personal care and accessories business under the brand 'Masaba'. The Board of Directors at its meeting held on May 18, 2022 have noted, completion of the said conditions and authorised officers of the Company to take necessary actions to close the acquisition by signing definitive agreements, post which the Company will hold 52.4% stake in HMLPL making it a subsidiary of the Company.

NOTE - 57
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 Parent, Subsidiaries and a Joint Venture in India have 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) WILFUL DEFAULTER

The Parent, Subsidiaries and a Joint Venture in India have not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

(v) 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.

(vi) 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.

NOTE - 58
PREVIOUS YEAR FIGURES

Consolidated Financial Statements for the year ended March 31, 2022 have been prepared in accordance with amended Division II of Schedule III to the Companies Act, 2013. Balances of certain assets and liabilities as at the previous year ended March 31, 2021 have been regrouped or reclassified, where necessary, to comply with the amended Division II of Schedule III. Such reclassifications did not have a material impact on the financial statements. During the year ended March 31, 2021, the Company acquired/invested in Sabyasachi Calcutta LLP, Sabyasachi Inc. and Indivinity Clothing Retail Private Limited which forms part of "Madura Fashion & Lifestyle" segment of the Group with effect from February 24, 2021 and March 26, 2021, respectively. Accordingly, the figures for the year ended March 31, 2022 are strictly not comparable to the previous year.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E-300009

A.J. SHAIKH
Partner
Membership No.: 203637

Place: Mumbai
Date : May 18, 2022

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

ASHISH DIKSHIT
(Managing Director)
(DIN: 01842066)

Place: Mumbai
Date : May 18, 2022

SANGEETA PENDURKAR
(Whole-time Director)
(DIN: 03321646)

Place: Mumbai
Date : May 18, 2022

JAGDISH BAJAJ
(Chief Financial Officer)

Place: Mumbai
Date : May 18, 2022

GEETIKA ANAND
(Company Secretary)
(M.No.: 23228)

Place: Mumbai
Date : May 18, 2022

ADITYA BIRLA FASHION AND RETAIL LIMITED

Registered office: Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor,
Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070
CIN: L18101MH2007PLC233901
Tel: +91 - 8652905000 | **Fax:** +91 - 8652905400
Website: www.abfrl.com | **E-mail:** secretarial@abfrl.adityabirla.com

Notice of 15th Annual General Meeting

NOTICE is hereby given that the 15th Annual General Meeting of the Shareholders of Aditya Birla Fashion and Retail Limited ("the Company") will be held on Monday, September 5, 2022 at 4:00 p.m. IST through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1) **Consider and adopt:**

   a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Directors and Auditors thereon and

   b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Auditors thereon.

2) **Consider and appoint Mr. Kumar Mangalam Birla (DIN: 00012813) who retires by rotation and being eligible, offers himself for re-appointment.**

3) **Consider and appoint Ms. Sangeeta Pendurkar (DIN: 03321646) who retires by rotation and being eligible, offers herself for re-appointment.**

By Order of the Board

Sd/-
Geetika Anand
Company Secretary and Compliance Officer
Membership No.: A23228

Place : Mumbai
Date : May 18, 2022

Annexure A

Details[1] of the Directors seeking appointment / re-appointment
(as set out in item nos. 2 and 3 of this Notice)

In terms of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Clause 1.2.5 of Secretarial Standards 2 on General Meetings (SS-2)

Name of Director	**Mr. Kumar Mangalam Birla**	**Ms. Sangeeta Pendurkar**
DIN	00012813	03321646
Date of Birth / Age	June 14, 1967 / 54 years	January 24, 1966 / 56 years
Brief resume along with experience and qualifications	▪ MBA from the London Business School. ▪ Chartered Accountant. ▪ Chairman of your Company and the Aditya Birla Group. ▪ In the 25 years that he has been at the helm of the Group, he has accelerated growth, built meritocracy and enhanced stakeholder value. In the process, he has raised the Group's turnover by over 20 times. ▪ Chairs the Boards of the major Group companies in India and globally. ▪ Chancellor of Birla Institute of Technology & Science (BITS). ▪ Chairman of IIM, Ahmedabad. ▪ Director of the G. D. Birla. Medical Research & Education Foundation. ▪ Serves on the London Business School's Asia Pacific Advisory Board and is a Honorary Fellow of the London Business School.	▪ Master of Business Admin: University of Pune and Bachelor of Pharmacy: University of Mumbai. ▪ CEO of Pantaloons and Jaypore. ▪ Over 30 years of work. experience spanning across four diverse sectors i.e. FMCG, pharmaceuticals, financial services and retail. ▪ Former Managing Director of Kellogg - India and South Asia ▪ Before joining Kellogg India, held senior positions at Coca-Cola India, HSBC Bank, Hindustan Unilever and at Novartis (then Hindustan Ciba-Geigy), where she started her career. ▪ Was the Chairperson of the FICCI - Food Processing Committee, for two consecutive years when she was part of the food industry. ▪ Currently, an Independent Director on the board of Tata SIA Airlines & Signify Innovations India Limited.
Date of First Appointment	February 24, 2021	February 24, 2021
Expertise in specific functional areas	Industrialist	Corporate Management
Terms and conditions of appointment / re-appointment	Proposed to be re-appointed as a Non-Executive Director, liable to retire by rotation.	Whole-time Director appointed for a period of 5 years w.e.f. February 24, 2021, liable to retire by rotation.
Past Remuneration drawn from the Company	₹ 3 Lakh (Sitting Fees).	₹ 9.35 Crore as a Whole-time Director.
Remuneration sought to be paid	Remuneration to be drawn from the Company shall comprise of the Sitting Fees paid for attending the meetings of the Board of Directors and / or its Committees.	As per the terms of appointment.

Name of Director	Mr. Kumar Mangalam Birla	Ms. Sangeeta Pendurkar
Shareholding in the Company	33,966 Equity Shares (Excluding 52,18,89,546 Equity shares held as beneficial owner)	Nil
Relationship with the other Directors, Manager and Other Key Managerial Personnel of the Company	None	None
No. of Board Meetings attended during the FY2021-22	4 out of 7	6 out of 7
List of other Companies in which Directorship is held (2)	1) Aditya Birla Capital Limited 2) Aditya Birla Sun Life AMC Limited 3) Aditya Birla Sun Life Insurance Company Limited 4) Century Textiles and Industries Limited 5) Grasim Industries Limited 6) Hindalco Industries Limited 7) UltraTech Cement Limited	1) Tata SIA Airlines Limited 2) Signify Innovations India Limited 3) Sula Vineyards Limited 4) TG Apparel & Decor Private Limited 5) Jaypore E-Commerce Private Limited
Listed entities from which resigned as a Director in the past three years	Vodafone Idea Limited	Nil
Chairperson / Member of Committee(s) of Board of Directors of the Company (3)	Nil	Nil
Chairperson / Member of the Committee(s) of Board of Directors of other Companies in which Director is a Member / Chairperson (3)	**Audit Committee**	
	Nil	1) Tata SIA Airlines Limited 2) Signify Innovations India Limited
	Stakeholders Relationship Committee	
	Nil	Nil

Notes:

(1) Details stated in Annexure A are as on the date of the AGM Notice i.e. May 18, 2022.

(2) In terms of the applicable provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), total number of directorships:

(a) consist of directorships in all public limited companies (including deemed public company), whether listed or not;

(b) excludes this company, foreign companies, private limited companies and companies formed under section 25 of the erstwhile Companies Act, 1956 and under section 8 of the Act.

(3) In terms of the applicable provisions of the SEBI Listing Regulations, memberships and chairpersonship in committee only includes the Audit Committee and Stakeholders Relationship Committee in other public limited companies (including deemed public company), whether listed or not.

Notes for Members' Attention

1. Virtual Meeting

The Ministry of Corporate Affairs ("MCA") has vide its General Circular no. 2/2022 dated May 5, 2022[1] permitted the holding of the Annual General Meeting ("AGM" or "Meeting"), through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. Members participating through the VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013 ("Act").

Further, the Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022[2] has granted further relaxations to ensure the AGM is conducted effectively. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

The deemed venue for the AGM will be the Registered Office of the Company. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.

2. Electronic copy of Annual Report and Notice of the 15th Annual General Meeting

a) In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories.

b) Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.abfrl.com, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and website of Link Intime India Private Limited ("LIIPL") i.e. https://instavote.linkintime.co.in/.

3. Register to receive communications electronically

Members who have not registered / updated their e-mail address or mobile number with the Company but wish to receive all communication (including Annual Report) from the Company electronically may register / update their e-mail and mobile numbers on http://www.abfrl.com/investors/update-contact-details/.

Members are also encouraged to register / update their e-mail addresses or mobile number with the relevant Depository Participant.

4. Directors seeking appointment / re-appointment

Relevant details with respect of Directors seeking appointment / re-appointment at the AGM, in terms of Regulation 36 of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standards on General Meetings, are set out in **Annexure A**, which also form part of this Notice.

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[1] *General Circular no. 02/2022 dated May 5, 2022 read with General Circular no. 02/2021 dated January 13, 2021, General Circular no. 20/2020 dated May 5, 2020, General Circular no. 14/2020 dated April 8, 2020 and General Circular no. 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars").*

[2] *Circular no SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 read with SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "SEBI Circulars").*

5. Proxy

The AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

6. Authorised Representative

Institutional / Corporate Shareholders (i.e. other than individuals HUF, NRI. etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.

The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to Mr. Dilip Bharadiya at dilipbcs@gmail.com with a copy marked to the Company Secretary at secretarial@abfrl.adityabirla.com.

7. Document open for inspection

Documents required to be kept open for inspection by the Members at the AGM in terms of the applicable laws, shall be made available on https://instameet.linkintime.co.in.

8. E-voting

Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of the SEBI Listing Regulations and the MCA Circulars, the Company is pleased to provide the facility to Members to exercise their right to vote, on the Resolutions proposed to be passed at AGM, by electronic means.

The Company has engaged the services of LIIPL to provide the remote e-voting facility on InstaVote and the e-voting system on the date of the AGM on InstaMeet.

The Company has appointed Mr. Dilip Bharadiya (holding membership no. FCS 7956), Partner of M/s. Dilip Bharadiya & Associates, Company Secretaries, to act as the Scrutinizer and to scrutinize the entire e-voting process (i.e. remote e-voting and e-voting at the AGM) in a fair and transparent manner.

Remote e-voting : Important Dates

Cut-off date (for determining the Members entitled to vote on the resolutions set forth in this notice)		: Monday, August 29, 2022
Remote e-voting period (During this period, members of the Company as on the cut-off date may cast their vote by remote e-voting)	**Commence from**	: 9:00 a.m. IST, Friday, September 2, 2022
	End at	: 5.00 p.m. IST, Sunday, September 4, 2022 (The remote e-voting module shall be disabled for voting thereafter by LIIPL)
URL for remote e-voting		: https://instavote.linkintime.co.in/ NSDL: https://eservices.nsdl.com/ or https://www.evoting.nsdl.com/ CDSL: https://web.cdslindia.com/myeasi/home/login or https://www.cdslindia.com/

Remote e-voting : Procedure

(1) Depository: For Individual Shareholders holding securities in demat mode

Step no.	For Shareholders holding securities with NSDL	For Shareholders holding securities with CDSL
	Registered User	
1	The URL for users to login for NSDL IDeAS facility : https://eservices.nsdl.com either on a personal computer or on a mobile.	The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
2.	Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.	Login through their User Id and password.
3.	After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page.	After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL.
4.	Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.	Click on e-Voting service provider name to cast your vote.
	First time user	
5.	Option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp	Option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration
	Alternative Method	
6.	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.	The user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page.
7.	Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.	(Skip step)
8.	A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen.	(Skip step)
9.	After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.	(Skip step)
10.	Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.	The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting website of InstaVote for casting your vote during the remote e-Voting period to cast your vote without any further authentication.

In case shareholders / members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL / CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43

(2) Insta Vote: For Individual Shareholders holding securities in physical mode and Institutional shareholders.

Step no.	For first time users of InstaVote OR shareholders holding shares in physical mode			For shareholders holding shares in demat form and existing user of InstaVote
1.	Open the internet browser and launch the URL: https://instavote.linkintime.co.in			
2.	Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -			(Skip step)
	A.	**User ID**: Enter your User ID		
	(i)	For members holding shares in demat account held with CDSL	: 16 digits beneficiary ID.	
	(ii)	For members holding shares in demat account held with NSDL	: 8 Character DP ID followed by 8 digit client ID.	
	(iii)	For members holding shares in physical form	: EVEN for fully paid-up (220299) or for partly paid-up (220301) followed by the Folio number registered with the Company	
	B.	**Permanent Account Number** (PAN): Enter your 10-digit PAN (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable.		
	C.	**Date of Birth** (DOB) **/ Date of Incorporation** (DOI): Enter the DOB / DOI (As recorded with your DP / Company - in DD/MM/YYYY format)		
	D.	**Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP / Company.		

Step no.	For first time users of InstaVote OR shareholders holding shares in physical mode	For shareholders holding shares in demat form and existing user of InstaVote
	(i) For members holding shares in demat account held with CDSL : Shall provide either 'C' or 'D', above	
	(ii) For members holding shares in demat account held with NSDL : Shall provide 'D' above	
	(iii) For members holding shares in physical form but have not recorded 'C' and 'D' above : Shall provide their folio number in 'D' above	
3.	Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).	(Skip step)
4.	Click on 'confirm' and your password will be generated.	(Skip step) (Use your existing password)
5.	Click on 'Login' under the 'SHARE HOLDER' tab.	
6.	Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.	
7.	After successful login, you will be able to see the notification for e-voting.	
8.	Select 'View' icon and the e-voting page will appear.	
9.	Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against'. (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).	
10.	After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.	
11.	Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.	

Remote e-voting : Points to remember

1. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in / and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

2. If you have forgotten the password:
   - Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
   - Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

3. In case shareholders / members is having valid e-mail address, Password will be sent to his / her registered e-mail address.

4. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

5. During the voting period, shareholders / members can login any number of time till they have voted on the resolution(s) for a particular "Event".

6. Shareholders / members holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.

In addition, shareholder will also be provided with a facility to attend the AGM through VC / OAVM through the LIIPL e-Voting system. The members who have cast their vote by remote e-voting prior to the AGM will be entitled to and may attend the AGM but shall not be entitled to cast their vote again.

In case shareholders / members holding securities in physical mode / Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at **https://instavote.linkintime.co.in**, under Help section or send an e-mail to **enotices@linkintime.co.in** or contact on: Tel: 022-4918 6000.

9. Attending the AGM through InstaMeet

Shareholder will be provided with a facility to attend the AGM through VC / OAVM through InstaMeet. The meeting shall be opened 30 (Thirty) minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

Please note that the attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

Members desiring to attend the AGM through VC / OAVM are requested to refer to the detailed procedure given below.

Attend the AGM through VC / OAVM: Procedure

Step no.	For all shareholders		
1.	Open the internet browser and launch the URL: https://instameet.linkintime.co.in		
2.	Select the "Company" and "Event Date" and register with your following details: -		
	A.	**Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No:	
		(i) For members holding shares in demat account held with CDSL	: 16 digits beneficiary ID.
		(ii) For members holding shares in demat account held with NSDL	: 8 Character DP ID followed by 8 digit Client ID.
		(iii) For members holding shares in physical form	: Folio number registered with the Company.
	B.	**PAN:** Enter your 10-digit PAN (Members who have not updated their PAN with the DP / Company shall use the sequence number provided to you, if applicable).	
	C.	**Mobile No.:** Enter your mobile number.	
	D.	**E-mail ID:** Enter your e-mail ID, as recorded with your DP / Company.	
3.	Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).		
4.	Shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.		

In case shareholders / members have any queries regarding login, they may send an e-mail to instameet@linkintime.co.in or contact on: Tel: 022-49186175.

10. Speaker registration for the AGM

1. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 (seven) days prior to meeting i.e. Monday, August 29, 2022 mentioning their name, demat account number / folio number, e-mail ID, mobile number at secretarial@abfrl.adityabirla.com.
2. Only those shareholders who have registered themselves as a speaker will be allowed to express their views / ask questions during the Meeting.
3. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
4. Shareholders / members who are registered as speakers for the event are requested to download and install the Webex application by clicking on the link www.webex.com/downloads.html/ (Members may also refer a tutorial video available on www.youtube.com/watch?v=U2C9BVtGVrk).
5. Shareholders are requested to speak only when moderator of the Meeting / management will announce the name and serial number for speaking.
6. Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
7. Other shareholders may ask questions to the panellist, via active chat-board during the meeting.

The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting i.e. Monday, August 29, 2022 mentioning their name, demat account number / folio number, e-mail ID, mobile number at secretarial@abfrl.adityabirla.com. These queries will be replied to by the Company suitably by e-mail.

11. E-voting during the AGM through InstaMeet

1. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
2. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
3. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Once the electronic voting is activated by the scrutinizer / moderator during the meeting, shareholders / members who have not exercised their vote through the remote e-voting can cast the vote as under:

E-voting during the AGM : Procedure

Step no.	For all shareholders
1.	On the shareholders VC page, click on the link for e-Voting "Cast your vote".
2.	Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number / registered e-mail ID) received during registration for InstaMeet and click on "Submit".
3.	After successful login, you will see "Resolution Description" and against the same the option "Favour / Against" for voting.
4.	Cast your vote by selecting appropriate option i.e. "Favour / Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under "Favour / Against".
5.	After selecting the appropriate option i.e. "Favour / Against", click on "Save". Then a confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6.	Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

In case shareholders / members have any queries regarding login / e-voting, they may send an e-mail to instameet@linkintime.co.in or contact on: Tel: 022-49186175.

12. Other information related to e-voting

a. A person, whose name is recorded in the register of members or in the register of beneficial owners of the Company, as on the cut-off date i.e. Monday, August 29, 2022 only shall be entitled to avail the facility of e-voting, either through remote e-voting and voting at the AGM. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

b. Members who have cast their vote by remote e-voting prior to the AGM will be entitled to attend the AGM and their presence shall be counted for the purpose of quorum. However, they shall not be entitled to cast their vote again. In case a member casts his vote by more than one mode of voting including remote e-voting, then voting done through remote e-voting shall prevail and other shall be treated as invalid.

c. Voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, August 29, 2022.

d. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holds shares as of the cut-off date may follow the procedure for remote e-voting as enumerated in detail hereinabove. They may also refer to the FAQs and e-voting manual available at https://instavote.linkintime.co.in/ (under help section) or write an e-mail to enotices@linkintime.co.in or secretarial@abfrl.adityabirla.com.

e. Every client ID no. / folio no. will have one vote, irrespective of number of joint holders. However, in case the joint holders wish to attend the meeting, the joint holder whose name is higher in the order of names among the joint holders, will be entitled to vote at the AGM.

f. The members may also update their mobile number and e-mail ID in the user profile details of their respective client ID no. / folio no., which may be used for sending future communication(s).

13. General Instructions

a. Shareholders / Members are encouraged to join the Meeting through Tablets / Laptops connected through broadband for better experience.

b. Shareholders / Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

c. Please note that Shareholders / Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio / Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

d. At the AGM, the Chairperson shall, at the end of discussion on the resolutions on which voting is to be held, allow e-voting at the AGM.

e. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, not later than 48 (forty eight) hours of the conclusion of the AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

f. The results alongwith the consolidated Scrutinizer's Report shall be declared by means of:

(i) dissemination on the website of the Company i.e. www.abfrl.com and website of LIIPL i.e. https://instavote.linkintime.co.in/ and

(ii) communication to BSE Limited and National Stock Exchange of India Limited, thereby enabling them to disseminate the same on their respective websites.

14. Correspondence

Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or RTA, quoting their folio number or DP ID - Client ID, as the case may be.

15. Information for Non-Resident Indian Shareholders

Non-resident Indian shareholders are requested to immediately inform the Company / RTA, if shares are held in physical mode or to their DP, if the holding is in electronic mode, regarding change in the residential status on return to India for permanent settlement and / or the particulars of the NRE account with a bank in India, if not furnished earlier.

16. Information related to Investor Education and Protection Fund ("IEPF")

The Members, whose unpaid or unclaimed amounts have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

17. MEMBERS ARE REQUESTED TO PLEASE READ THE "COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS" PROVIDED IN THE "GENERAL SHAREHOLDERS' INFORMATION" SECTION OF THE ANNUAL REPORT FOR FY 2021-22.

By Order of the Board

Sd/-
Geetika Anand
Company Secretary and Compliance Officer
Membership No.: A23228

Place : Mumbai
Date : May 18, 2022

Important Dates

Saturday, August 13, 2022

- Receipt of Annual Report and AGM Notice.
- Available on www.abfrl.com

Monday, August 29, 2022

- Cut-off Date to determine the members who shall be entitled to vote.
- Last day to register as speaker or send queries.

Friday, September 2, 2022

Commencement of remote e-voting at 9:00 a.m.

Sunday, September 4, 2022

End of remote e-voting at 5:00 p.m.

Monday, September 5, 2022

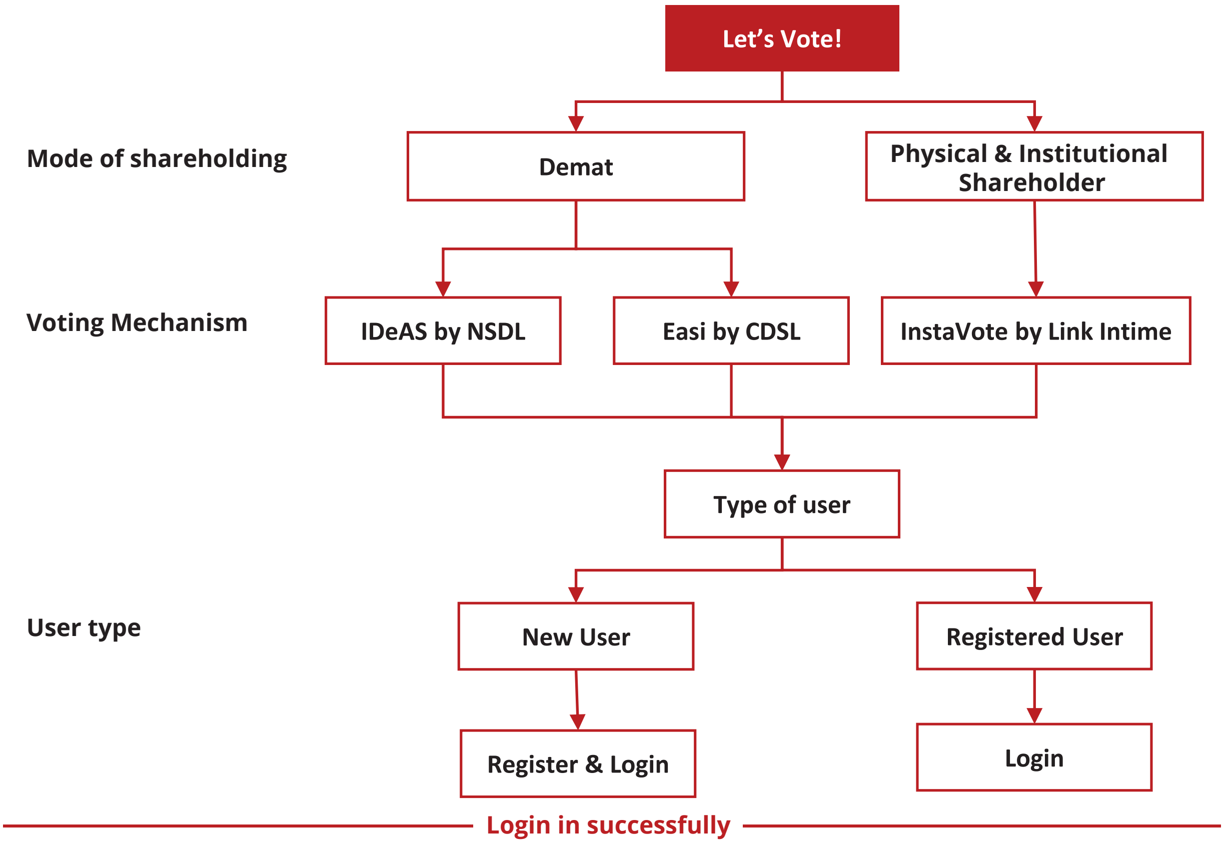
- Date of the AGM.
- Participate and vote during the AGM.

Wednesday, September 7, 2022

- Announcement of voting results.
- Available on www.abfrl.com

Virtual Guide

E-voting	**Commence from**	:	9:00 a.m. IST, Friday, September 2, 2022
	End at	:	5.00 p.m. IST, Sunday, September 4, 2022



Vote in favour / against the resolutions & click on "Submit"

Attend AGM: Monday, September 5, 2022

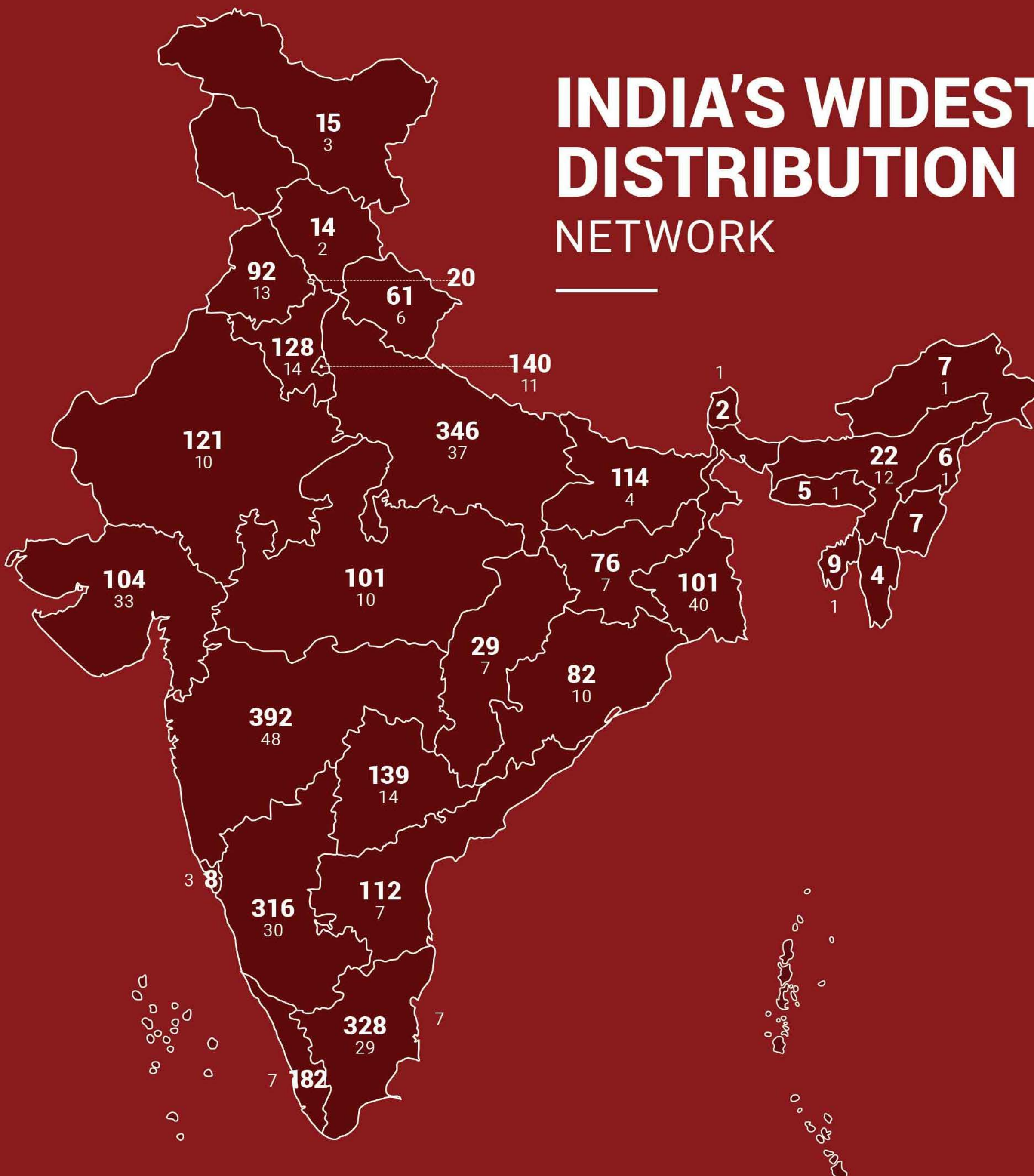
1) Open https://instameet.linkintime.co.in **Or** Webex Application, if you are a speaker.
2) Register for the event and log in.
   (Please use Tablets / Laptops connected through broadband for better experience)
3) Mark your attendance and attend the AGM Proceeds.
   (Meeting shall begin at 4:00 p.m.)
4) Vote at the AGM.
   (Only if you have not cast your vote on the Resolutions through remote e-voting)
5) Meeting concludes.

Results The results along with the consolidated Scrutinizer's Report shall be declared on the website of:

a) the Company i.e. www.abfrl.com;
b) Link Intime India Private Limited i.e. https://instavote.linkintime.co.in/ and
c) BSE Limited and National Stock Exchange of India Limited i.e. www.bseindia.com and www.nseindia.com respectively.

INDIA'S WIDEST DISTRIBUTION

NETWORK



3091
BRAND STORES

377
PANTALOONS STORES

28,585
MULTI-BRAND OUTLETS

6,515
SIS ACROSS DEPT. STORES

Map Source : https://www.mea.gov.in/india-at-glance.htm

Download Date : 01/06/22 Download Time : 23:00 hrs

Registered Office:
Piramal Agastya Corporate Park, Building 'A',
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