ARVIND FASHIONS

www.arvindfashions.com

August 1, 2025

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

**Security Code: 542484**
**Security ID: ARVINDFASN**

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

**Symbol: ARVINDFASN**

Dear Sir/Madam,

**Subject: Notice of Annual General Meeting along with Integrated Annual Report of the Company for the FY 24-25**

The Annual General Meeting ("AGM") of the Company will be held on Tuesday, 26th August, 2025 at 11:00 A.M. (IST) through Video Conferencing/Other Audio Visual Means.

Pursuant to Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Notice of Annual General Meeting (AGM) along with Integrated Annual Report of the Company for the financial year (2024-25) which is being sent to all the members through electronic mode, who have registered their e-mail addresses with the Depositories/Company /Registrar and Transfer Agent. The Members who's E-mail ID are not registered, a letter providing a web-link for accessing Notice of the AGM and Integrated Annual Report for FY 2024-25 is being sent.

The Integrated Annual Report containing AGM Notice is also available on the website of the Company at www.arvindfashions.com.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

**For Arvind Fashions Limited**

LIPI
SITAKANT
JHA

Digitally signed by
LIPI SITAKANT JHA
Date: 2025.08.01
19:39:12 +05'30'

**Lipi Jha**
Company Secretary

Encl.: As above

Arvind Fashions

# By Design

INTEGRATED ANNUAL REPORT **2024-25**

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# About the Report

This second Annual Integrated Report of Arvind Fashions Limited ('Arvind Fashions', "the Company", "AFL") provides a deeper perspective of our business and the value we deliver to our stakeholders. This Report also provides details about the external operating environment, our business strategy, and our governance practices.

## REPORTING PERIOD AND SCOPE

This Report gives quantitative and qualitative disclosures for the financial year April 1, 2024 to March 31, 2025. It contains information about the operations of the Company, its subsidiaries and joint ventures, unless explicitly stated otherwise.

## STANDARDS AND FRAMEWORKS

This Report has been prepared in accordance with the Companies Act, 2013 (and the Rules made thereunder), the Indian Accounting Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards issued by the Institute of Company Secretaries of India. The non-financial section of the Report has been compiled in adherence with the principles suggested by the International Integrated Reporting Council (IIRC).

## FORWARD-LOOKING STATEMENTS

This Report may include statements projecting our Company's future financial standing, operational outcomes, strategic plans, and growth projections, generally marked by forward-looking terminology such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", among others. Such forward-looking statements reflect current views and are based on management beliefs. The actual results, performances, or accomplishments may significantly deviate from those projected in these forward-looking statements. We do not commit to update or revise any forward-looking statements, irrespective of any new information, future events, or other circumstances.

## FEEDBACK

We remain continually engaged with all stakeholders to ensure that we improve our external integrated reporting. For more information about this Report or to provide feedback, please write to us at:

✉ investor.relations@arvindfashions.com

🌐 www.arvindfashions.com

Download the digital version of this Report from www.arvindfashions.com

Fashion that resonates with the deepest aspirations of the consumers and creates new style statements.

Fashion that is driven by design, crafted in detail, and powered by precision-led performance.

At Arvind Fashions, nothing is accidental. Everything is aligned. It all works by design.

From strategy to structure to intent – it's all sharply integrated, with just a thin line separating the myriad elements that go into making a vibrant, dynamic organisation – designed for tomorrow!

Precise execution equips us to deliver exceptional product lines and immersive customer experiences that set the brand apart. Distinctively defined customer touchpoints strike a deep chord with every fashion enthusiast seeking to make an empowering style statement.

Agile strategic moves make us more adaptable and aspirational, ensuring that we do not simply embrace trends but set new ones.

A bigger design is manifest in every strategy we craft, in every action we drive.

It's a design that goes beyond today's preferences, extending into tomorrow's fashion.

**A design that is threaded in the bonds that make us all feel more connected - in our aspiration for a more exciting experience!**

CORPORATE
OVERVIEW

# Fashioned to Grow

As a fashion powerhouse that threads aspirations into clothes, Arvind Fashions is one of India’s leading lifestyle companies focussed on shaping style. Our dynamic portfolio of several leading global brands has empowered us to catalyse a continual transformation in the fashion landscape of the country. Our brands reverberate with the deepest desires of every individual, from CEOs to the fashion-forward youth and the value-conscious family. They are designed to cater to the needs of both the experimental and the conventional dressers – creating new inflection points where diverse desires meet to form a cohesive people connect.

> The Arvind Fashions brand portfolio showcases an evolving style and transforming aspirations, connecting consumers across the nation with brands designed to transcend time and trends.

## LEADING THE FASHION EVOLUTION

A growing presence across diverse store formats and online brings our vibrant and diverse brands to the doorsteps of an expanding consumer base – across categories, age groups and markets. Backed by excellence in design, sourcing, marketing, distribution and retailing, we continue to lead India’s fashion evolution through our technology-led innovation-centric initiatives. Our seamlessly integrated operations ensure the best-in-class quality across the business value chain – from fabric to retail. Excellence in manufacturing, coupled with our robust warehouse systems and sustainability focus, is driving our efforts to strengthen our leadership in the fashion industry.

> Our dominance in the casual and denim segment equips us to echo the fashion needs of the entire family, while our promise of convenience and ease enables us to continually enrich the customer experience.

## KEY OPERATIONAL NUMBERS

As of March 31, 2025

**31+**
Years of
retail experience

**9,000+**
MBOs and Shop
in shops across
department stores

**475+**
Cities and towns

**977**
EBOs count comprising
~11.94 sq. ft.

**5**
Core brands

**7**
Warehouses

**60+** Million
Products sourced
in the year

**100+**
Suppliers

**7,000+**
Employees

### During FY 2025

**~1.22** lakh
Net sq. ft. area addition

**~20%**
Energy consumed from
renewable sources

## KEY FINANCIAL NUMBERS

For FY 2025

**₹4,620** crore
Revenue from operations
↑ **8.5%** growth year-on-year

**₹225** crore
Profit Before Tax
↑ **32%** growth year-on-year

**53.5**%
Gross margins
↑ 130 bps

**20%**+
ROCE milestone
achieved

**₹637** crore
EBITDA
↑ **17%** growth year-on-year

Improvement in EBITDA
margins by 100 bps
Y-o-Y aided by favourable
channel mix, control over
discounting & various
other costs

**₹76** crore
Reduction in debt,
resulting from strong
FCF generation

**₹2,000** crore
NSV milestone achieved
by USPA

## BRAND PORTFOLIO (LICENSED AND IN-HOUSE)

U.S. POLO ASSN.
SINCE 1890

TOMMY HILFIGER

ARROW
USA·1851

Calvin Klein

FLYING MACHINE

# Foundations that Fashion our Growth

The foundations of our success are built on the dreams of millions of Indians. They are crafted around our ability to connect with those dreams and give exciting new shapes to them. This ability is rooted in our core competencies, which we continue to reinforce through our targeted initiatives and investments.

## FOCUSSED EXECUTION & CONSOLIDATION

Our execution prowess gives us the competitive edge needed to stay ahead of the industry curve. It enables us to blend creative experience with manufacturing strength to curate fashion that stands out for its aesthetic appeal and detailed finesse. It equips us to enrich the customer experience at every stage of their fashion journey. Our consolidation strategy, focussed on building on the strength of our core brands has fuelled our capacity to deliver excellence. Our endeavour is now centred around consolidating our efforts towards the growth of a select few brands to drive growth and profitability.

## DYNAMIC AND DIVERSIFIED BRAND PORTFOLIO

Our brands bring a unique flavour to the Indian market with their exceptional quality and style. A mix of market-leading iconic global and domestic brands lends Arvind Fashions an enviable value proposition, ensuring high customer loyalty and retention. As part of a conscious growth strategy, we have curated brands that span multiple price points, and cater effectively to diverse customer preferences across categories and segments.

## EXCEPTIONAL DESIGN & SOURCING CAPABILITIES

We are focussed on designing innovative new products aligned to the trending global fashion preferences. Our skilled in-house design team empowers us with strong capabilities in designing fashion that echoes the transforming desires of India's people. From proficiency in detailing and designing, to expertise in sourcing and delivering to technical specifications, our designers help us to not just meet but to exceed customer expectations. We also have in place an experienced sourcing team to guide the design unit in creating innovative products that bespeak technical excellence. Collaboration with design-to-delivery vendors, along with sourcing of products from international markets, further enhances our innovation edge and expands our access to advanced technologies and new materials.

## ROBUST DISTRIBUTION MODEL

We have built our distribution model around the twin pillars of physical and digital channels. Integration of the two channels, particularly at our stores, drives seamless and enhanced shopping experience for our customers. This omnichannel strategy is complemented by our physical retail network, currently comprising 977 stores that are Exclusive Brand Outlets (EBOs) of our brands. Our brands are also present across Multi-Brand Outlets (MBOs) and Large Format Stores (LFSs), backed by a comprehensive online presence in the form of our own websites and partnerships with leading e-commerce marketplaces.

## ASSET-LIGHT MODEL

Our asset-light business model gives us enhanced flexibility and scalability with reduced risk, while enabling us to focus on our core competencies. This model is structured around multiple strategies, including our robust scale of operations and supplier network, which together give us the leverage to negotiate better margins with our vendors. Another key tenet of this approach lies in sourcing of a diverse range of products in various designs, colours and sizes across different categories. We partner with trusted third-party vendors for all our product sourcing. Our decision to drive our retail expansion largely on the Franchise Owned Franchise Operated (FOFO) model further helps minimise our capital requirement.

## HIGH OPERATIONAL EFFICIENCY

Our efficiencies span the entire value chain – from procurement to sales, and lend us a strong competitive edge in lead time, inventory management, and cost control. Our systems and processes are designed to enhance supply chain efficiencies, including style rationalisation, scientific costing methods, standardised costing templates, and analysis of raw material pricing trends. We have adopted a focussed sourcing approach to ensure the availability of the right merchandise at the right time, complemented by a system of auto-replenishment for high-demand items. Our pricing strategy further enhances our operational efficiency, while our decision to shift to a consignment-based inventory model gives us improved inventory control, higher inventory turns, and more effective analysis of customer responses and trends.

## VISIONARY & EXPERIENCED LEADERSHIP

Our business growth is guided by an experienced Board of Directors, comprising respected industry experts. Led by their strategic expertise and vision, Arvind Fashions has emerged as an industry-leading organisation focussed on responsible and ethical growth. Skilled professionals constitute our management team, which leads our excellence in operational and cost efficiencies. The team enables us to deliver exceptional customer experiences at the back of our execution excellence.

## COMMITTED AND HARD-WORKING PEOPLE

As the bridge between the organisation and the customers, our people are central to our growth strategy. They are the engine driving our execution excellence, and a valuable asset which we continue to strengthen through regular investments in their skill and proficiency development, as well as their welfare and well-being.

BRAND
SHOWCASE

# Designed TO REDEFINE THE FUTURE OF FASHION

The Arvind Fashions brand runway is a vibrant tapestry that weaves diverse fashion threads into an enchanting style that is enduring and timeless. Our brand portfolio is designed to mesmerise the senses and captivate the mood. We have carefully curated the repository of our core brands to shape the present into an attractive sculpture of style, while redefining the future of fashion as a transcendental bond.

U.S. POLO ASSN.
SINCE 1890

# U.S. Polo Association

U.S. Polo Association has been regaling Indian customers since 2009 with its chic casual wear in the mid-premium range. Its offerings span men's wear, women's wear, kids' wear, innerwear, footwear and accessories categories.

USPA has a rich legacy, being the authentic and official brand of the United States Polo Association - the governing body for the sport of polo in the United States since 1890. Blending the authenticity of the sport with the Classic American Style, the brand has charmed its way into the hearts of millions of people around the world. In India, it has emerged as a leading casual wear brand, with a strong multi-category and multi-channel play designed to celebrate a sporty style.

## 377 stores*

Retail footprint

## 161*

Cities

## 1,200 sq. ft.

Average Store Size for EBOs

## ₹799-4,999

Approx. Consumer Selling Price Range (Apparel)

www.uspoloassn.in
www.NNNOW.com
and various third-party e-commerce sites

*Does not include the multi-brand retail stores and their respective city presence

# Tommy Hilfiger

A premium lifestyle brand for men, women and children, Tommy Hilfiger has made a significant place for itself in India's fashion world since its launch in the country in 2004. Its offerings cover the categories of men's wear, women's wear, kids' wear, denim, innerwear, accessories, and footwear.

Among the world's leading designer lifestyle brands, Tommy Hilfiger stands out as a celebration of the classic American cool style. The brand, which was founded in 1985, is known for its 'preppy with twist' designs, packaged in premium style and benchmarked to the highest standards of quality. Its wide range of collections delivers exceptional value to customers across the categories of its presence.

**103** stores*

Retail footprint

**41***

Cities

**1,400** sq. ft.

Average Store Size for EBOs

**₹1,999-18,999**

Approx. Consumer Selling Price Range (Apparel)

www.NNNOW.com

and various third-party e-commerce sites

*Does not include the multi-brand retail stores and their respective city presence

# Arrow

Shaping menswear since 1851, Arrow has been bringing premium formal wear brand to men in India since 1993. It offers innovative clothing in formal wear, fashionable formals, and smart casual wear categories.

The well-known international menswear Arrow brand connects deeply with Indian professionals, with products designed to cater to their transforming dressing style. Arrow's exhilarating fashion innovations are crafted for the contemporary wardrobe of the Indian working men. Its rich heritage, and flawless designs and styles make it the choicest fashion partner for the Indian professional man.

**195** stores*

Retail footprint

**97***

Cities

**1,100** sq. ft.

Average Store Size for EBOs

**₹1,499-15,999**

Approx. Consumer Selling Price Range (Apparel)

www.NNNOW.com
and various third-party e-commerce sites

*Does not include the multi-brand retail stores and their respective city presence

# Calvin Klein

The super premium Calvin Klein brand entered the Indian market in 2015 with the aim to capture the strong premiumisation trend among both men and women. In addition to men's wear and women's wear, the brand offers kids' wear, innerwear and accessories as part of its quality portfolio.

Founded in 1968 by Calvin Klein and his business partner Barry Schwartz, the brand has struck a chord with millions of people around the world over the years. An epitome of bold and progressive ideals moulded into outstanding designs, this global lifestyle brand stands out as a leader in American fashion. Clean cuts and pioneering designs give the brand, which was acquired by PVH Corp. in 2003, an enviable appeal. Calvin Klein has evolved into a leader in the luxury jeans, t-shirts, and innerwear segment in just a decade of its presence in India.

**80** stores*

Retail footprint

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**35***

Cities

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**1,050** sq. ft.

Average Store Size for EBOs

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**₹1,599-14,999**

Approx. Consumer Selling Price Range (Apparel)

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www.NNNOW.com

and various third-party e-commerce sites

*Does not include the multi-brand retail stores and their respective city presence

# Flying Machine

India's first homegrown denim brand, Flying Machine is a mid-premium, youth-centric brand launched in the country in 1980. Present in the men's wear, kids' wear, innerwear, footwear and accessories categories, this innovation-driven brand resonates with the coolest attributes of the young millennials.

Setting new trends with every product, the brand bespeaks innovative experimental excellence, inspiring the Indian youth to not just embrace global style but to create new fashion fads with its bellwether approach.

**142** stores*

Retail footprint

**100***

Cities

**800** sq. ft.

Average Store Size for EBOs

**₹499-3,999**

Approx. Consumer Selling Price Range (Apparel)

www.NNNOW.com

and various third-party e-commerce sites

*Does not include the multi-brand retail stores and their respective city presence

# Chairman's Reflections

Dear Shareholders,

I AM PLEASED TO SHARE WITH YOU THE FY 2025 JOURNEY OF ARVIND FASHIONS LIMITED (AFL) THROUGH THIS SECOND INTEGRATED REPORT. IN A YEAR MARKED BY GEOPOLITICAL UNCERTAINTIES AND DOMESTIC MARKET EVOLUTION, AFL CONTINUED TO LEAD THE TRANSFORMATION OF THE INDIAN FASHION INDUSTRY, ALIGNED WITH THE CHANGING PREFERENCES AND ASPIRATIONS OF CONSUMERS GLOBALLY. IN A DYNAMIC BUSINESS ECOSYSTEM, WE REMAINED AT THE FOREFRONT OF THE APPAREL INDUSTRY'S GROWTH AT THE BACK OF OUR PORTFOLIO OF GLOBALLY RECOGNISED LIFESTYLE BRANDS. WE CONTINUED TO DELIVER SUSTAINED VALUE TO OUR STAKEHOLDERS, WITH THE PROMISE OF ENHANCED GROWTH GOING FORWARD.

> **AFL'S EXCITING BRAND PORTFOLIO, ROBUST INNOVATION CAPABILITIES, AND ABILITY TO EFFECTIVELY CAPTURE THE EMERGING TRENDS MAKE IT AN IDEAL CHOICE FOR ASPIRATIONAL CONSUMERS SEEKING TO LEAVE A FASHION MARK WITH THEIR APPAREL.**

India today stands tall on the global economic landscape as one of the fastest-growing economies, demonstrating strong fundamentals despite the volatility in international markets. The recent US tariffs have only served to strengthen the domestic industries by limiting import competition. Driven by a young population, robust domestic demand and key reforms, the country has maintained a positive outlook, with growth expected to exceed the global average in FY 2026.

In this backdrop, the Indian apparel market delivered robust performance in FY 2025, with the marked shift towards branded clothing enhancing demand for branded fashion, catalysing growth in the organised retail sector. A structured retail industry, with increasing investments in branded outlets, multi-brand stores and e-commerce platforms, is further driving growth for the industry. Retailers are expanding their product portfolios and enhancing the shopping experience of consumers through tailored offerings aligned with local preferences, as the country's regional diversity adds another layer to the apparel market's growing appeal. Emerging trends like sustainability, athleisure, and the influence of digital platforms are rewriting the rules for the industry.

Further, global and domestic players can be seen vying for a greater share in India's fashion and apparel market, which is undergoing a notable transformation driven by macroeconomic shifts, evolving consumer behaviour, and technological innovations. Targeted marketing strategies and campaigns that resonate with the Indian consumers are creating a buzz in the domestic apparel market, which was valued at USD 115.70 billion in 2024 and is projected to grow significantly over the next decade.

Rising disposable income and urbanisation, increasing shift towards organised retail and omnichannel presence, and growing brand consciousness and aspirational consumption are the key engines expected to power the industry's growth in the years ahead. As brands tap into Tier II and Tier III cities, and explore untapped rural markets, which are seeing improved connectivity, rising disposable incomes and increasing brand awareness, the industry is poised to further strengthen its global standing.

During the year, your Company continued the mantra of profitable growth. AFL delivered revenue growth of ~9% and improving EBITDA margins by 100 bps. I am particularly proud to mention that the Company achieved an important milestone in its journey to generate more than 20% return on capital employed.

Bolstered by our financial performance and a positive future outlook, the Board is pleased to announce a dividend recommendation of ₹ 1.60 per share for the full year.

AFL's exciting brand portfolio, robust innovation capabilities, and ability to effectively capture the emerging trends make it an ideal choice for aspirational consumers seeking to leave a fashion mark with their apparel. Our focus on premium international brands, such as Tommy Hilfiger, Calvin Klein, Arrow, and U.S. Polo Assn. and youth focussed Flying Machine, positions us as the ideal partner for urban, upwardly mobile consumers seeking global fashion.

Our ability to target regional aspirations through tailored, affordable products lends our brands a pan India appeal, which we continue to harness with our robust retail and seamless omnichannel presence. This approach enables us to enhance consumer experience and convenience, while augmenting our operational efficiency in terms of inventory and logistics management. Our dynamic and trendy marketing campaigns, driven by various celeb collaborations and a strong social media presence, are further boosting the AFL brand visibility and consumer engagement.

As a pure-play branded fashion company, AFL's focus remains on keeping itself abreast of the changing trends in the fashion world. Continual investments in design, innovation and analytics help us deliver refreshed collections and new

**AFL IS HELMING THIS TRANSFORMATION BY COMMITTING TO RESPONSIBLE PROCESSES AND PRACTICES, WITH SUSTAINABILITY EMBEDDED AS AN INHERENT ETHOS ACROSS OUR OPERATIONS.**

styles across categories with agility. This keeps us well aligned with the changes in global fashion, and equipped to meet the emerging fashion aspirations of the young, new-age consumers.

We are also cognizant of the critical role played by our people in driving holistic growth, and remain invested in their welfare and well-being. Regular initiatives to promote their continual learning and development, and programmes to foster engagement and diversity at the workplace help keep our employees motivated, making them active partners in our growth and value creation journey.

With the growing global emphasis on sustainable and ethical fashion, the focus on eco-friendly materials and responsible production practices has also scaled up multifold in recent years. I am happy to share that AFL is helming this transformation by committing to responsible processes and practices, with sustainability embedded as an inherent ethos across our operations. Adherence to the highest regulatory standards is also a deep-rooted facet of the organisational philosophy, and we remain committed to ethical, transparent and accountable governance in every aspect of our business. Concurrently, we continue to expand the ambit of its CSR programmes to touch and transform more lives in a positive manner, as part of our responsible growth mandate.

The industry is in the midst of exciting times, and we, at AFL, are working on a futuristic design to surge ahead on this exhilarating journey with dynamism and vigour. Notwithstanding the challenges in the external ecosystem and the fast-paced transformations in the industry, the levers for enhanced growth are in place, and we will continue to maximise the opportunities we see across our core brands, as well as the adjacencies that we are building to diversify the business. With India’s economy on track to maintain a strong growth rate of 6.5% year-on-year in FY 2026, the nation is well entrenched on the path to future prosperity, and AFL is fully primed to be an active and integral part of it.

I am confident that with your continued support and trust, we shall scale new frontiers of growth going forward. I would like to take a moment here to thank each one of you and all our other stakeholders for partnering us in this thrilling journey. I also extend my heartfelt appreciation to my fellow Board Members for their invaluable guidance. The future beckons us with its immense possibilities, and we shall, together, capture them to build a stronger, better and more engaging Brand Arvind Fashions.

Warm regards,

**Mr. Sanjay Lalbhai**

# Managing Director & CEO's Message

Dear Shareholders,

I AM VERY PLEASED TO SHARE WITH YOU THAT AFL DELIVERED ANOTHER YEAR OF STRONG BUSINESS AND FINANCIAL PERFORMANCE IN FY 2025 WHILE MARKET CONDITIONS REMAINED SUBDUED. WE SAW SUPPLY CHAIN DISRUPTIONS DUE TO GEOPOLITICAL TENSIONS AND IMPACT ON DISCRETIONARY CONSUMPTION BY HIGHER INFLATION AND INTEREST RATES. BIS RESTRICTIONS ADVERSELY IMPACTED GROWTH IN THE KEY FOOTWEAR CATEGORY ACROSS OUR BRANDS.

ALL OUR KEY BRANDS, INCLUDING U.S. POLO ASSOCIATION, TOMMY HILFIGER AND CALVIN KLEIN, GREW DOUBLE-DIGIT IN REVENUE, UNDERSCORING THE INHERENT ROBUSTNESS OF OUR BUSINESS STRATEGY AND OUR ABILITY TO MAXIMISE GROWTH OPPORTUNITIES ACROSS CATEGORIES AND SEGMENTS.

Powered by our decisive focus on core strengths of our brand portfolio, targeted and intense brand investments and with another year of impeccable execution, we successfully delivered on our guidance, demonstrating accelerated revenue growth with further improvement in profitability. Achievement of 20% ROCE was a clear highlight of the year. AFL's performance for FY 2025 was ahead of overall industry performance with higher sales and LTL growth. FY 2025 witnessed revitalisation of energy in all 5 of our core brands with healthy business despite difficult market conditions. Along with brand resurgence, efforts to expand our retail network enabled us to reach more consumers across geographies in the country.

## FINANCIAL HIGHLIGHTS

Net Sales Value (NSV) for FY 2025 increased by nearly ₹ 361 crore to ₹ 4,620 crore – an accelerated growth of ~9%. Strong investments in marketing yielded positive outcomes, marked by like-to-like (LTL) growth of over 5%. All our key brands, including U.S. Polo Association, Tommy Hilfiger and Calvin Klein, grew double-digit in revenue, underscoring the inherent robustness of our business strategy and our ability to maximise growth opportunities across categories and segments.

Aided by a reduction in discounting, sourcing efficiency, and a richer channel mix, AFL also showed marked improvement in gross profit (GP), which moved up by 130 basis points to 53.5%. Our sharp focus on operational efficiencies and cost optimisation helped drive operating leverage, resulting in higher EBITDA margins. I am happy to inform you that the FY 2025 EBITDA is now very close to the 14% mark, with EBITDA gaining 100 basis points to rise to ₹ 637 crore – a growth of 17% in value over last year.

We also successfully improved the working capital efficiency, with a focus on agile supply chain and tighter inventory control, resulting in higher inventory turns. This translated into free cash flow (FCF) generation for the Company. I am further delighted to inform you that AFL crossed the milestone of generating more than 20% return on capital employed (ROCE) this year, and we hope to continue to improve upon this going forward. We have also achieved a reduction in debt of nearly ₹ 75 crore at both gross and net levels. These are indeed exemplary metrics, particularly given the subdued demand environment that prevailed during the year.

I would like to share that with increased visibility on profitability, we decided to move to a lower tax regime of 25% in FY 2025 in one of our subsidiary. This will yield benefits for the Company from the standpoint of reported PAT, cash flow and ROCE going forward. The move led to a one-time DTA charge of ₹ 120 crore in quarter 4. Adjusting for this one-time DTA charge, our comparable bottom line grew by more than 70% for the full year – an achievement that showcases the potential of our business.

Before moving to the key operational highlights of the year, I would like to emphasise that AFL's differentiated results are the outcome of a consistent performance over the last three years. Revenue in this period has grown by a CAGR of 18%, while GP has risen at an average of 275 bps every year. In these 3 years, CAGR for EBITDA stood at 36%, with an average of 160 bps annual increase in EBITDA. We are committed to increase margins by 100 bps going forward in the near term along with double digit revenue growth.

## OPERATIONAL REVIEW

We have been focussing on accelerating revenue growth through direct channels of EBO retail and online B2C. Both these channels have grown significantly in FY 2025 and are likely to improve further going forward.

Our investments in retail are focussed on opening high quality large stores and a few marquee stores, investment into new retail formats such as Club A and Stride etc., and driving superior customer experience across our stores, leading to higher LTL. At the same time, we have built significant capability in online B2C, including websites, large omni coverage, and development of analytics-driven online exclusive assortment. These investments propelled faster growth for the online B2C business during the year. Both direct channels are growing in double digit percentage in recent times.

We also made significant investments in adjacencies like womenswear, catalysing higher growth. Investments in products through the introduction of premium assortments for our customers empowered AFL to capture the premiumisation trend, which has emerged as a key growth driver for our business.

At the brand level, our efforts were centred around offering distinctive products, marked by a pivot towards casualisation, which is helping like-to-like growth of our brands. A series of marquee brand events during the year boosted visibility for our key brands. Our tie-ups with various brand ambassadors and increased

> **INVESTMENTS IN PRODUCTS THROUGH THE INTRODUCTION OF PREMIUM ASSORTMENTS FOR OUR CUSTOMERS EMPOWERED AFL TO CAPTURE THE PREMIUMISATION TREND, WHICH HAS EMERGED AS A KEY GROWTH DRIVER FOR OUR BUSINESS.**

advertising spends contributed significantly to the re-energisation of our key brands. I am pleased to share that our campaign for Flying Machine in collaboration with social media influencer Orry earned the brand the prestigious "Best Celebrity Endorsement Campaign of the Year" at the Images Fashion Awards.

The trend of our strong brands becoming stronger is clearly visible, and we will continue to take the lead in impactful brand activities and marketing investments.

## FUTURE OUTLOOK

The recent uptick in the overall demand environment has given us a sense of optimism about future growth. As demand improves gradually, we expect our growth rates to see a commensurate increase in the coming quarters. The positivity in the casual wear segment, higher disposable income through the sops announced by the Indian government in the budget for FY 2026, and favourable macroeconomic indications such as lower inflation and reduction in interest rates promise enhanced growth for AFL going forward.

All our key growth drivers, including net square foot expansion, continued execution on LTL growth, adjacent categories growth, product innovation and premiumisation, sustainable fashion initiatives, and digitalisation driven by online B2C growth, are showing remarkable energy and readiness to fuel higher growth for AFL in FY 2026. Our sustained investments in these growth enablers will lead us on a continued journey of profitable growth, resulting in further improvement in EBITDA. We believe that our focus on working capital control will result in higher ROCE and FCF generation. These efforts will empower us to capitalise on the various opportunities we see ahead for steering our business growth.

I take this opportunity to thank each of our customers, business partners and shareholders for their sustained trust in the Company. I also extend my sincere gratitude to the teams at AFL for their dedicated hard work and support. A plethora of exciting possibilities lies ahead, and we are confident that together, we will effectively harness each one of them for our collective benefit.

Warm Regards,

**Shailesh Chaturvedi**

# Value Creation Strategies

EXTERNAL ENVIRONMENT

# Fashioned by Trends

A difficult macro environment triggered a weak consumer sentiment and higher inflation, impacting the overall industry performance during FY 2025. The industry was marred by multiple challenges, necessitating a quick and agile response from the significant players endeavouring to transform their business in alignment with the changes in the external ecosystem. As an industry and market-leading player, Arvind Fashions designed a dynamic approach towards shaping its strategy in accordance with the mega trends in the domestic apparels industry.

## KEY TRENDS & AFL'S STRATEGIC RESPONSE

**Trend**

Rising disposable income and urbanisation

**Our strategic response**

Focus on premium international brands

**Trend**

Shift towards organised retail and omnichannel presence

**Our strategic response**

Robust omnichannel ecosystem

**Trend**

Growing brand consciousness and aspirational consumption

**Our strategic response**

Globally recognised lifestyle brands

**Trend**

Expansion into Tier 2 and Tier 3 markets

**Our strategic response**

Aggressive expansion of geographical presence

**Trend**

Emphasis on sustainability and ethical fashion

**Our strategic response**

Integration of environmental consciousness across operations

**Trend**

Innovation and product diversification

**Our strategic response**

Enhanced investment in design, R&D and trend analytics

**Read more** **P.76** Management Discussion and Analysis (MDA)

BUSINESS MODEL

# Crafted for Value

## APPROACH

## INPUT CAPITAL

### FINANCIAL CAPITAL

Constitutes the financial resources we raise, or that are available to us to support the growth of our operations.

- ₹ 1,554 crore capital employed
- ₹ 530 crore net cash flow from operating activities
- ₹ 225 crore Net debt
- 817 crore Net working capital

### MANUFACTURED CAPITAL

Comprises the physical infrastructure used in the distribution and sale of our products; includes our offices, warehouses, retail stores, and information technology systems (including brand websites).

- 120 stores opened, largely through FOFO route
- 977 EBOs, comprising ~11.94 lakh sq. ft.
- 9,000+ MBOs and Shop in shops across department stores
- 475+ cities & towns presence
- 7 warehouses
- 8 third-party e-commerce sites where our brands are present
- 2 Brand and Company websites
- E-commerce capabilities: websites, apps, social media

### INTELLECTUAL CAPITAL

Consists of the intangible value created by the strength of our brands, domain knowledge, product design and development capabilities, brand campaigns, advanced technologies and tools, and robust processes and systems, which together lend us a strong competitive edge.

- 5 marquee brands
- Inventory and distribution management systems
- Policies, procedures and manuals
- CRM systems
- ₹ 179 crore in marketing expenses

### NATURAL CAPITAL

Built around the environmental resources applied and utilised in our business operations.

- 6,181 GJ of total energy consumption
- ~20% energy consumed from renewable sources
- 6,970 kilolitres of water withdrawn
- Plastic and other waste recycling initiatives
- Use of organic cotton and other sustainable materials in product development and packaging materials

### HUMAN CAPITAL

Driven by the skills, capabilities, and experience of our Board, management and employees, which equip us to effectively deliver our products and services, and execute our strategy, creating value for our stakeholders.

- 7,000+ employees
- 17,500+ training hours conducted
- ₹ 16.3 crore spent on health, safety and well-being of the workforce
- Values-centric corporate culture

### SOCIAL AND RELATIONSHIP CAPITAL

Rooted in the relationships we have built with customers, suppliers, employees, shareholders, government and community.

- 100+ supplier base
- 38% of total input material sourced from MSMEs
- ~1.93 lakh shareholders

## STRATEGIC PRIORITIES

Steering product innovation

Accelerating store expansion

## BUSINESS ACTIVITIES

Product design and development

Sourcing

## CREATING VALUE FOR ALL STAKEHOLDERS

Customers

Employees

The contours of excellence at Arvind Fashions go beyond creative styling and fashion innovation. They encompass the holistic value we create through strategic investments in the capitals of our sustained, long-term growth.

Maintaining brands salience

Growing adjacent categories

Ensuring operational rigour and profitable growth

Supply chain logistics

Marketing

Retail

Suppliers

Channel Partners

Community

Investors

## OUTPUT

## OUTCOMES

### FINANCIAL CAPITAL

- ₹ 4,620 crore Revenue from operations
- ₹ 85 crore PAT*
- ₹ 637 crore EBITDA
- 20%+ Return on Capital Employed milestone achieved
- ₹ 1.60 per share dividend payout

(*For continuing business excluding ₹ 120 crore of one-time DTA impact)

- Robust cash flow generation
- Healthy balance sheet and efficient capital allocation
- Continued access to financial capital resulting from sustained investor and financial market confidence

### MANUFACTURED CAPITAL

- ₹ 96 crore Capital expenditure
- ~1.22 lakh Net sq ft. added
- ~11.94 lakh Total sq. ft.
- 1.0% increase in retail channel mix

- Enhanced brand visibility and accessibility as a result of store expansion
- High customer satisfaction scores on our new retail formats
- Increased contribution of B2C channel sales to online sales
- Increased offline sales through diverse channels

### INTELLECTUAL CAPITAL

- 60+ million products sourced in the year
- ₹ 650+ crore sales from adjacent categories

- Achieved industry-leading full-price sell-thru
- Lower delivery lead time and costs
- Enhanced customer experience as a result of improvements in order fulfilment processes
- Improved marketing campaigns and sales forecasting achieved through use of data analytics and AI

### NATURAL CAPITAL

- 100% waste recycled at warehouses
- 100% recycled PET used for packaging of shirts
- Garment labels are 100% recycled polyester
- 100% tree-free paper for our shopping bag

- Reduced consumption of natural resources
- Promotion of sustainable fashion
- Lower environmental footprint

### HUMAN CAPITAL

- 22% attrition rate
- Improvement in gender balance

- Healthy, engaging and satisfying work environment
- Enhanced employee productivity on account of development of their skillsets and technical knowledge
- Future-ready team empowered to boost customer experiences and fulfil business priorities

### SOCIAL AND RELATIONSHIP CAPITAL

- 85%+ products sourced within India
- 100% value chain partners assessed

- Empowered underserved communities through targeted CSR initiatives
- Ensured positive relationships with stakeholders

BUSINESS STRATEGY

# Catalysing the Future of Fashion

The beauty of fashion lies in the details. It can be seen in the threads of opportunity that shape the styles of today and tomorrow. It is visible in the strategic approach that propels continued success. With the demand environment witnessing a gradual uptick, Arvind Fashions has also focussed its eyes on designing the details.

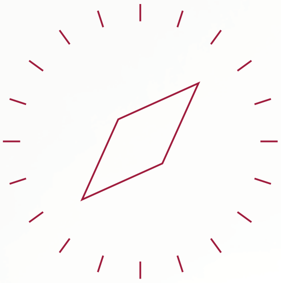
Our profitability improvement efforts are led by a strong operating leverage and better channel mix. Our emphasis on operational excellence is helping us in optimising working capital, controlling discounting, and enhancing sell-through rates across retail and digital platforms.

By extending our reach into women's wear, children's wear, footwear and innerwear, we are broadening our addressable market and diversifying our portfolio.

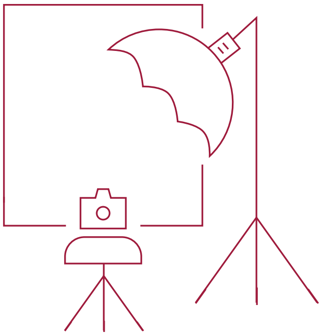
Our performance-driven culture is manifest in strong cost discipline, driven by our asset-light approach to accelerating retail network expansion across brands. Working capital control and free cash flow (FCF) generation are leading to higher return on capital employed (ROCE). These growth enablers are transforming our strategy into sustained business profitability and enhanced value creation. They are the elements around which we have crafted the details of our future strategy.

## THE DESIGN BEHIND THE DETAILS

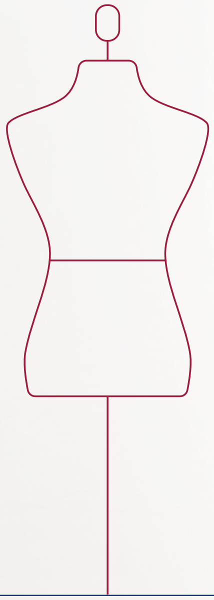
We have outlined a strategic roadmap focussed on further galvanising the momentum that we are leveraging to drive category expansion, with focus on our five core brands.



We have scaled our brand enhancement investment, increasing our spend on advertising to >4% of revenue.

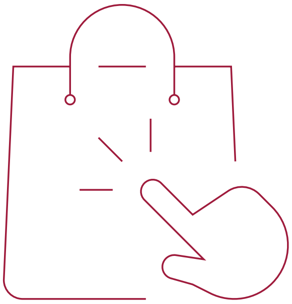


We have identified premiumisation as a continuing trend, prioritising it as a growth focus.



We have sharpened our focus on differentiated customer experience, beyond just product innovation.

We have detailed a retail-led growth strategy, with sharper control and customer proximity.



## STRATEGIC SHIFT TO CORE BRANDS

In a marked shift, we have moved towards a more concerted and continued focus on our five core brands – U.S. Polo Association, Tommy Hilfiger, Arrow, Calvin Klein, Flying Machine. We are committed to scaling these five brands, including their adjacent categories. We believe that the adjacent categories, along with flagship expansions (like Club A, Stride etc.), will continue to unlock new revenue streams and consolidate our retail footprint, strengthening our future growth potential.

## SCALING PREMIUMISATION EFFORTS

Our efforts to ensure sustained consumer interest and loyalty, and to boost brand leadership, are driven by category expansion through premium offerings and high-quality product lines. Our efforts to control customer experience and enhance direct consumer engagement are helping steer our premiumisation strategy. We are strategically emphasising on high-quality seasonal collections to capture the premiumisation trend in the Indian fashion landscape. Expansion into adjacent categories is integral to this strategy, which we are further driving through greater focus on retail.

## RETAIL-LED GROWTH STRATEGY

With customer-centricity at the core of our value proposition, we are continually exploring ways to boost customer proximity. Our strategic focus on enhancing our retail footprint is aligned to this approach, designed to give us sharper control on execution. We are deepening our focus on expanding larger, more immersive stores across EBOs, MBOs, department stores, while strengthening our digital channels to bring our products closer to the customers. We are expanding our retail stores and distribution networks in the smaller, Tier-2 and Tier-3 cities, to cater to the growing demand for branded fashion.

## ENHANCING CUSTOMER EXPERIENCE

Our strategic design in delivering distinctive experiences to our customers extends beyond product innovation. It encompasses a holistic approach, adaptation of our offerings in response to customer feedback, and improving customer engagement and reach through augmentation of our e-commerce presence and digital platforms. We are focussed on providing a seamless and engaging customer experience across both, the digital channels and the physical stores. We have embarked on a digital transformation to drive customer experience. Scaling our customer feedback and satisfaction efforts is an essential component of this strategy.

## PROMOTING BRAND VISIBILITY

Our brand strength enables us to maintain our strong growth momentum. It gives us the visibility to drive enhanced customer loyalty. We have meticulously designed our strategies to boost brand visibility. Expansion of our retail footprint, strengthening of our online presence, focussing on premiumisation and customer engagement are all aimed at enhancing the Arvind Fashions brand connect. Omnichannel integration and focus on untapped markets to increase brand accessibility and reach new customer segments are among the other strategies we have adopted to build on our brand dominance. We also actively leverage celebrity collaborations and direct-to-consumer (D2C) approaches to promote our brands. Our aim is to make Arvind Fashions the most recognisable and reputed fashion brand in the country.

STAKEHOLDER ENGAGEMENT

# Being Responsive & Agile

At Arvind Fashions, we are continually strengthening our execution agility and performance-driven culture through a responsive stakeholder approach. We believe that responding effectively to their expectations and aspirations helps us create holistic value, driving inclusive and sustainable business growth.

# Customers

### Key Expectations

- Wide variety of fashion and lifestyle choices that meet customer aspirations
- High-quality products available at competitive prices
- Unique in-store experience
- Seamless and convenient shopping experience, both in physical stores and online
- Responsive customer service, including timely responses to enquiries, efficient handling of returns and exchanges, and overall support throughout the customer's shopping journey
- Integration of sustainable and ethical practices

### Our Response

- Ensemble collections aligned to global market trends
- Rigorous quality control standards maintained during sourcing
- Convenient store locations with an experiential shopping environment
- Growing omnichannel presence, marked by integration of physical and online channels
- Promotions and offers for enhancing customer experiences and brand loyalty
- Building responsive customer support systems
- Incorporating ecofriendly practices in product design and development

### Engagement Tools

- Physical stores, own brand websites, and e-commerce platforms
- Advertising and marketing campaigns on traditional and social media
- Customer surveys and feedback forms
- Phone, email, SMS, and live chat support on WhatsApp and brand websites
- Loyalty programmes offering rewards and exclusive deals

### Performance Measurement

- Regular customer feedback on pricing, service and quality
- Customer ratings
- Repeat customers
- Visitor-to-customer conversion rate

# Employees

### Key Expectations

- Training and development opportunities
- Career advancement
- Competitive remuneration and performance management
- Promotion of health, safety and wellbeing
- Frequent Management communication

### Our Response

- Driving robust learning journeys
- Competitive compensation and benefits
- Structured employee surveys
- Periodic townhalls to enable bottom-to-top communication
- Targeted health, safety and wellbeing initiatives
- Nurturing employee engagement and satisfaction
- Updating regularly on policies, processes and systems

### Engagement Tools

- Townhall meetings
- Training programmes
- Employee engagement surveys
- Employee engagement programmes
- Performance appraisal reviews
- Grievance redressal mechanism
- Emails and meetings

### Performance Measurement

- Employee retention rate
- Employee engagement score
- Investments in learning and development programmes

# Suppliers

### Key Expectations

- Competitive pricing and consistency of orders
- Clear and fair contracts with favourable terms and conditions
- Regular and timely payments
- Sustainable long-term relationship
- Value-led growth opportunities

### Our Response

- Timely planning and forecasting of seasonal orders
- Timely payments
- Fair and transparent contract clauses and business policies
- Continuous quality audits and training
- Collaborating for innovative and high-quality product development

### Engagement Tools

- Merchandise order discussions
- Supplier audits, visits and assessments
- Meetings of suppliers and management
- Supplier workshops

### Performance Measurement

- Strategic parameters like design support, compliance etc.
- Operational parameters including OTIF & Quality
- Financial parameters with regards to stability & payments
- Relationship parameters based on responsiveness etc.

# Investors

### Key Expectations

- Consistently delivering short and long-term returns from the business
- Continuously improving operational & financial performance
- Transparent and timely disclosure of business performance, investments and strategy
- Responsible corporate governance ensuring sustainable long-term performance
- Responsible capital allocation, balancing growth and shareholder returns

### Our Response

- Consistent revenue growth
- Steering operational efficiency
- Proven performance across key financial metrics
- Healthy balance sheet with adequate liquidity
- Commitment to ethical and transparent business practices

### Engagement Tools

- Annual General Meeting
- Full-year and quarterly results investor presentations
- One-on-one meetings with investors, analysts and fund managers
- Post-results investor conferences and earnings calls
- Annual integrated report
- Dedicated investor relations function and investor website page

### Performance Measurement

- Financial indicators, such as revenue growth, EBITDA, ROCE, PAT
- Long-term share price appreciation

# Government and Communities

### Key Expectations

- Job creation and retention
- Contribution towards societal welfare
- Regulatory compliance
- Environmental protection

### Our Response

- Indigenous hiring
- Supporting education to underprivileged students
- Undertaking initiatives for strengthening communities
- Implementing environmentally responsible practices across operations
- Adherence to regulatory laws
- Timely payment of taxes

### Engagement Tools

- Need assessment surveys
- One-on-one meetings
- Mandatory compliance reports

### Performance Measurement

- Impact assessment
- Waste reduction
- Energy sourcing from renewable sources
- Number of issues relating to non-compliance

# Value Creation Outcomes

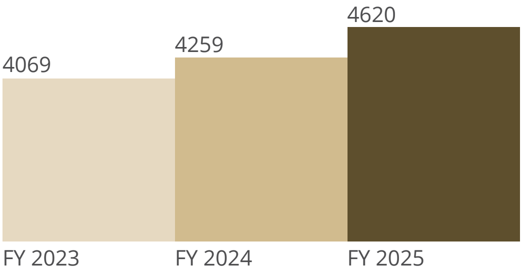
FINANCIAL PERFORMANCE

# Driving performance excellence – by design!

↑ 6.6% CAGR

## SALES

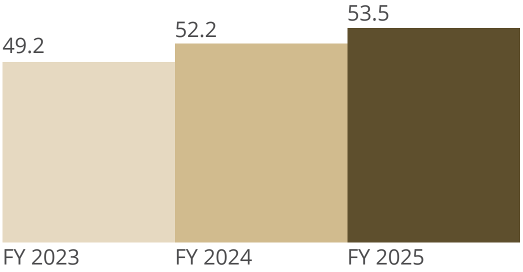
(₹ in crore)



↑ **430 bps**

## GROSS MARGINS

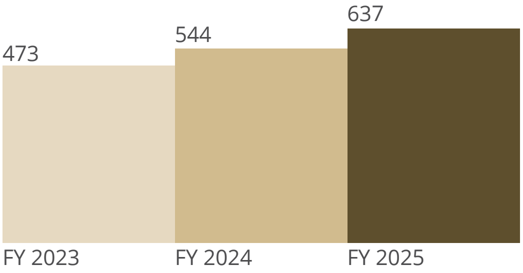
(%)



↑ 16.0% CAGR

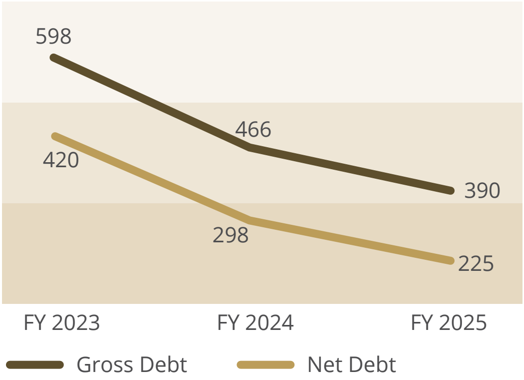
## EBITDA

(₹ in crore)



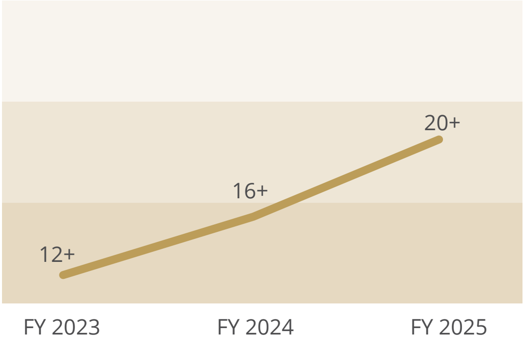
## GROSS DEBT & NET DEBT

(₹ in crore)



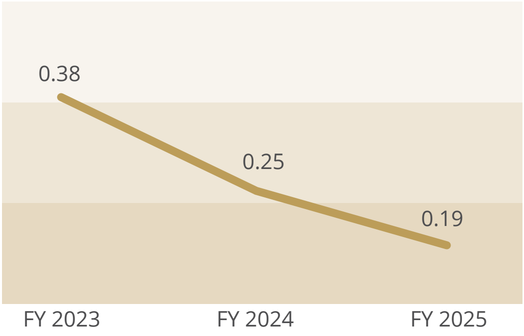
## RETURN ON CAPITAL EMPLOYED

(%)



## NET DEBT / EQUITY

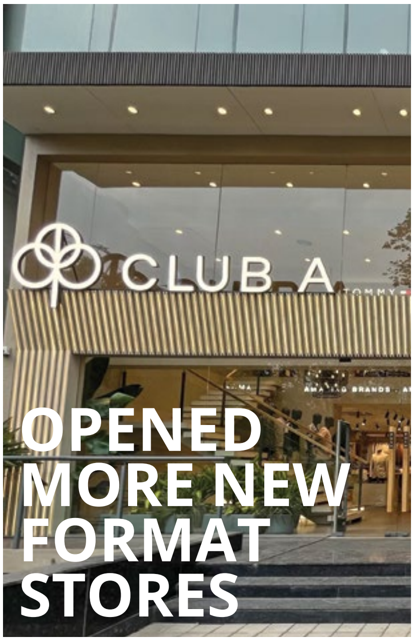
(%)



OPERATIONAL HIGHLIGHTS

# Strengthening the organisation – by design!

**CONTINUED TO OPEN MARQUEE EBOs ACROSS CORE BRANDS**



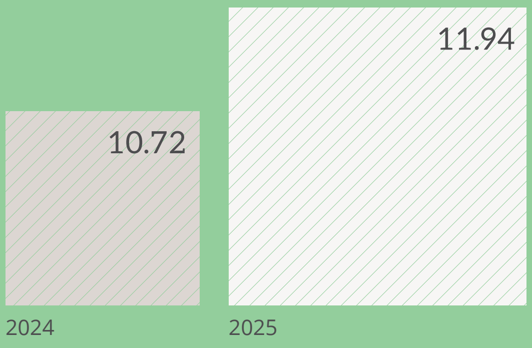
**OPENED MORE NEW FORMAT STORES**

**LAUNCHED WOMEN'S WEAR**

## STORE EXPANSION

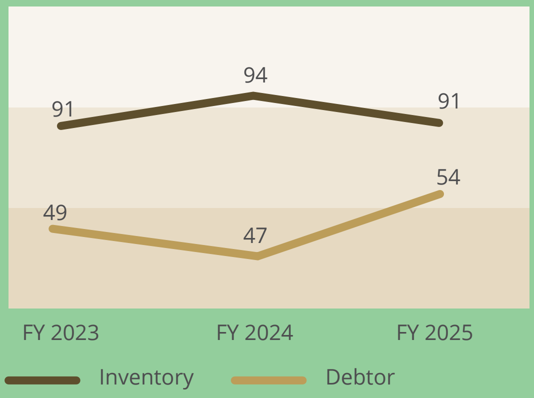
### Growing retail footprint by design

As of March 31 (lakh sq. ft.)



## WORKING CAPITAL MANAGEMENT

Inventory turns remained stable in FY 2025 at ~4x, despite revenue growth acceleration.

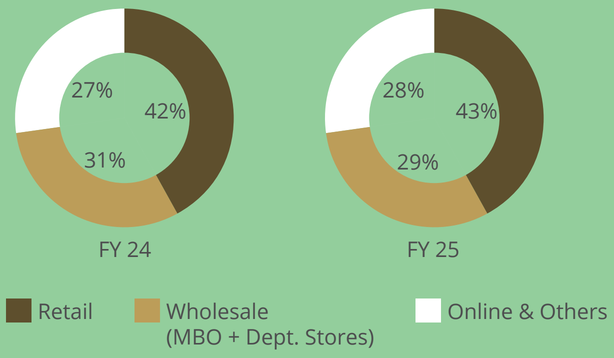


Days calculation, for example:
Inventory days = Average TTM Inventory / TTM Revenues * 365

## CHANNEL MIX

(%)

Strengthening high-quality retail by design

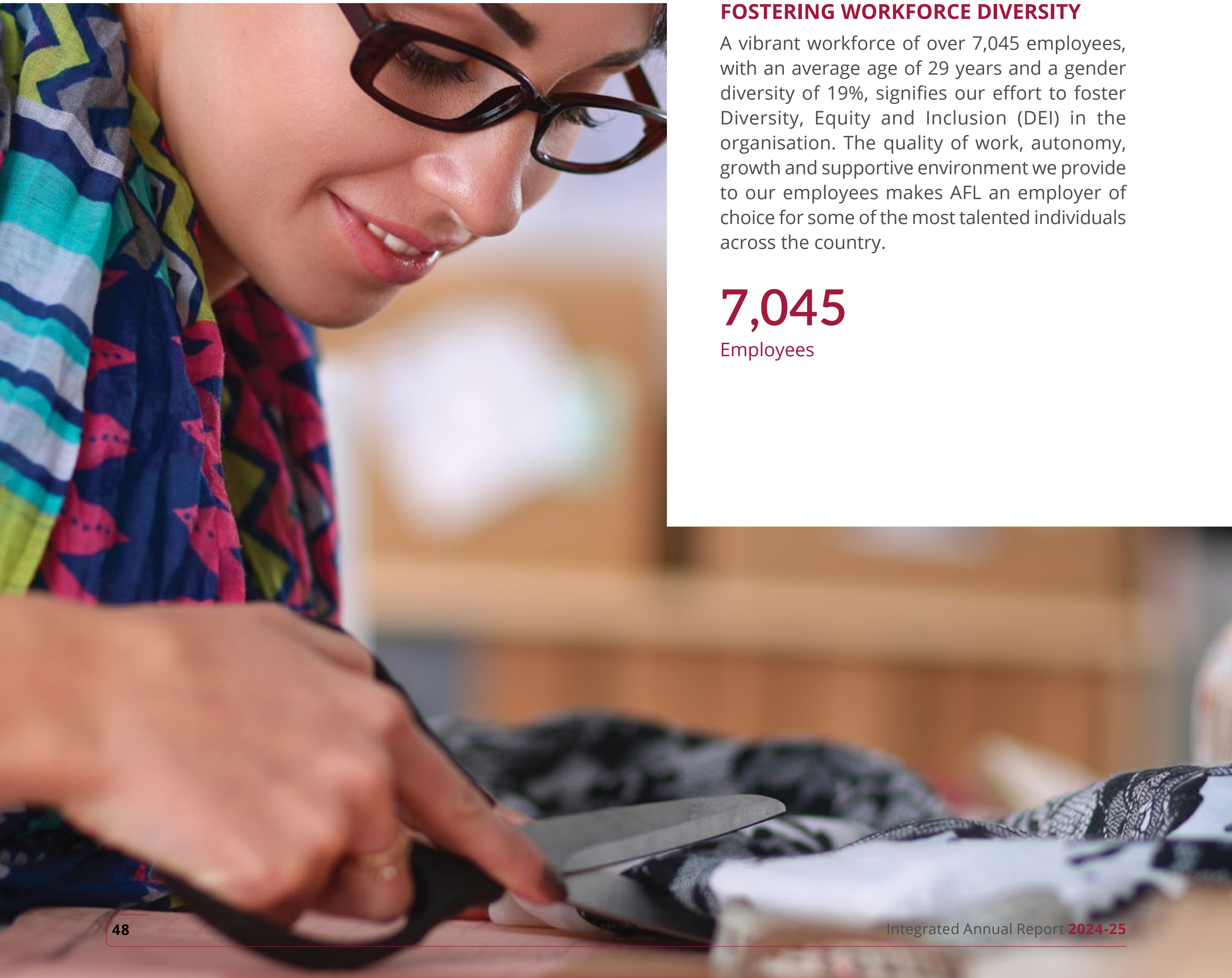


> We have built significant capability in online B2C, including websites, large omni coverage, and development of analytics-driven online exclusive assortment. With better cost control on discounting and cost of doing business, we have seen impressive improvement in the channel margin for our B2C online channel.

HUMAN RESOURCES

# Investing in designing people capabilities

With our people at the heart of our strategic design, we are continually investing in building their capabilities. Our efforts are geared towards nurturing this vital organisational asset. FY 2025 was a year of refreshing our people ambition, with focus on strengthening our systems and processes. It was a year of promoting a progressive and winning culture that drives success for every individual at Arvind Fashions.



## FOSTERING WORKFORCE DIVERSITY

A vibrant workforce of over 7,045 employees, with an average age of 29 years and a gender diversity of 19%, signifies our effort to foster Diversity, Equity and Inclusion (DEI) in the organisation. The quality of work, autonomy, growth and supportive environment we provide to our employees makes AFL an employer of choice for some of the most talented individuals across the country.

**7,045**
Employees

## ENSURING EMPLOYEE ENGAGEMENT

Cognisant of the need to ensure the holistic well-being of our employees, we undertake various initiatives to keep our people engaged and motivated. A robust platform is in place for employees to express their opinions, concerns and suggestions, promoting a culture of transparency, open communication and empowerment. Leaders connect with employees through a series of interventions, including: Townhalls, theme-based structured Focussed Group Discussions, and regular employee connects where they share key achievements, challenges, and the way forward.

Celebrations during festivals, along with wellness programmes focussing on physical well-being, are an ongoing activity at Arvind Fashions. These events additionally function as a channel for employees to connect and collaborate. Our employees also contribute to the society by participating in Blood Donation initiatives.

## REWARDING PERFORMANCE EXCELLENCE

We reward our employees for exemplary performance during our Annual Brand / Function offsites. As an organisation that values each individual's contribution, we honour them with long service awards – an ongoing loyalty reward programme that demonstrates our appreciation for our employees.

## ENHANCING CAPABILITIES THROUGH ARVIND UNIVERSITY

The Arvind University functions as a centre of excellence to promote learning and development among employees. It plays a pivotal role in cultivating a skilled, effective and capable workforce, ensuring we have the right people and skill base to deliver and achieve our vision.

In FY 2025, the centre benefited 800 employees across 40 programmes. Our programmes are strategically aligned with the Brand and Function objectives. They are driven by a meticulous year-on-year training need identification process to meet the diverse needs of employees across functional, behavioural and leadership programmes.

Some of our flagship programmes include: Accelerate Your Leadership Potential, Arvind Management Essentials (AME), Six Sigma, Lateral Thinking, and Mindfulness Leadership Programme. They are centred around creating a strong pool of managerial talent by nurturing the next generation of proficient leaders, who exemplify and drive the core values of the Arvind culture.

## STRENGTHENING TALENT ACQUISITION

We are continuously striving to strengthen our talent acquisition model with the aim of attracting, engaging and retaining top talent in a competitive talent market. Our talent hiring focus is on data-driven agility, digital experience enhancement, and deepening strategic partnerships. During FY 2025, we:

- Shifted from reactive hiring to predictive demand-based hiring & workforce planning using ATS analytics and business forecasting inputs
- Reduced TAT and improved candidate experience with the introduction of a pre-joining engagement plan for all-new hires, ensuring 97% joining rates
- Enabled real-time visibility for HRBPs and leadership
- Elevated candidates' on-boarding experience beyond the administrative
- Automated real-time document verification and checklist tracking via Darwin Box integrations
- Enhanced efficiency in lateral hiring through performance-driven partnerships
- Reduced average time-to-hire by 20% through automation and predictive planning
- Introduced Business Summer Internship programme, where we hired interns from Top B-schools across the country as part of our campus initiatives

## INTERNSHIP PROGRAMME

The internship programme at Arvind Fashions during the year was based on function-specific project framework, aligned with real-time business challenges across brands, channels and formats. This helped ensure that every intern was mapped to a critical business priority, with the aim to create tangible impact and measurable outcomes within 8–10 weeks.

- Rolled out a 3-stage evaluation process (Initial goal setting, Mid-review, and Final presentation to leadership)
- Ensured cross-functional feedback from project guides, HR mentors and reviewers for holistic performance assessment
- Designed a clear PPO decision framework linked to business relevance, project outcomes, and leadership feedback
- Enhanced business contribution from projects, with multiple interns delivering implementable strategies

## POLICIES TO EMPOWER EMPLOYEES

At Arvind Fashions, we have defined various people-centric policies to create an environment of empowerment, growth, safe workplace, and engagement for all employees. These include:

- Flexi-time Policy
- Gender Neutral Policy
- Equal Employment Opportunity Policy
- Paternity & Adoption Policy

These are complemented by our Enhanced Crèche Services, along with professional development initiatives and internal career mobility.

## **Arvind** Care

Our safety and wellness initiative – Arvind Care, goes beyond traditional benefits. It demonstrates our deep concern for the health, happiness and wellness of each of our employees. Key interventions as part of this initiative include: free health check-ups, doctor-on-call, helpline for counselling, medical room with nursing facility, and gymnasium for employees.

'Apna Arvind' is a comprehensive employee self-service platform, which provides employees with instant support at the click of a button. Through this platform, they can seek support on policies, payroll-related services, learning and development, career progression and performance, as well as wellness.

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

SOURCING & SUPPLY CHAIN

# Scaling excellence

At Arvind Fashion, we have detailed a holistic, all-encompassing strategic design to drive future growth. This design underscores our unwavering commitment to ensuring the highest standards of quality, sustainability and responsible sourcing. Our focus remains on maintaining an agile and transparent supply chain.

## VENDOR EMPOWERMENT

During FY 2025, we made strategic investments in vendor manufacturing capabilities to enhance efficiency, support product innovation, and prepare for sustained growth. State-of-the-art machinery was commissioned to improve process precision, reduce downtime, and lower operational costs at our supplier end. The upgradations included:

- **Expansion of Auto and Engineered Striper Machines -** Increased the number of auto striper and engineered striper machines to meet the growing demand for complex stripe patterns and enhanced fabric detailing.
- **Expansion in Digital Printing Capacity -** Significantly ramped up digital printing infrastructure to support detailed graphics, shorter lead times, and flexible production volumes.
- At one of our supplier facilities, we added **Programmable Bartack and Buttonhole Machines,** further strengthening our production capabilities.
- In our supplier **washing unit,** we introduced **Ozone Washing Machines,** enabling us to adopt more **eco-friendly and sustainable wash processes.** These machines reduce water and chemical consumption, aligning with our environmental responsibility goals and commitment to sustainable manufacturing practices.

These upgrades are not only synergised with our long-term strategic objectives but also position us to respond with greater agility to market shifts and customer needs.

## INNOVATION FOCUS

We made significant progress in our innovation agenda, underscored by targeted investments in research, design, and technology development. Key investments included:

- **Introduction of Nylon Blends and Import Fabric Options -** Initiated use of nylon blends to support premium and elevated product lines. Expanded sourcing capabilities with select import fabrics to deliver superior aesthetics and performance
- **Upgrade in Jacquard Knitting Technology -** Introduced and scaled Transfer Jacquard knitting machines to enable high-definition patterns and versatility in design
- **Enhanced Fine-Gauge Collar Knitting -** Expanded collar manufacturing capacity with an additional 20 machines in India, focussing on finer gauges (16GG and 18GG) to support high-quality knit collar and cuffs
- **Boost in Mercerisation Capability -** Increased mercerising capacity in key production hubs – Tirupur and Ludhiana
- **Transfer Print Capacity Strengthened in India -** Increased local transfer print capacity to reduce reliance on imports, improve agility, and mitigate global supply chain risks
- **Enhanced Fabric Shirt -** Introduction of Italian elegant shirt made from Italian inspired fabric & garment produced in Italian set factories

## SOURCING STRENGTH

In FY 2025, we took proactive steps to strengthen our sourcing strategy and further elevate the quality of our products and services. Our focus was on building resilience, ensuring consistency, and reinforcing trust with customers and partners alike.

**Strengthening Sourcing Strategy:** To mitigate supply chain risks and improve reliability, we diversified our supplier base by on-boarding regional and global partners. Strategic sourcing partnerships were deepened to ensure priority access to critical materials, while supplier audits and performance scorecards were introduced for better transparency and accountability.

**Quality Improvements in Sourcing and Delivery:** We enhanced our incoming quality control protocols, and implemented tighter process checks across the supply chain.

- Enhanced 3rd party partners for product performance and final quality validation
- Increased tech-team engagement in validating the fits
- Implementation of stringent SOPs for value-added processes like heat transfer, embroideries and logos
- Strengthened the risk analysis process to identify critical products prior to production and implemented proactive quality measures to avoid product failures
- Inline Quality Control Reinforcement: Increased manpower and accountability at interim and end-line QC checkpoints
- First Time Right (FTR) Programme: Reinforced targets across all vendors to reduce rework and rescreening by improving right-first-time execution
- Operator Skill Mapping & Training: Monthly workshops on stitch quality, handling techniques, and garment construction accuracy
- Quality Awareness Programmes: Posters, quality boards, and floor-level huddles to educate operators on key defect points

## SUSTAINABILITY INITIATIVES

Sustainability remained a core pillar of our business strategy during the year, guiding our decisions across product development, operations, and stakeholder engagement. We have completed our framework for ESG journey, with 'design, develop and drive' as the key pillars. We continued to align our efforts with global environmental goals and stakeholder expectations, while embedding sustainability deeper into the organisational culture.

Some of the key sustainability highlights for the year included:

- Sustainable Trims & Packaging: 100% PET recycled packaging of shirt, reducing the use of virgin plastic
- 100% plant-based compostable Poly Bags, reducing the use of 235 MT of plastic
- Using PP carton boxes for domestic logistics instead of traditional paper corrugated boxes
- 100% recycled polyester garment labels
- Shopping Bag: 100% tree-free paper using residual by-products from textile, garment manufacturing

## SUPPLY CHAIN NETWORK

During the year, we redefined our supply chain network by opening a new central warehouse basis the geographical spread of supply and consumption. The initiative was aimed at helping to drastically reduce lead times of supply from source to consumer, and also to optimise the cost of supply chain. It will also help create capacity for future business expansion.

We invested in deploying machine learning (ML) tools for rapid fashion replenishment and inter store transfers. Such initiatives helped streamline the flow of inventory, improve the full price sell through, and increase availability across all points of sale. They led to improvement in terms of rapid replenishment of broken sizes in a store. Inter store transfers helped increase sell through by 100+ basis points.

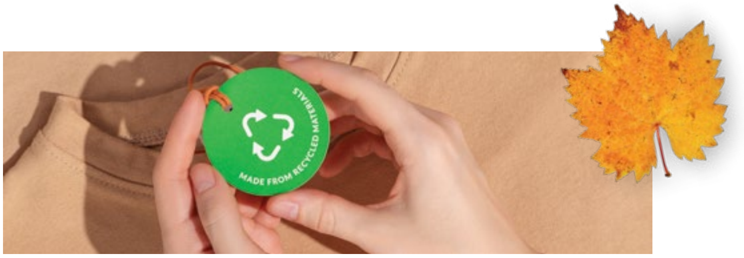
Investments were made to automate assortment planning for stores and listing of products, in line with demand, using machine learning. This is expected to rapidly fill grid level gaps in stores with the best alternative product. Further, core products were put on a platform of decoupled pull-based supply system, extending from raw material suppliers to final point of sales across all channels. This initiative helped improve everyday availability to over 90% at stores and also inventory turns.

Our efforts enabled significant improvement in the speed of returns and re-deployment of channels that can offer maximum profit and fastest cash realisation.

BUSINESS SUSTAINABILITY

# Shaping sustainable fashion

At Arvind Fashions, we have aligned our business strategy with a strong sustainability ethos. We are committed to promoting sustainable fashion through our unwavering focus on environmental conservation and corporate social responsibility. Our sustainability commitment guided our decisions across product development, operations, and stakeholder engagement during FY 2025.



## ADOPTING ECO-FRIENDLY MATERIALS & MANUFACTURING

We have embedded sustainability into our product design and development processes. We emphasise the use of eco-friendly materials and sustainable manufacturing techniques. As part of this commitment, we have incorporated organic cotton and recycled polyester fabrics into our denim production.

- Our recycled polyester threads, sourced from Coats, are made from recycled PET (polyethylene terephthalate), typically derived from post-consumer plastic bottles. This helps divert waste from landfills and reduces reliance on virgin polyester
- We have partnered with ECO365 to procure compostable poly bags for packaging. These bags naturally break down in composting environments, providing a sustainable alternative to conventional plastic packaging and minimising environmental impact at the end of their lifecycle
- We have collaborated with Plastics for Change, an organisation dedicated to fostering social and environmental responsibility. Through this partnership, we have introduced recycled PET traveller collars made from plastic waste collected by waste pickers in underserved communities, thereby creating economic opportunities while combating plastic pollution

These initiatives are helping to reduce our environmental footprint while generating a positive social impact.

**395**

Metric tonnes

Packaging waste recycled in 2024

**165**

Metric tonnes

Recycled PET utilised

## FOSTERING A CULTURE OF SUSTAINABILITY

We work actively towards inculcating a culture of adopting sustainable materials, practices and technologies across our value chain. We are introducing sustainability tags on our products, to act as visual indicators that inform consumers about the eco-friendly qualities of our garments while underscoring our dedication to environmental responsibility.

- Each tag offers clear and concise information about the sustainable materials used – such as organic cotton, recycled polyester, or other eco-friendly fibres
- The tags may also highlight aspects of the manufacturing process, including energy-efficient production techniques and compliance with ethical labour practices
- The tags are prominently featured, to empower consumers to make informed, environmentally conscious choices when selecting their fashion products

## PROMOTING CIRCULAR ECONOMY

To promote circular economy principles, we focus on reducing waste and conserving resources.

- In a strategic partnership with Arvind Envisol, we have implemented an Extended Producer Responsibility (EPR) programme dedicated to recycling LDPE and PET packaging waste
- In collaboration with Plastics for Change, we have committed to using 100% recycled PET (Polyethylene Terephthalate) for our collar traveller and butterfly products, replacing virgin plastic
- In our warehouse operations, we have replaced virgin cardboard boxes with polypropylene (PP) carton boxes. These durable, reusable packaging solutions reduce single-use material consumption and waste generation
- By adopting compostable polybags, we are actively working to mitigate plastic pollution and contribute to a more sustainable packaging ecosystem

## MINIMISING ENERGY CONSUMPTION

We have made significant investments in renewable energy sources and other green technologies as part of our concerted effort to reduce reliance on fossil fuels and combat climate change

- Our corporate office and warehouse facilities are equipped with solar energy systems, thereby lowering greenhouse gas (GHG) emissions associated with electricity use
- In our corporate office, we have implemented a Power Purchase Agreement (PPA) to procure solar energy, allowing us to leverage clean and sustainable power sources
- Rooftop solar panels have been installed in our warehouse facilities to power our operations, significantly reducing GHG emissions associated with conventional electricity consumption
- We have introduced motion sensor lights in our warehouse premises, optimising energy usage and reducing electricity consumption by up to 30%

## EFFECTIVELY RECYCLING WASTE

We have implemented comprehensive waste management initiatives to reduce waste generation, and promote recycling and reuse. All waste material, such as paper, cardboard and plastic, is segregated and recycled. Waste generated in our warehouses is 100% recycled through authorised state government recyclers, ensuring responsible waste management and environmental protection.

## REDUCING WATER USAGE

We have implemented several water conservation measures across our manufacturing facilities. These include: adoption of water-saving technologies such as advanced wastewater treatment systems, water recycling and reuse processes, and water-efficient production techniques. By minimising water consumption and reducing wastewater discharge, the Company helps preserve freshwater resources and mitigate water pollution.

CORPORATE
SOCIAL
RESPONSIBILITY

# Threads of Responsibility

At Arvind Fashions, we are committed to upliftment of the underprivileged sections of the society. During FY 2025, a total of ₹ 2.5 crore was spent by PVH Arvind Fashion on various Corporate Social Responsibility (CSR) programmes.

## SCHOLARSHIP PROGRAMME

Arvind Foundation initiated a scholarship programme through Vidyasaarthi – a technology-enabled initiative by Protean e GoV Technologies Limited (formerly known as e-Governance Infrastructure Limited). The programme facilitates underprivileged students to receive financial assistance via corporate funded scholarship for identifying and applying to various applicable education finance schemes. As part of the programme, we provided scholarship for 250 new students and 90 old students.

## SUPPORTING EDUCATIONAL INSTITUTIONS

Through Arvind Foundation, we have undertaken installation of RO systems, renovation of toilets, water proofing, CCTV installation, painting etc. in three schools in Bengaluru, Karnataka. Around 600 students will benefit as a result of this intervention.

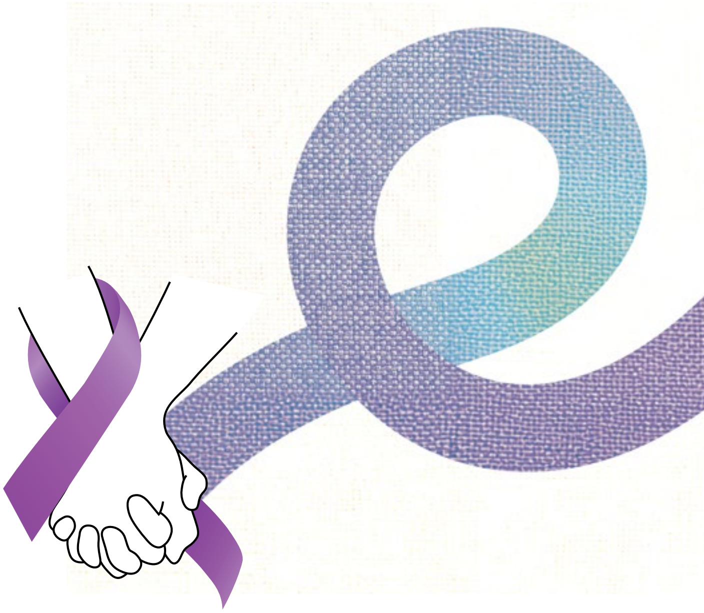
In another initiative through Arvind Foundation, we aim to transform Government Schools into smart schools with learning assessment and NEP compliance. The Class Saathi Project is being implemented in 13 schools.

Through Bangalore Indiranagar Rotary Trust, we have constructed a classroom and a toilet at a Government college in Bengaluru.

## PROVIDING CANCER CARE

We are supporting advanced stage cancer patients who are beyond cure, through the Bangalore Indiranagar Rotary Trust. 'Karunashraya' is a joint project of the Indian Cancer Society and Rotary Bangalore for providing free palliative care to such cancer patients.

We have also partnered with the Indian Cancer Society to conduct cancer awareness and detection camps, and provide emotional support to cancer patients in Bengaluru.



## OTHER INITIATIVES

- Support to Akshaya Patra for its school Mid-Day Meal Scheme, aimed at addressing classroom hunger and malnutrition in the country
- Promotion of football through IEFP Foundation's IFEP sponsorship programme to provide residential football training to potential athletic players for specified duration

# Robust Governance

GOVERNANCE

# Focussed on ethical & transparent growth

Transparent and ethical governance is an important pillar driving growth at Arvind Fashions. We have in place a robust, value-based governance structure and framework to steer our efforts to promote fairness, transparency, ethics and integrity across the organisation. The framework aids in ensuring accountability in all our dealings and openness in all our communications.

## GOVERNANCE STRUCTURE

### Governance Framework

Outlines the governance structure, including boards, committees and executive management teams responsible for strategic decisions and oversight.

### Board composition

Showcases diversity of skills, capabilities, age and backgrounds among the Directors; break-up between Independent & Non Independent Director.

### Roles and Responsibilities

Detail the composition, roles and responsibilities of the Board, including how it provides oversight, sets strategic direction and ensures ethical conduct.

### Committees

Explain the function and scope of key committees, including their role in governance, oversight and advising the Board.

### Ethics and Compliance

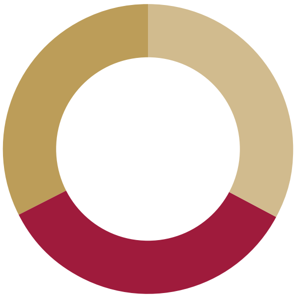
Highlight the organisation's commitment to ethical practices and integrity and the systems in place for ensuring compliance.

## GOVERNANCE FRAMEWORK

At AFL, the Board of Directors is the ultimate decision-making authority and mandated to approve the corporate strategy and major initiatives, providing oversight on financial performance and risk management. The Board constitutes and is supported by various Committees for recommending their decisions on the specific duties as assigned by the Board

| Name | Designation |
|---|---|
| Mr. Sanjay Lalbhai | Chairman |
| Mr. Kulin Sanjay Lalbhai | Vice Chairman & Non-Executive Director |
| Mr. Punit Sanjay Lalbhai | Non-Executive Director |
| Mr. Shailesh Chaturvedi | Managing Director & CEO |
| Mr. Suresh Jayaraman | Non-Executive Director |
| Mr. Nagesh Pinge | Independent Director |
| Mr. Nilesh Shah | Independent Director |
| Mr. Manoj Nakra | Independent Director |
| Mr. Achal Bakeri | Independent Director |
| Ms. Ananya Tripathi | Independent Director |
| Mr. Govind Shrikhande | Independent Director |

### Average Age



▨ 57 Executive Directors

🟥 60 Independent Directors

▨ 56 Non-Independent Directors

### Board Independence

🟥 55% Independent Directors

▨ 45% Non-Independent Directors

## AUDIT COMMITTEE

| Name | Designation | Category |
|---|---|---|
| Mr. Nagesh Pinge | Chairman | Independent Director |
| Mr. Nilesh Shah | Member | Independent Director |
| Mr. Suresh Jayaraman | Member | Non-Executive Director |
| Ms. Ananya Tripathi | Member | Independent Director |

## NOMINATION AND REMUNERATION COMMITTEE

| Name | Designation | Category |
|---|---|---|
| Mr. Nilesh Shah | Chairman | Independent Director |
| Mr. Achal Bakeri | Member | Independent Director |
| Mr. Suresh Jayaraman | Member | Non-Executive Director |
| Mr. Govind Shrikhande | Member | Independent Director |

## STAKEHOLDERS RELATIONSHIP COMMITTEE

| Name | Designation | Category |
|---|---|---|
| Mr. Kulin Sanjay Lalbhai | Chairman | Non-Executive Director |
| Mr. Nilesh Shah | Member | Independent Director |
| Mr. Govind Shrikhande | Member | Independent Director |

## RISK MANAGEMENT COMMITTEE

| Name | Designation | Category |
|---|---|---|
| Mr. Nagesh Pinge | Chairman | Independent Director |
| Mr. Suresh Jayaraman | Member | Non-Executive Director |
| Mr. Nilesh Shah | Member | Independent Director |
| Ms. Ananya Tripathi | Member | Independent Director |
| Mr. Shailesh Chaturvedi | Member | Executive Director |

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

| Name | Designation | Category |
|---|---|---|
| Mr. Kulin Sanjay Lalbhai | Chairman | Non-Executive Director |
| Mr. Nilesh Shah | Member | Independent Director |
| Mr. Punit Sanjay Lalbhai | Member | Non-Executive Director |

## ROLES & RESPONSIBILITIES OF THE BOARD

- Reviewing and guiding corporate strategy, major action plans, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed and overseeing the process of disclosure and communication.
- Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- Ensuring a transparent nomination process for the Board of Directors, with a focus on diversity of thought, experience, knowledge, perspective and gender.
- Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related-party transactions.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including independent audit, and ensuring that appropriate systems of control are in place, in particular the systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- Monitoring and reviewing Board of Directors' evaluation framework.
- Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- The Board of Directors shall encourage continuing directors' training to ensure that the members are kept up to date.
- The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- The Board of Directors shall exercise objective independent judgement on corporate affairs.
- When committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the Board of Directors.
- The Board of Directors and senior management shall facilitate the independent directors to perform their role effectively as members of the Board and also as members of Board committees.

## ETHICS & COMPLIANCE

AFL has placed ethical practices and integrity at the core of its business ideology, guiding us in conducting business responsibly, treating stakeholders equally, and upholding moral values of the organisation. The Audit Committee of the Company had separately formed an ethics committee ("Committee") to look after issues pertaining to disciplinary, whistle blower and code of conduct complaints.

### The Committee comprises:

1. Mr. Girdhar Kumar Chitlangia – Chairman
2. Mr. Anurag Pandey – Member
3. Mr. Mallikarjuna Yarabolu – Member
4. Mr. Rohith Kumar - Member
5. Mr. Ankit Arora – Member

The Committee is solely responsible for ensuring compliances involving implementation of various systems and measures to monitor, enforce and promote ethical behaviour across the organisation. AFL has a separate policy on ethics and department-wise training programmes were conducted in FY 2025.

The Board of Directors has approved the following policies to provide guidance in managing the affairs of the Company in an ethical manner.

**1. Code of conduct for the Board of Directors and Senior Management Personnel –** The intention of the Code is to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the Company in an ethical manner, recognise and emphasise ethical behaviour, and foster a culture of honesty and accountability. The Code's guiding principles encompass:

- Prudent conduct and behaviour;
- Avoidance of appropriating corporate business opportunities for themselves;
- Using Company's property or information, or their own position, for personal gain;
- Disclosure of conflict of interest;
- Maintenance of the confidentiality of information entrusted to them in carrying out their duties and responsibilities;
- Encouraging reporting of illegal and unethical behaviour.

**2. Whistle Blower policy –** The policy provides a framework and avenue for all directors, employees, business associates and other stakeholders, who are part of the business ecosystem of the Company and its group, for reporting, in good faith, instances of unethical/improper conduct, viz. breach of internal compliance requirements, bribery and corruption, procurement and tendering fraud, misappropriation/theft/embezzlement of Company assets, false invoicing, fraudulent financial accounting, auditing and reporting, health, safety, environment and security related, workplace harassment, discrimination and favouritism, non-compliance/breach of legal and regulatory requirements, etc. in the Company, along with commitment towards adhering to the standards of ethical, moral and fair business practices. The above suspected unethical practices are to be reported through ethics hotline and online reporting system.

### The guiding principles of the Policy include:

- Ensuring that the whistle blower and/or the person processing the Protected Disclosure is not victimised for doing so, and is adequately protected against any such incident;
- Treating victimisation as a serious matter, including initiating disciplinary action against such person(s);
- Ensuring complete confidentiality;
- Not attempting to conceal evidence of the Protected Disclosure;
- Taking disciplinary action if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- Providing an opportunity of being heard to the persons involved, especially to the subject.

Any such viable instances reported to the Company are placed before the Audit Committee in the next meeting, along with the status on the investigation and disciplinary action taken, if any.

**3. Outsource vendor management policy –** The policy provides a framework for engagement, management and disengagement of any vendor. The guiding principles of the policy include:

- Factors to be considered in selection of vendor;
- Signing of service agreement with the vendor and obtaining a 'compliance certificate' w.r.t adherence to the relevant statutory regulations, applicable to the Company;
- Empanelment process checks/audits;
- Renewal and/or closure of contract.

The bulk of the responsibility lies with outsourcing and human resource team for onboarding of a vendor with ethical practices. Extending ethical standards to suppliers, partners, and stakeholders ensures consistency in ethical practices across the supply chain.

# Board of Directors

## Mr. Sanjay Lalbhai

Chairman & Non-Executive Director

Mr. Sanjay Lalbhai is the Chairman and Managing Director of Arvind Limited. He is also the Chairman and Non-executive Director of Anup Engineering and Arvind Smart Spaces and Arvind Fashions Limited – a group of businesses that post a turnover of 1.7 billion USD. It is under his leadership that Arvind has become one of the largest manufacturers of textiles globally and that the group has established a strong presence in spaces such as apparel retailing, real estate and engineering. Mr. Lalbhai believes that addressing societal concerns and creating long-lasting benefit to society is integral to the business strategy. He provides strategic leadership to SHARDA Trust and Arvind Foundation - the CSR arms of the Company. Mr. Lalbhai has a deep interest in the field of higher education and serves on the boards of several premier educational institutes. He is the President of Ahmedabad Education Society, President of Ahmedabad University, Chairman of CEPT University and was a member of the Governing Board of the Indian Institute of Management, Ahmedabad. He provides leadership in the field of research by serving on the Council of Management of the Physical Research Laboratory and as Chairman of Council of Administration of Ahmedabad Textile Industry's Research Association. Mr. Lalbhai is passionate about art. He serves as a Chairman of the Lalbhai Dalpatbhai Institute of Indology. He is also the founder and trustee of the Kasturbhai Lalbhai Museum and founder of the Arvind Indigo Museum. Mr. Lalbhai has been a practitioner of Heartfulness Meditation since 1994 and has been a trainer in practice since 2015.

## Mr. Shailesh Chaturvedi

Managing Director & CEO

Mr. Shailesh Chaturvedi is one of Arvind's strongest leaders who has successfully led several of our brands over the last 17 plus years. He joined Arvind in 2006 to lead our Tommy Hilfiger JV. Over the past 19 years, he has made Tommy as one of the most admired and aspirational brands in the country. He also took over the Calvin Klein brand in FY 2018 and has scripted a strong turnaround of the business. Shailesh is a proven leader in the apparel space with a total career that spans more than 30 years in leadership roles in Madura Coats, UCB and then Arvind. His deep expertise in working with international brands gives him a unique insight into global best practices and trends. Before his long stint in building the bridge to luxury brand portfolio for Arvind, he has worked extensively in the mass premium men's wear segment as well.

## Mr. Kulin Lalbhai

Vice Chairman and Non-Executive Director

Mr. Kulin Lalbhai is the Vice Chairman & Non-Executive Director at Arvind Fashions and Executive Director at Arvind Limited. He is driving the consumer and digital businesses at Arvind which includes Arvind Fashions, real estate and telecom. He has been instrumental in setting up several new retail concepts for the Group and involved with expanding the brand portfolio of Arvind Fashions and also its foray into footwear. He has been closely involved in the Group's foray into real estate. Kulin holds an MBA from the Harvard Business School, and a BSc in Electrical Engineering from the Stanford University. Prior to his current role, he has also been a management consultant at McKinsey & Co.

## Mr. Punit Sanjay Lalbhai

Non-Executive Director

Mr. Punit Lalbhai is the Vice Chairman and Executive Director of Arvind Limited and leads Arvind's Advanced Materials, Textile, Technical Textile, Engineering, Environmental and Agribusinesses. He has also been involved with the growth of Anup Engineering – a capital goods manufacturing company and that of Arvind Envisol – an up-and-coming waste-water treatment company. He also spearheads initiatives in sustainability, CSR, and Innovation at Arvind. He has an MBA from INSEAD and a Masters of Environmental Science from Yale University.

## Mr. Suresh Jayaraman

Non-Executive Director

Mr. Suresh has over 30 years of experience in the FMCG, Lifestyle Brands & Retail industries. This included an 18-year stint at Hindustan Unilever Limited, where he headed the Sales Operations of the beverages business and was a management committee member of the Foods & Beverages business between 1999 and 2002. After HUL, he joined MTR Foods Ltd as its Chief Executive Officer and turned a regional brand into a national and global brand. He is an engineering graduate and has a Master's degree in Business Administration from Indian Institute of Management, Bangalore.

## Mr. Nilesh Shah

Non-Executive Independent Director

Mr. Nilesh Shah is the Managing Director (MD) of Kotak Mahindra Asset Management Co. Ltd. He has over 30 years of experience in capital markets and market-related investments, having managed funds across equity, fixed income securities and real estate for local and global investors. He has also held leadership roles with Axis Capital, ICICI Prudential Asset Management, Franklin Templeton and ICICI Securities. Kotak, Franklin Templeton and ICICI Prudential Mutual Fund has received many awards including the best fund house of the year award under his leadership. Mr. Nilesh Shah is a gold medalist chartered accountant and a merit ranking cost accountant. Mr. Nilesh Shah has co-authored book on Financial Planning called A Direct Take.

## Ms. Ananya Tripathi

Non-Executive Independent Director

Ms. Ananya Tripathi is Managing Director in Brookfield's Real Estate Group. In this role, she focusses on driving business plans and operations across the real estate portfolio in India.

Prior to joining Brookfield in 2024, Ms. Tripathi held various leadership roles, including CEO of WhiteHat Jr. and director at KKR Capstone India, where she assisted portfolio companies with strategy and operations.

Ms. Tripathi holds a Master of Business Administration degree from the Indian Institute of Management, Kozhikode.

## Mr. Achal Bakeri

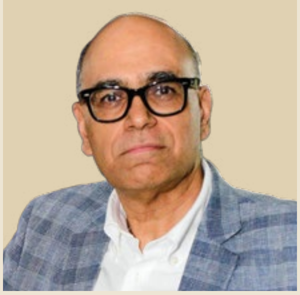
Non-Executive Independent Director

Mr. Achal Bakeri is the Chairman and Managing Director of Symphony Limited. He leads the management of critical organisational functions such as corporate strategy, international growth opportunities and people development. He is an Architect and has studied Master of Business Administration from University of Southern California. Mr. Bakeri has 32 years of experience in varied fields, including construction, exports, manufacturing and design development. Under his guidance and leadership, Symphony has established its position as the largest manufacturer of air coolers in the world.

## Mr. Nagesh Pinge

Non-Executive Independent Director

Mr. Nagesh Pinge is an Expert in Ethics, Corporate Governance, Risk Management and Internal Audit. He is a Chartered Accountant and Law Graduate from India. He has also completed Executive Education Program from The Stephen M Ross School of Business of the University of Michigan, USA. In a career spanning 35 years, he has worked with many organisations of repute like Tata Motors as Chief-Internal Audit, Risk Management and Ethics. Prior to that he has also served Reliance Retail Ltd, JSW Steel Ltd. and ICICI Bank and its Group Companies. He is an Independent Director in many reputed Companies. He is a past President of the Institute of Internal Auditors, India.



## Mr. Manoj Nakra

Non-Executive Independent Director

Dr. Manoj Nakra is a co-founder of SCIP, a SaaS platform company. Before reinventing himself in technology, he led the creation and implementation of many global luxury and lifestyle brands in the Middle East and India. He engages with retailers for their digitalisation. He has held CEO positions at The Waterbase Limited and Jashanmal (Retailer in UAE), COO position at DubaiSME (Entrepreneur Development Organisation of Government of Dubai) and CXO position Apparel Group (Retailer in UAE). Manoj is a Mechanical Engineer (IIT Delhi), has an MBA (IIM, Bangalore), and a DBA (Case Western, USA).

## Mr. Govind Shrikhande

Non-Executive Independent Director

Mr. Govind Shrikhande is the former Managing Director of Shoppers Stop. He is Retail professional with a degree in Textile Technology (B. Text) from VJTI Mumbai and Masters in Marketing (MBA) from Symbiosis Institute of Management. He has work experience of 38 years in the entire chain of Fabrics to Apparel to Multi-Format Retailing including Department Stores, Hypermarket, Airport Retail, Beauty, Home, Books & Music, etc. across Marquee Companies like Mafatlal, Johnson & Johnson, Arvind, Bombay Dyeing & Shoppers Stop.

# Leadership Team

### Mr. Shailesh Chaturvedi

Managing Director & CEO

Mr. Shailesh Chaturvedi is one of Arvind's strongest leaders who has successfully led several of our brands over the last 19 years. Mr. Shailesh Chaturvedi joined Arvind in 2006 to lead our Tommy Hilfiger JV. Over the past 19 years, he has made Tommy one of the most admired and aspirational brands in the country. He also took over the Calvin Klein brand in FY 2018 and has scripted a strong turnaround of the business. Most recently he took over the Arrow business in FY 2019 and is currently working on a plan to energise and reinvigorate the franchise. Shailesh is a proven leader in the apparel space with a total career that spans 28 years in leadership roles in Madura Coats, UCB and then Arvind. His deep expertise in working with international brands gives him a unique insight into global best practices and trends. Before his long stint in building the bridge to luxury brand portfolio for Arvind he has worked extensively in the mass premium men's wear segment as well.

### Mr. Anand Aiyer

CEO – Arrow

Anand Aiyer is the CEO of Arrow at Arvind Fashions Ltd. He has over 24+ years of rich experience in fashion brands and retail business. Over his long tenure he has launched, built and scaled successful fashion & retail businesses. Prior to joining Arvind, Anand was the President and CEO of Easybuy - Division of Max Retail, Lifestyle International (P) Limited, part of the Landmark Group. As CEO of Easybuy, he was instrumental in building and scaling the Easybuy business. Prior to Easybuy, Anand has held pivotal positions in Louis Philippe, part of Aditya Birla Fashion & Retail Limited. Few of his key achievements in Louis Philippe were building and scaling the sub-brands LP Sport, LP Jeans and Luxure. He has also held key positions and built businesses of Classic Polo and Trigger Jeans (Div. of KG Denim Limited).

### Mr. Amitabh Suri

CEO – USPA

Amitabh Suri is the CEO of USPA at Arvind Fashions. An Alumni of the University of Delhi and National Institute of Fashion Technology, he has over 20 years of work experience in the fashion and lifestyle industry. Prior to joining Arvind, Amitabh was the President for Exclusive Brands & Private Labels at Shoppers Stop. He has held pivotal positions with well-renowned companies like Landmark Group, Indian Terrain Fashion and ITFL. He also handled Arrow brand as a CEO for close to 6 months.

## Mr. Nitesh Kumar Kanchan

CEO – AFL Digital

Nitesh Kanchan is the CEO of NNNow.com at AFL and is responsible for strategising, building and growing the globally-renowned speciality beauty retailer. An alumni of IIT Delhi, Nitesh has over 20 years of work experience in the fashion and lifestyle industry, of which the last 7 years are with Arvind. Prior to joining Arvind, Nitesh has held pivotal positions across industries and worked with well-renowned brands like Tommy Hilfiger, Calvin Klein, Louis Philippe, Arrow, Esprit and fashion retailer Pantaloons.

## Mr. Girdhar Kumar Chitlangia

CFO

Mr. Girdhar Kumar Chitlangia is a qualified chartered accountant and an experienced finance professional. In his career spanning 30 years, he has worked in leadership roles in large retail & FMCG companies both in India and abroad. He believes in making finance function a strong enabler and an effective business partner. He has led his function with multiple tech interventions which resulted in significant improvement in efficiencies.

Prior to joining our Company, he has worked with More Retail Limited, Coca-Cola Company and Super Max World.

He has attended top business schools like Harvard and Oxford and has been bestowed with many awards notable among these CA-CFO award by the Institute of Chartered Accountants of India, Exceptional Contributor at the Aditya Birla Group and also top 100 CFO's by the CFO magazine.

## Mr. Rajat Arora

Senior VP – Supply Chain

Rajat Arora is Senior Vice President - Supply Chain at Arvind Fashions Ltd. and responsible for end-to-end Supply Chain Operations and Strategy. An alumni of NIFT-New Delhi, Rajat has over 22 years of experience in managing diverse supply chains across Fashion, Consumer Durables and FMCG sectors. He has held operations leadership roles at Aditya Birla Fashion & Retail, VIP Industries Ltd. and Pidilite Industries Ltd.

### Mr. Anurag Pandey

CEO – Footwear Business Division

Anurag Pandey is the CEO of Footwear business division at Arvind Fashions Ltd and is responsible for strategising, building and growing the footwear & accessories business for group brands ((U.S. Polo Assn., Arrow, Flying Machine, Cole Haan). Anurag has over 20 years of experience in the fashion & lifestyle industry. Prior to joining Arvind in 2018, Anurag invested over a decade in building & scaling successful footwear brands, holding pivotal positions and worked with well-renowned companies / brands like Hush Puppies, Bata India, ALDO India, Aditya Birla Fashion, etc. Anurag joined Arvind Fashions in 2018.

### Mr. Lal Sudhakaran

CSO – Arvind Fashions

Lal Sudhakaran is the Chief Sourcing Officer at Arvind Fashions. An Alumni of the College of Engineering, Trivandrum, and Mumbai University, he has over 29 years of experience in Strategic Planning, Supply Chain Management, Manufacturing, and Operations. Prior to joining Arvind, Lal was President of Supply Chain Management, Cluster Development, and ESG with Fabindia Limited. He has held pivotal positions in well-renowned companies like Gokaldas Exports Limited, Aditya Birla Fashion and Retail Limited and more.

### Mr. Mallikarjuna Yarabolu

CRO – Arvind Fashions

Mallikarjuna Reddy Yarabolu is the Chief Revenue Officer at Arvind Fashions. An alumni of Dr. MGR Engineering College, Nirma Institute of Management and INSEAD Business School, France, he has over 20 years of experience in Retail Sales, Marketing, Merchandising, and much more in both Fashion Retail and FMCG. Prior to joining Arvind, Mallikarjuna was the Business Manager of Nestle India. He has held pivotal positions in well-renowned companies like Retail One, Aditya Birla Group, Wal-Mart Stores, Godrej Agrovet, Vedanta Resources and more.

### Mr. Rohith Kumar

CHRO – Arvind Fashions

Mr. Rohith has over 16 years of experience as head of Human Resources in Retail Industry (Apparel, Food & Grocery, QSR). He is skilled in Management, Career Management, Organisational Development, Recruiting, and Human Resources.

Prior to joining Arvind Fashions, Mr. Rohith was Chief People Officer for Hardcastle Restaurants Pvt. Ltd., Head of Human Resource in Landmark Group – SPAR India and as Head – Retail HR in Aditya Birla Fashion and Retail Ltd.

He is a strong human resource professional with a Master of Business Administration (M.B.A.) focussed in Human Resources Management/Personnel Administration, General from Alliance Business School, Bangalore.

# Corporate Information

## CHIEF FINANCIAL OFFICER

Mr. Girdhar Kumar Chitlangia

## Company Secretary & Compliance Officer

Ms. Lipi Jha

## Bankers to the Company

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

## Statutory Auditors

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

## Registrar & Transfer Agent

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

## Registered Office

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

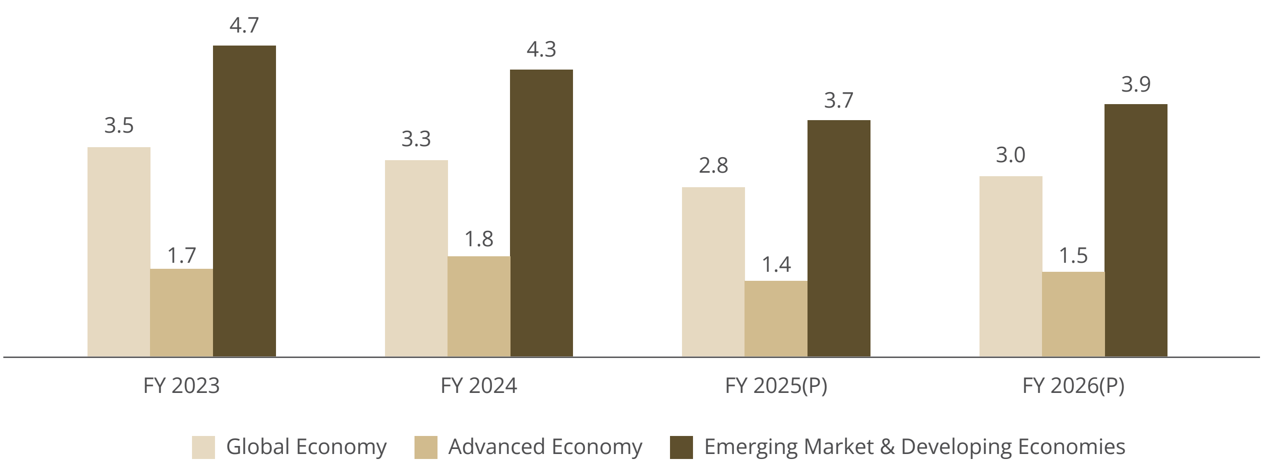
# Management Discussion & Analysis

## GLOBAL ECONOMIC OVERVIEW

The global economy is undergoing a transformative shift, defined by uncertainty and evolving geopolitical dynamics. In 2024, it achieved a robust growth of 3.3%, closely following the impressive 3.5% growth in 2023. This momentum is driven by strong consumer demand, adaptable policy frameworks, and a committed focus on sustainable development.

While challenges such as supply chain disruptions and inflation persist, advanced economies have grown by 1.8%, and Emerging Markets and Developing Economies are outperforming with a growth rate of 4.3%, led decisively by India and Southeast Asia. The U.S. economy demonstrates notable resilience, in stark contrast to the Eurozone, which grapples with pressing energy issues, and China's recovery, which is restrained by weaknesses in its property sector.

**Global GDP Growth Estimates** (%)



* P = Projected

Source: International Monetary Fund April 2025 report

The global economy is projected to grow by 2.8% in 2025 and 3.0% in 2026, supported by recovering investments. Advanced economies are expected to grow modestly at 1.4% in 2025 and 1.5% in 2026. In contrast, emerging markets like China and India are forecasted to grow stronger at 3.7% in 2025 and 3.9% in 2026.

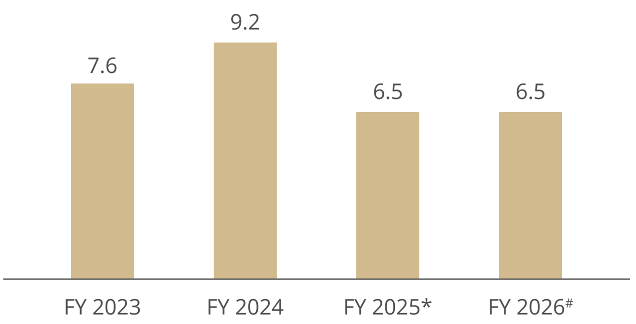
While inflation is expected to ease, U.S. tariffs have raised inflation and reduced consumer spending, creating economic uncertainty. Trade tensions have disrupted supply chains, and long-term global growth will rely on cooperation and innovation.

Source: IMF, April 2025 Outlook

## INDIAN ECONOMIC OVERVIEW

India stands as the fastest-growing major economies, propelled by its youthful population, robust domestic demand, and decisive structural reforms. The country's economic expansion is underpinned by strong Goods and Services Tax (GST) collections and significant advancements in manufacturing, infrastructure, and technology. While global challenges have introduced some headwinds, resulting in GDP growth moderating to 6.5% in FY 2025 from an impressive 9.2% the previous year, as reported by the Ministry of Statistics and Programme Implementation (MOSPI), the fundamentals remain strong. Factors such as persistent food inflation, sluggish urban consumption, limited job creation, a widening trade deficit, and reduced private investment have contributed to this slowdown. Nonetheless, India is poised for steady growth, bolstered by a resilient services sector, increased infrastructure spending, and proactive government initiatives aimed at digitalisation, financial inclusion, and enhancing the business environment.

**Indian GDP Growth Rate** (in %)



Source: *MOSPI Report dated 30th May, 2025, #Reserve Bank of India (RBI) Monetary Policy Committee (MPC) report dated 6th June, 2025

Inflation has become a critical issue for FY 2025, largely due to global supply chain disruptions and fluctuating commodity prices. In response, the Reserve Bank of India's Monetary Policy Committee took a measured approach, cutting the repo rate by a total of 100 basis points in three steps, bringing it down to 5.5% by June 2025. This move aimed to boost liquidity, keep inflation in check and support economic growth. The Consumer Price Index (CPI) inflation is projected at 4.9% for FY 2025, down from 5.4% the previous year, and is likely to ease further to 3.7% in FY 2026.

India's economy is on track to maintain a strong growth rate of 6.5% year-on-year in FY 2026. Stabilising global crude oil prices between USD 60 and USD 65 per barrel could help alleviate inflation and support growth. While recent tariffs have challenged exporters by reducing their global competitiveness, they have also strengthened domestic industries by limiting import competition.

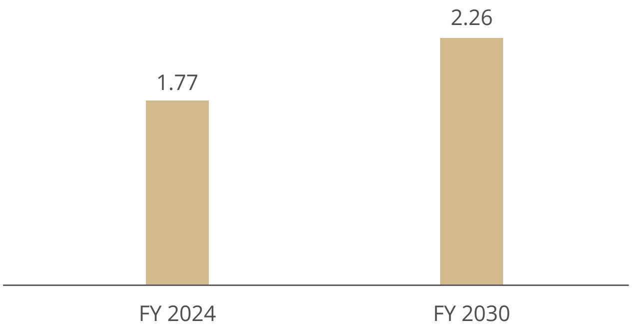
Despite geopolitical uncertainties, India's economic outlook remains positive, with growth expected to exceed the global average. The Government is actively enhancing healthcare access and quality while addressing challenges in urban and rural areas. These initiatives aim to improve social well-being and productivity. Additionally, investments in infrastructure, renewable energy, and digitalisation are set to drive long-term growth and elevate India's global position, paving the way for a prosperous future.

## INDUSTRY OVERVIEW

### Global Apparel Industry

The global apparel market attained a valuation of USD 1.77 trillion in 2024 and is anticipated to experience substantial growth, projected at a compound annual growth rate (CAGR) of 4.2% from 2025 to 2030. A primary driver of this market expansion is the increasing expenditure on apparel by consumers worldwide. Availability of products through online distribution, increasing market penetration of e-commerce websites, and a large number of collections launched by the key market players are anticipated to drive further growth over the forecast period.

**Global Apparel Industry Value** (in USD Trillion)



Source: https://www.grandviewresearch.com/industry-analysis/apparel-market-report

**USD 120.36 BILLION**

India Apparel Market (2025 Valuation)

Countries such as China, India, and Brazil are undergoing rapid urbanisation, industrialisation, and economic development, resulting in a burgeoning middle class with enhanced purchasing power. This demographic transition is contributing to a notable increase in demand for clothing and accessories, as consumers actively seek to update their wardrobes, align with contemporary fashion trends, and enhance their overall lifestyles. Consequently, the apparel market is becoming increasingly dynamic, reflecting the evolving preferences and aspirations of consumers globally.

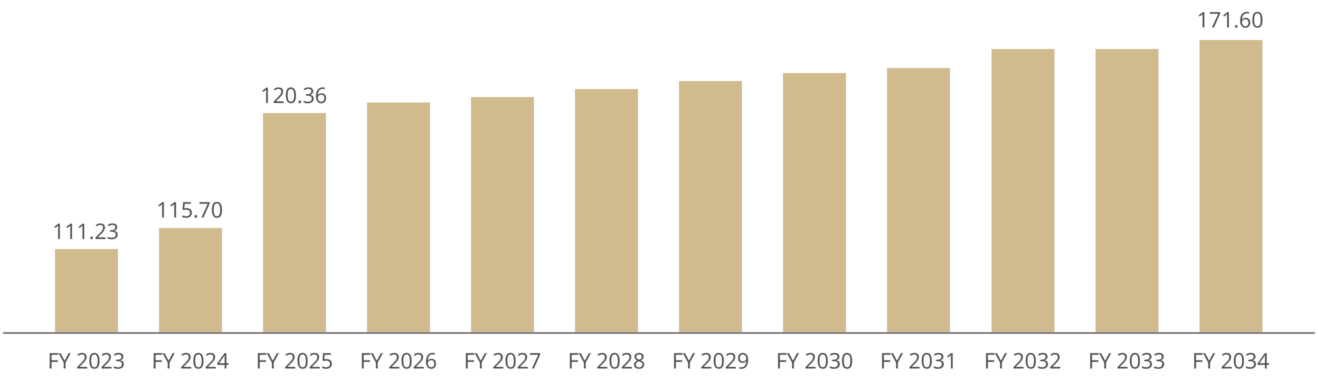
The Asia Pacific apparel market has established itself as a leading sector within the global apparel industry, commanding a revenue share of 40.5% in 2024. The growth of this market is predominantly driven by the substantial demand from highly populated countries, notably China and India. Additionally, there is an increasing focus among various global brands on expanding their presence in the Asia Pacific region. Furthermore, rising disposable income levels among consumers in countries such as India and Australia contribute significantly to the market's expansion.

China's economic deceleration, changing consumer preferences, and the return of international travel are making growth in the country highly challenging, leading international fashion brands to look to other Asian markets including India, which will be a focus for high-street players.

### Indian Apparel Industry

The India Apparel Market was valued at USD 115.70 billion in 2024. This sector is expected to demonstrate significant growth, projecting an increase from USD 120.36 billion in 2025 to USD 171.60 billion by 2034, resulting in a compound annual growth rate (CAGR) of 4% during the forecast period from 2025 to 2034. The market is currently experiencing a heightened demand for sustainable and ethically produced clothing, a trend driven by increasing consumer awareness and a shift toward conscious consumerism.

## **Indian Apparel Market** (Market Size in USD Bn)



Source: www.marketresearchfuture.com/reports/india-apparel-market-21788

The evolution of consumer preferences in India has been quite remarkable in recent years. As more individuals seek personalised expression through their clothing choices, there has been a noticeable shift towards branded and stylish clothing. This change is not just a fleeting trend; it reflects a deeper transformation in lifestyle patterns where consumers are increasingly valuing quality, design, and the perceived prestige that comes with owning well-known labels.

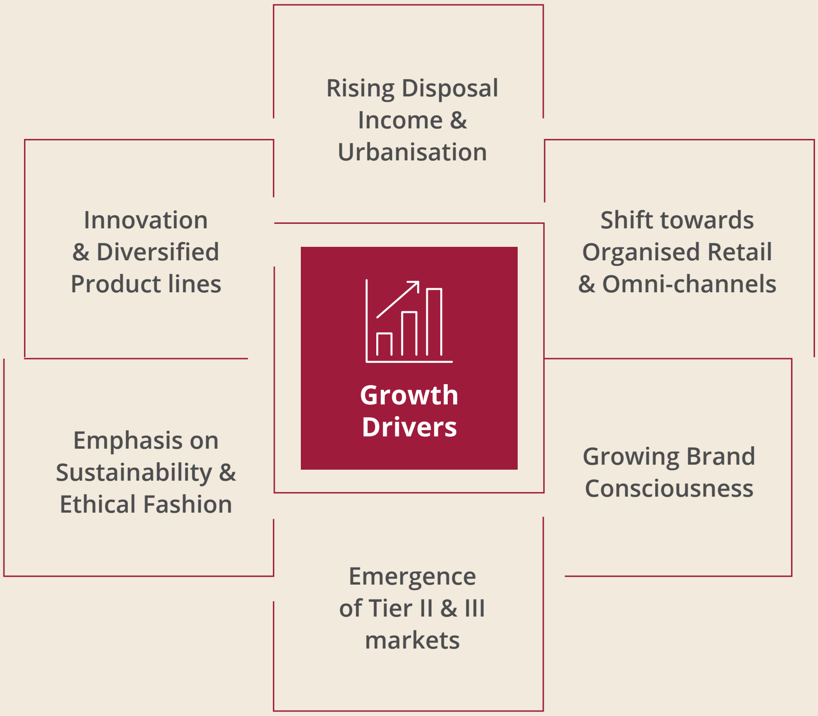
This burgeoning interest in fashion has catalysed growth in the organised retail sector. The structured retail industry – comprising branded outlets, multi-brand stores, and e-commerce platforms – has seen an influx of investments and innovations aimed at catering to the discerning tastes of Indian consumers. Retailers are not only expanding their product ranges but are also enhancing the shopping experience through modern store layouts, personalised services, and digital integration.

In response to this increasing consumer demand, both domestic and international fashion brands are vying for a larger share of the market. Renowned international labels are recognising the immense potential in India's diverse and youthful demographic. Many are tailoring their offerings to align with local preferences, incorporating traditional designs or materials while maintaining a global appeal. These brands are also investing in marketing strategies that resonate with Indian consumers, utilising social media influencers and targeted advertising to establish brand loyalty.

On the other hand, local brands are becoming increasingly competitive by capitalising on their understanding of regional trends and cultural nuances. They are focussing on sustainability and ethical manufacturing practices, which are becoming vital considerations for modern consumers. This focus allows them to build strong emotional connections with their audience, often resulting in a loyal customer base.

E-commerce has also played a crucial role in this expansion. The convenience of online shopping has made branded clothing more accessible to a wider audience, breaking geographical barriers than previously limited consumers in smaller towns and cities. With many consumers increasingly preferring to shop online, fashion brands are enhancing their digital platforms and leveraging data analytics to understand consumer behaviour better.

As the market continues to evolve, we can expect further innovation and competition in the fashion retail landscape in India. The interplay of global influences and local culture will likely produce a rich tapestry of styles and trends, ensuring that the demand for branded, fashionable clothing remains a driving force in the industry for years to come. This growth not only benefits the brands but also supports local economies, creates jobs, and contributes to the overall development of the retail sector in India.



The Indian fashion and apparel industry is undergoing a significant transformation, driven by macroeconomic shifts, evolving consumer behaviour, and technological innovations. We, as a leading player in the branded fashion space in India, have aligned our strategy closely with these industry-wide growth drivers.

## Rising Disposable Income and Urbanisation

India's expanding middle class and rapid urbanisation are fuelling higher levels of consumer spending. As disposable incomes increase, consumers are more inclined to purchase branded and premium fashion products. Urbanisation has also led to increased fashion consciousness, as city dwellers seek to express individuality through clothing. This has significantly boosted demand for lifestyle and aspirational apparel.

### AFL Strategic Alignment:

The Company has positioned itself to capture this growth by focussing on premium international brands such as Tommy Hilfiger, Calvin Klein, Arrow, and U.S. Polo Assn. These brands cater to urban, upwardly mobile consumers seeking global fashion. AFL's retail presence in malls and high-street locations in metro and tier-1 cities is designed to attract this demographic, enhancing its premium brand appeal.

## Shift Toward Organised Retail and Omnichannel Presence

The preference for organised retail is growing as consumers seek better shopping environments, wider selections, and consistent pricing. In parallel, digital transformation has made omnichannel retail a necessity. Consumers now expect seamless integration across physical stores, e-commerce, and mobile platforms, driving brands to adopt hybrid models of retail.

### AFL Strategic Alignment:

The Company has built a robust omnichannel ecosystem that bridges online and offline experiences. Its proprietary digital platform NNNOW.com and uspoloassn.in complement to its extensive physical store network, it offers services such as click-and-collect, endless aisle, and real-time inventory checks. This strategy not only enhances customer convenience but also maximises the efficiency of inventory and logistics management.

## Growing Brand Consciousness and Aspirational Consumption

Modern consumers, especially millennials and Gen Z, are heavily influenced by global trends and social media. They associate fashion with identity and lifestyle, resulting in a growing demand for branded apparel. As aspirational buying becomes more common, consumers are shifting from unbranded to branded clothing that reflects their personal and social aspirations.

### AFL Strategic Alignment:

To address this aspirational demand, AFL has cultivated a portfolio of globally recognised lifestyle brands. It targets style-conscious consumers through marketing campaigns that emphasise brand heritage, exclusivity, and trendiness. By collaborating with influencers and leveraging social media, AFL enhances brand desirability and engages directly with its target audience.

## Expansion into Tier 2 and Tier 3 Markets

The next wave of retail growth in India is expected from Tier 2 and Tier 3 cities. Improved connectivity, rising disposable incomes, and increasing brand awareness in these regions have made them ripe markets for fashion retail. Consumers in smaller towns are now seeking access to the same fashion as their metro counterparts.

### AFL Strategic Alignment:

The Company has identified this opportunity and is expanding aggressively its geographical presence. It leverages a combination of exclusive brand outlets, franchise models, and partnerships with multi-brand outlets to increase reach. The Company also tailors its product mix to suit regional tastes and affordability, ensuring brand accessibility and relevance across diverse geographies.

## Emphasis on Sustainability and Ethical Fashion

Sustainability has become a consideration in purchasing decisions. Consumers are increasingly aware of the environmental and ethical implications of their fashion choices. This has led brands to focus on eco-friendly materials, transparent supply chains, and responsible manufacturing processes to meet consumer expectations and regulatory standards.

### AFL Strategic Alignment:

The Company is committed to contributing to sustainable fashion by integrating environmentally conscious practices across its operations, focussing on long-term ecological balance, social responsibility, and promoting sustainability as a core aspect of its brand ethos.

## Innovation and Product Diversification

The pace of fashion change is faster than ever, driven by digital media and global exposure. Consumers demand fresh, trendy, and seasonally updated collections, prompting brands to adopt fast fashion principles. Additionally, diversification into segments like athleisure, accessories, and casual wear helps brands capture more of the consumer’s lifestyle wallet.

### AFL Strategic Alignment:

To keep pace with these changes, the Company has ramped up its investment in design, R&D, and trend analytics. The Company frequently refreshes its collections and introduces new styles across categories, including footwear, athleisure and active wear. This agile approach helps the Company attract younger consumers and expand its presence in high-growth fashion segments.

## Challenges

The apparel industry is renowned for its capacity to swiftly adapt to emerging trends and styles. This ongoing transformation is crucial, yet it presents a variety of challenges for brands and retailers. The fast-paced nature of the industry necessitates that organisations not only stay ahead of the latest trends but also effectively manage costs to maintain profitability.

This sector is characterised by a broad assortment of products that encompass various styles, sizes, and categories, often produced in lower volumes for each item. Such dynamics lead to several key challenges for sellers, particularly in aligning supply chain efficiency with fluctuating trends, evolving consumer habits, and market conditions.

### Multiple challenges include:

- Difficulty in managing customised order allocation and synchronising inventory
- Financial losses and discrepancies in inventory due to counterfeit returns
- Accurate tracking of inventory across diverse product ranges, including colour, size, design, and category
- Challenges in aligning warehouse operations manually
- Complications in coordinating multiple sales channels in conjunction with offline stores
- Increased complexity for e-commerce platforms managing multiple vendors
- Rising costs associated with reverse logistics
- Navigate an intricate and evolving landscape of regulations and compliance requirements

Addressing these challenges is essential for sustaining success in an industry defined by its dynamic nature.

Source: Unicommerce, www.marketresearchfuture.com

## ARVIND FASHIONS LIMITED

Arvind Fashions Ltd. (hereafter referred to as 'AFL' or 'The Company') positions itself as a distinguished leader within India's casual and denim sectors, exemplifying a commitment to excellence in the lifestyle branded & apparel market. The Company is engaged in the comprehensive processes of designing, sourcing, marketing, and selling a wide-ranging portfolio of licensed & owned brands of ready-to-wear apparel, footwear, innerwear, and accessories for a diverse audience, including men, women, and children.

AFL's brand portfolio is notable for its blend of prestigious international and owned brands, including U.S. Polo Assn., Arrow, Tommy Hilfiger, Calvin Klein, and Flying Machine. Each of these brands is characterised by its dedication to quality, innovation, and an unwavering focus on customer satisfaction, collectively establishing them as leaders in their respective market segments.

The Company's products are distributed through multiple channels across the country, including Exclusive Brand Outlets (EBOs), Multi-Brand Outlets (MBOs), Large Format Stores (LFS), and e-commerce platforms, which consist of both the Company's websites and those operated by prominent third-party marketplaces. This multifaceted distribution strategy and a diverse brand portfolio enable Arvind Fashions Ltd. to maintain a balanced operational structure, ensuring its performance is resilient and diversified across brands, categories, or distribution channels.

## BRANDS

The Company is uniquely positioned to offer diverse brands to a large consumer base. Below are key details of each brand of the Company:

U.S. POLO ASSN.
SINCE 1890

### #1 Casual wear brand

**U.S. Polo Assn.** commands a prominent position as one of India's leading casualwear brands, with a powerful presence across multiple categories and channels. The brand has decisively premiumised its men's offerings through cutting-edge innovations, while significantly enhancing its kidswear and womenswear portfolios by elevating quality and expanding variety. The brand has done higher investment in marketing & advertisement along with strategic engagement with influencers and celebrities on social media has substantially amplified the brand's visibility and appeal. The Company is unwavering in its commitment to driving product innovation, expanding its retail footprint, and fortifying adjacent categories such as footwear, innerwear, accessories, etc. The rollout of new, innovative retail formats, alongside larger stores that showcase our entire product range, underscores our ambition to scale the brand even further.

TOMMY HILFIGER

### #1 in super premium casual

**Tommy Hilfiger** has established itself as the foremost international premium casual wear brand in India, gaining significant recognition and admiration among local consumers. Its timeless style and broad appeal have won over the hearts of fashion enthusiasts across the country, cementing its reputation as a cherished and reliable fashion icon.

The brand boasts a diverse product portfolio that encompasses a wide range of categories, including stylish apparel for men, women, and children, fashionable denim, trendy accessories, and chic footwear. This extensive selection caters to the varied sartorial preferences of individuals who take an interest in current fashion trends.

The remarkable growth of Tommy Hilfiger in the Indian market can be attributed to several key factors. These include strategic category expansions, such as the introduction of a tailored clothing line, a focus on product premiumisation to enhance quality and exclusivity, and a deliberate effort to broaden its market reach. Additionally, the brand has been proactively opening new stores in smaller towns, making its standout offerings accessible to a wider audience and further solidifying its market presence.

### Among the top 3 denim brands

**Flying Machine** stands as India's original jeans brand, boasting a rich legacy of 40 years. Throughout this time, it has continuously aimed to establish itself as the country's leading denim label. In a bold move to connect with the ever-evolving tastes of Gen Z, the brand is undergoing a vibrant transformation. Its latest collections feature not only trendy denim but also innovative accessories, all designed to embody the spirit of the younger generation. With each product, Flying Machine reaffirms its dedication to remaining relevant and appealing in today's fashion landscape.

### Among the top 3 formalwear brands

**Arrow** is a brand that carries a rich heritage, which it has successfully updated with a modern retail identity. By focussing on product innovation and premium quality, Arrow is committed to providing an exceptional consumer experience. The brand has adopted a demand-driven supply chain model, enabled automated restocking, and boosted sales of its core products. This approach not only enhances product freshness in its exclusive brand outlets (EBOs) but also enriches the overall shopping experience. The brand is targeting varied set of consumers across multiple occasions through its offering like Arrow NewYork, Arrow Sports etc. Looking ahead, Arrow has ambitious plans to expand its retail presence significantly over the next few years as it aims to sustain its growth and implement a multi-channel retail strategy.

### #2 in super premium casual

**Calvin Klein** has established itself as India's second-largest casualwear brand in the super-premium segment. The brand's strategic emphasis on store enhancements has significantly improved its retail productivity. By effectively showcasing its identity as an ultra-chic and glamorous fashion label, Calvin Klein continues to resonate with its loyal customer base. The brand is actively broadening its online presence while also introducing affordable price points to attract a wider audience. Furthermore, the expansion of its accessories line, featuring stylish men's and women's handbags, promises to create additional growth opportunities.

## KEY STRENGTHS OF THE PORTFOLIO

- Diverse lifestyle offerings featuring a range of international and aspirational brands
- A broad spectrum of price points and usage scenarios to meet the needs of a wide consumer demographic
- Robust distribution network that spans numerous cities and towns throughout India
- Future-ready with a strong digital presence across all direct-to-consumer platforms, including our website, prominent marketplaces, and an extensive e-commerce partner portal
- Strategic expansion into complementary categories such as footwear, womenswear, innerwear, kidswear, and accessories across various brands
- Product offering in-line with the current fashion environment

## BUSINESS PERFORMANCE

Arvind Fashions Limited (AFL) has demonstrated a resilient performance, overcoming inflationary pressures and muted consumer demand environment during the year. The Company has continued its growth journey along with margin expansion. The Company maintained stable working capital days and improved inventory turnover, reflecting efficient supply chain management. With concerted efforts to strengthen the balance sheet and improve operational efficiencies, the Company's ROCE has increased to over 20% during the year.

The Company's focussed interventions, like higher advertising, increased square foot expansion, superior customer experience, and product innovation, coupled with celebrity collab collections, have led to an acceleration of our retail channel growth. The Company had added gross 120 exclusive brand outlets in FY 2025 largely through the Franchise Owned Franchise Operated (FOFO) model, bringing the total store count to 977, comprising ~11.94 lakh sq. ft as on March 31, 2025. The Company's premium brands, such as Tommy Hilfiger and Calvin Klein, continued to drive growth, supported by strategic collaborations and targeted marketing efforts.

## STRATEGIC INITIATIVES

### 1 Retail Channel Expansion & Format Innovation

The Company continues to increase its retail footprint year on year, focussing on both Tier 2 and Tier 3 cities as well as suburban areas of major metros. Innovative retail formats, including larger-sized stores and multi-brand outlets, are being introduced to enhance the customer experience

### 2 Strengthening of Direct Channels

The brand stores, owned websites, and online B2C marketplaces are seeing increased focus and investment. This indicates a pivot toward channels where the Company can control customer experience, brand positioning, and inventory better than in wholesale or third-party environments.

### 3 Expansion into Adjacent Categories

The Company is diversifying its product offerings by expanding into footwear, innerwear, kidswear, and womenswear. These categories have shown strong growth and now account for over 15% of the Company's revenue.

### 4 Omnichannel and Digital Growth

Investments in digital transformation are a priority, with a focus on integrating online and offline channels. The online direct-to-consumer business has seen over 20% year-on-year growth, and the Company is leveraging data analytics to offer personalised shopping experiences.

### 5 Brand Promotion

The Company has invested in multiple most iconic brand ambassador tie-ups in the industry, i.e. Disha Patani for Calvin Klein, Maharaja Sawai Padmanabh Singh (Pacho) for the U.S. Polo Association, Orry for Flying Machine and Neeraj Chopra for Tommy Hilfiger etc.

### 6 Reduction in Discounting across channels

The Company is moving away from discount-driven growth, particularly in the direct B2C online segment. This aligns with a broader premiumisation strategy and focus on sustainable, margin-accretive growth, rather than just top-line expansion through promotions.

# FINANCIAL PERFORMANCE & ANALYSIS

## Consolidated Financial Performance & Analysis

(₹ in crore)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---:|---:|
| **Revenue from Operations** | **4,620** | 4,259 |
| Other Income | 35 | 34 |
| **Total Income** | **4,655** | 4,293 |
| **EBIDTA** | **637** | 544 |
| Exceptional Items | - | (6) |
| Finance Costs | 156 | 144 |
| Depreciation | 256 | 230 |
| **Profit Before Taxes** | **225** | **164** |
| Tax Expense Charges / (Credit) | 191* | 57 |
| Profit / (Loss) after Tax for Continuing operations | 34 | 107 |
| Discontinued operations | (1) | 31 |
| Profit / (Loss) before Minority interest (Continuing and Discontinued operations) | 33 | 137 |
| Minority Interest | 69 | 56 |
| **Net Profit / (Loss) for Equity Shareholders of Parent** | **(36)** | 81 |
| Other Comprehensive Income /(loss) (Net of Tax) | (1) | (2) |
| **Net Profit / (Loss) after Comprehensive Income /(Loss)** | **(37)** | 79 |

* includes a one-time DTA charge of ₹120 crore (including ₹15 crore on expired losses)

## Consolidated Balance Sheet

(₹ in crore)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---:|---:|
| Net Fixed Assets | 319 | 274 |
| Net Working Capital | 817 | 779 |
| Deferred Tax Assets | 261 | 389 |
| Other Current Assets/Non-Current Assets and Liabilities | 254 | 304 |
| Discontinued Operations (Assets less Liabilities) | (22) | (31) |
| Ind-AS 116 Impact | | |
| ROU Assets | 692 | 625 |
| Lease Liability | (767) | (682) |
| **Capital Employed** | **1,554** | **1,658** |
| Networth | 1,164 | 1,192 |
| Debt | 390 | 466 |
| **Capital Employed** | **1,554** | **1,658** |

## REVENUE FROM OPERATIONS:

The Company registered revenue from operations of ₹ 4,619.8 crore in FY 2025, compared to ₹ 4,259.1 crore in FY 2024, achieving an 8.5% growth despite a challenging environment. This growth was driven by a healthy retail like-for-like growth of 5.5% leading to double digit growth in the retail channel coupled with 15%+ growth in the online channel, while the Company witnessed slower growth in wholesale channels. Additionally, the Company added ~1.22L net sq. ft. during the year, which also contributed to this positive performance.

## OTHER INCOME:

Other Income includes ₹ 5.1 crore of gain on reassessment of lease and ₹ 21.5 crore on account of interest income on financial assets and fair value of security deposit.

## EBITDA:

EBITDA, or Earnings Before Interest, Tax, Depreciation and Amortisation was ₹ 636.6 crore for the Company, compared to ₹ 544.3 crore in FY 2024, reflecting a 17% year-over-year growth. EBITDA margins improved by 100 basis points, primarily driven by improvement in gross margins, higher full-price sell-thru, and various cost control initiatives. The Company remains committed to improving profitability in the future as well.

## FINANCE COST:

Finance cost includes (a) interest on borrowings of ₹ 76.5 crore and (b) interest on lease liabilities of ₹ 79.4 crore.

## DEPRECIATION:

This includes depreciation of ₹ 57.4 crore on assets invested by the Company and ₹ 198.3 crore on Right of Use (ROU) assets for leases in FY 2025.

## DISCONTINUED OPERATIONS:

In the previous year, the Company had discontinued dormant brands such as EdHardy and Aeropostale. Accordingly, the loss before tax relating to these discontinued businesses has been disclosed separately as discontinued operations in accordance with Ind AS 105. The loss from discontinued operations during the current year was ₹ 1.4 crore as compared to the profit of ₹ 30.5 crore in FY 2024.

## MINORITY INTEREST:

This represents the share of profits/loss pertaining to two of the subsidiary companies, PVH Arvind Fashions Private Limited and Arvind Youth Brands Private Limited.

## NET WORKING CAPITAL:

Net Working Capital stood at ₹ 816.7 crore as on March 31, 2025, compared to ₹ 778.8 crore the previous year. The breakup of the reported figures is mentioned below.

(Amount in ₹ crore)

| Particulars | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| Inventory (including Returnable assets) | 1,259 | 1,068 |
| Trade Receivables | 729 | 647 |
| Less: Trade Payables | 1,172 | 936 |
| **Net Working Capital** | **817** | **779** |

## DEBT:

Total debt for the Company reduced by ₹ 76.5 crore during the year and stood at ₹ 389.6 crore as on March 31, 2025, compared to ₹ 466.1 crore as on March 31, 2024.

## FINANCIAL RATIOS (ON CONSOLIDATED FINANCIAL STATEMENTS)

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

| Particulars* | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|---|---|
| Debtors Turnover Ratio | 6.71 | 7.06 |
| Inventory Turnover Ratio | 4.64 | 4.50 |
| Interest Coverage Ratio | 2.44 | 2.18 |
| Current Ratio | 1.28 | 1.27 |
| Debt Equity Ratio | 0.41 | 0.46 |
| EBIDTA Margin | 13.78% | 12.78% |
| Operating Profit Margin | 8.25% | 7.38% |
| Net Profit Margin | 0.74% | 2.50% |
| Return on Net Worth | 2.95% | 8.94% |
| Return on Average Capital Employed | 23.72% | 18.77% |

* All Ratios have been worked out considering only continuing operations

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

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

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

### NET PROFIT RATIO:

There has been a significant movement in Net profit ratio as compared to the previous year. There is an Impact on net profit after tax as Company has opted to exercise the option under Section 115BAA of the Income Tax Act, 1961. As a result, the Company has remeasured its deferred tax assets and liabilities according to the tax rate specified in the section, leading to one time charge of deferred tax during the year.

### RETURN ON AVERAGE CAPITAL EMPLOYED:

There has been a significant improvement in Return on Average Capital employed as compared to the previous year. The EBITDA has improved due to better business performance and lower capital employed largely due to one time charge of deferred tax.

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The Company has achieved significant milestone of having more than

**20%**

**Return on Capital Employed**

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## BUSINESS OUTLOOK

The Company enters FY 2026 with a strong strategic foundation, aiming to build on the momentum of its recent transformation initiatives. The Company continues to focus on premiumisation by driving growth through its portfolio of power brands, including U.S. Polo Assn., Tommy Hilfiger, Calvin Klein, Arrow, and Flying Machine. This brand-led strategy emphasises full-price selling and a refined customer experience, moving away from aggressive discounting, especially in the online B2B segment. The shift not only strengthens brand equity but also aligns with the Company's broader vision of sustainable and profitable growth.

An important aspect of the Company's outlook is its deepening investment in retail and direct-to-consumer channels. The Company aims to expand its omnichannel presence, integrating physical stores with digital platforms to deliver a seamless customer experience. The Company is progressing toward its medium-term goal of deriving two-thirds of its business from these direct channels. This direct channel focus is accompanied by continued expansion into adjacent categories like womenswear, footwear, kidswear and innerwear, enabling the Company to tap into new consumer segments while leveraging existing brand strength.

Retail expansion remains a key growth lever in FY 2026, with the Company targeting a consistent increase in store count and retail footprint, particularly in high-potential Tier 2 and Tier 3 markets. Strategic marketing collaborations and innovation in retail formats are also expected to elevate the customer experience.

Further, the Company is focussing on profitability improvement, led by operating leverage and richer channel mix, coupled with working capital efficiency, resulting in higher free cashflow generation and higher return on capital employed (ROCE).

Together, these initiatives position the Company to strengthen its leadership in the premium lifestyle segment and navigate the evolving consumer and retail landscape with agility and resilience.

## RISK MANAGEMENT

### 1. Market & Consumer Preference Risk

**Risk:** Rapid shifts in consumer preferences and fashion trends may lead to inventory obsolescence and missed revenue opportunities.

**Mitigation:**

AFL uses advanced trend analytics, real-time sales data, and a flexible product development cycle to stay in tune with customer demands. The brand portfolio is regularly refreshed with seasonal and limited-edition collections.

### 2. Brand Dilution and Discounting Risk

**Risk:** Over-reliance on discounting, especially in online channels, can erode brand value and margins.

**Mitigation:**

The Company emphasises premium positioning, controls channel discounting policies, and increases full-price sales across B2C platforms to maintain brand strength. The Company is strategically focussing on direct channels, including exclusive brand outlets and digital platforms, to enhance customer engagement and drive higher margins.

### 3. Inventory & Supply Chain Risk

**Risk:** Supplier disruptions, long lead times, and poor demand forecasting can cause overstocking or stockouts.

**Mitigation:**

AFL implements centralised inventory systems, diversified sourcing, regional distribution centres, and agile replenishment cycles to optimise the inventory.

### 4. Operational Risk

**Risk:** Inefficiencies in logistics, retail operations, or manpower management can raise costs and impair service quality.

**Mitigation:**

Store SOPs, digital analytics, and continuous staff training ensure consistency and operational efficiency across locations.

### 5. Macroeconomic and Regulatory Risk

**Risk:** Economic downturns, inflation, or regulatory changes may dampen consumer spending or increase compliance burdens.

**Mitigation:**

AFL diversifies geographically and across consumer segments while maintaining regulatory vigilance and agile pricing strategies.

### 6. Digital & Cybersecurity Risk

**Risk:** An increased digital footprint exposes the Company to data breaches, ransomware, or system downtime.

**Mitigation:**

Investments in secure IT systems, multi-layer cybersecurity protocols, routine audits, and data protection policies are prioritised, alongside disaster recovery frameworks.

### 7. Franchise & Partner Risk

**Risk:** Variability in partner execution may lead to substandard service or brand inconsistency.

**Mitigation:**

AFL provides detailed training, enforces compliance audits, and maintains a strong partner support structure to uphold brand standards.

### 8. Trade Wars & Geopolitical Risk

**Risk:** Geopolitical tensions or regional instability can disrupt imports or raise sourcing costs.

**Mitigation:**

AFL diversifies sourcing across multiple countries, prioritises local procurement, and monitors geopolitical developments to make agile supply decisions.

### 9. Counterfeit Products Risk

**Risk:** The sale of counterfeit versions of AFL's brands can harm brand reputation, erode customer trust, and impact legitimate sales.

**Mitigation:**

The company actively monitors online marketplaces and offline retail for counterfeit activity, engages in brand protection partnerships, and works with legal authorities to take enforcement action. Technologies like QR-based authentication and tamper-proof labelling are used to validate genuine products and educate consumers.

## HUMAN RESOURCES

The Company considers people its most important asset. This year, the focus has been on refreshing people's ambitions, building systems and processes, and promoting a progressive and winning culture that enables everyone to be successful.

A vibrant workforce of over 7,045 employees, with an average age of 29 and a gender diversity of 19%, signifies the Company's effort to drive diversity, equity, and inclusion in the organisation. The Company is an employer of choice for some of the most talented individuals across the country due to the quality of work, autonomy, growth, and supportive environment provided to the employees.

### Employee Engagement

The Employee Engagement Initiatives are focussed on the holistic well-being during the year. Employees have a platform to express their opinions, concerns and suggestions aimed to foster a culture of transparency, open communication and empowerment. Leaders connect with employees through Townhalls, Theme-based structured Focussed Group Discussions and regular employee connects where they share key achievements, challenges, and the way forward. Celebrations during festivals, wellness programmes focussing on physical well-being are ongoing activities and a channel for employees to connect & collaborate. The employees also participating in Blood Donation initiatives.

The Company rewards its employees for exemplary performance during the Annual Brand / Function offsites. It's an organisation that values each individual for their contribution through long service awards – an ongoing loyalty reward to thank its employees.

### Enhancing Capabilities through Arvind University

To ensure the Company have right people and skill base to deliver and achieve the vision, Learning and development as centre of excellence plays a pivotal role in cultivating a skilled, effective & capable workforce. With a coverage of 800 employees across 40 programmes in the year, the Company's programmes are strategically aligned with the Brand & Function objectives through a thorough year-on-year Training Need Identification process to meet the diverse needs across functional, behavioural and Leadership Programs. Some of the flagship programs includes Accelerate your leadership Potential, Arvind management Essentials (AME), Six Sigma, Lateral Thinking and Mindfulness Leadership Program. These programs aim at cultivating a strong pool of managerial talent, fostering the upcoming generation of adept leaders who exemplify & drive the core values of the Arvind culture.

### Talent Acquisition

The focus for Hiring Talent is centred on data-driven agility, digital experience enhancement and deepening strategic partnerships. These efforts aimed to further strengthen the ability to attract, engage and retain top talent in a competitive talent market as mentioned below:

- Predictive Hiring & Workforce Planning - Shift from reactive hiring to predictive, demand-based hiring using ATS analytics and business forecasting inputs
- Reduce TAT and improved candidate experience. Introduced pre-joining engagement plan for all-new hires ensuring 97% joining rates
- Enabled real-time visibility for HRBPs and leadership
- Elevated candidate on-boarding experience beyond the administrative
- Automated real-time document verification and checklist tracking via Darwin Box integrations
- Enhanced efficiency in lateral hiring through performance-driven partnerships
- Reduced average time-to-hire by 20% through automation and predictive planning

### Campus Initiatives

Introduced Business Summer Internship programme, where the Company hired interns from Top B-schools across the country.

The internship program was based on function-specific project framework aligned with real-time business challenges across brands, channels and formats ensuring every intern was mapped to a critical business priority to create tangible impact and measurable outcomes within 8–10 weeks.

- Rolled out a 3-stage evaluation process (Initial goal setting, Mid-review and Final presentation to Leadership)
- Ensured cross-functional feedback from project guides, HR mentors and reviewers for holistic performance assessment
- Designed a clear PPO decision framework linked to business relevance, project outcomes and leadership feedback
- Enhanced business contribution from projects, with multiple interns delivering implementable strategies

### Policies & Benefits

The Company's policies such as Flexi-time policy, Gender neutral policy, Equal Employment Opportunity policy, Paternity & Adoption policy, enhanced Crèche Services along with Professional Development initiatives and Internal career mobility ensures that an environment of empowerment, growth, safe workplace and engagement is created for all employees.

### Arvind Care

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

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

## INTERNAL CONTROLS

The Company has a strong internal control system focussed on operational efficiency, risk management, and compliance. The Company employs ERP systems for real-time data tracking and enforces strict segregation of duties. Regular internal audits, conducted by independent firms, ensure financial accuracy and operational discipline. Standard operating procedures (SOPs), inventory audits, and a multi-layered approval process further strengthen controls. The internal audit team works closely with the Audit Committee to address gaps and monitor compliance. With a focus on transparency, accountability, and continuous improvement, these controls help safeguard assets and support sustainable, compliant, and efficient business operations.

## CAUTIONARY STATEMENT

The Management Discussion and Analysis may contain a few statements describing the Company's objectives, plans, projections, estimates, and expectations, which may be 'forward-looking statements' within the meaning of applicable laws and regulations and are based on informed judgements and estimates. Actual results may differ materially from those expressed or implied.

# NOTICE

NOTICE is hereby given that the 10th (Tenth) Annual General Meeting of the Members of Arvind Fashions Limited will be held on Tuesday, 26th day of August 2025 at 11:00 A.M (IST) through Video Conference ("VC")/ Other Audio-Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following business:

## ORDINARY BUSINESS:

1. Adoption of Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, and the Reports of the Board of Directors and Auditors thereon.

2. Adoption of Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, and the Reports of the Auditors thereon.

3. To declare a Dividend on fully paid-up Equity Shares for the financial year ended March 31, 2025. The Board of Directors have recommended a Dividend of ₹ 1.60/- (Indian Rupee and Sixty Paise only) per fully paid-up equity share of ₹ 4 each.

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

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

## SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. N. V. Kathiria & Associates, Practicing Company Secretaries, Ahmedabad, be and are hereby appointed as Secretarial Auditors of the Company for conducting Secretarial Audit and also to issue the Secretarial Compliance Report for the term of 5 (five) consecutive years from FY 2025-26 to FY 2029-30, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors.

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

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 152, 161, other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ms. Amisha Jain (DIN: 05114264), who was appointed as an Additional Director (Executive) by the Board of Directors of the Company with effect from August 13, 2025, and who holds office as such up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013, signifying its intention to propose Ms. Amisha Jain (DIN: 05114264), as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Companies Act"), including any amendment thereto or enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Schedule V to the Companies Act, 2013 and any other circulars, orders and notifications in this regards issued by Ministry of Corporate Affairs and the applicable provisions of the Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations 2015, the consent of the members of the Company be and is hereby accorded for the appointment of Ms. Amisha Jain (DIN 05114264) as Managing Director & CEO ("MD & CEO") of the Company, to hold office for a period of 5 (five) consecutive years with effect from August 13, 2025 up to August 12, 2030 on the terms and conditions of appointment and be paid remuneration by way of salary, perquisites, benefits and allowances, performance incentive etc. as detailed in the Explanatory Statement annexed to this notice, pursuant to Section 102(1) of the Companies Act.

**RESOLVED FURTHER THAT**, the overall managerial remuneration payable to Ms. Amisha Jain shall be such amount as may be fixed by the Board of Directors from time to time on recommendation of the Nomination and Remuneration Committee ("NRC") as detailed in the Explanatory Statement attached to this Notice including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during her said tenure within the overall limits of Section 197 of the Companies Act read with Schedule V (subject to such approval as required) and that the Board and NRC be and are severally authorized to alter, vary or increase the remuneration of Ms. Amisha Jain within the Maximum Remuneration in such manner as may be required during the aforesaid period of 5 (five) years.

**RESOLVED FURTHER THAT** the Board of Directors or any other committee of Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approvals/ sanctions of any authorities/agencies as may be applicable and to settle any question or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution."

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

**(I) Resolution 9(A): For the Employees of the Company**

"**RESOLVED THAT** pursuant to the provisions of Section 42, 62(1)(b) of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **("SEBI SBEB Regulations"),** applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")** (including any statutory modification(s) or re enactment thereof, for the time being in force) and other rules, regulations, notifications, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred herein as the **"Applicable Laws")** and subject to any approval(s), consent(s), permission(s) and sanction(s) of any/ various authority(ies) as may be required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board" (** which term shall include the Nomination and Remuneration Committee **("NRC")** as and when they become applicable to the Company, the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force, consent of the Shareholders be and is hereby accorded to create, offer, issue and allot at any time in or more tranches to one or for the benefit of such person(s) who are in permanent employment of the Company, whether working in India or out of India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "Employees") selected on the basis of criteria decided by the Board, such number of stock options exercisable into not more than 27,00,000 (Twenty Seven Lakhs only) equity shares of the Company of face value of ₹ 4 each, under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority.

**RESOLVED FURTHER THAT** the maximum number of stock incentives granted to Eligible Employees of the Company and its subsidiaries under the scheme shall not cumulatively exceed 27,00,000 (Twenty Seven Lakhs only) stock options exercisable into not more than 27,00,000 (Twenty Seven Lakhs only) equity shares of face value ₹ 4/- each.

**RESOLVED FURTHER THAT** in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, for the purpose of making a fair and reasonable adjustment, the number of options to be granted and / or the exercise price payable under the Schemes shall be appropriately adjusted, without affecting any other rights or obligations under the Schemes.

**RESOLVED FURTHER THAT** Equity shares shall be issued and allotted upon exercise of options from time to time in accordance with the employee stock option Schemes and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 4 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.**"**

**RESOLVED FURTHER THAT** the Board/NRC, be and are hereby authorized to settle all questions, difficulties or doubts that may arise in relation/ reference to the amendment of the Scheme to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

**RESOLVED FURTHER THAT** the Board/NRC be and is hereby authorized to vary, amend, modify or alter the terms of the Scheme in accordance with and subject to the terms of the Act and any Guidelines, Rules or Regulations that may be issued by any regulatory/ statutory authority, as applicable.

**RESOLVED FURTHER THAT** the Board/NRC, be and is hereby severally authorized to do all such acts, deeds and things and execute all such deeds, documents and instruments and writings as may be necessary and incidental for giving effect to the above."

### (II) Resolution 9(B): For the Employees of the Subsidiaries of the Company

"**RESOLVED THAT** pursuant to the provisions of Section 42, 62(1)(b) of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **("SEBI SBEB Regulations"),** applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")** (including any statutory modification(s) or re enactment thereof, for the time being in force) and other rules, regulations, notifications, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred herein as the **"Applicable Laws")** and subject to any approval(s), consent(s), permission(s) and sanction(s) of any/ various authority(ies) as may be required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board" (** which term shall include the Nomination and Remuneration Committee **("NRC")),** "), consent of the Shareholders be and is hereby accorded to create, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in permanent employment of the subsidiaries of the Company, whether working in India or out of India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "Employees") selected on the basis of criteria decided by the Board such number of stock options exercisable into not more than 27,00,000 (Twenty Seven Lakhs only) equity shares of the Company of face value of ₹ 4 each, under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority.

**RESOLVED FURTHER THAT** the maximum number of stock incentives granted to Eligible Employees of the Company, its holding Company and its subsidiaries under the scheme shall not cumulatively exceed 27,00,00,000 (Twenty Seven Lakhs only) stock options exercisable into not more than 27,00,000 (Twenty Seven Lakhs only) equity shares of face value ₹ 4/- each.

**RESOLVED FURTHER THAT** in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, for the purpose of making a fair and reasonable adjustment, the number of options to be granted and / or the exercise price payable under the Schemes shall be appropriately adjusted, without affecting any other rights or obligations under the Schemes.

**RESOLVED FURTHER THAT** Equity shares shall be issued and allotted upon exercise of options from time to time in accordance with the employee stock option Schemes and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 4 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.

**RESOLVED FURTHER THAT** that the Board/NRC, be and are hereby authorized to settle all questions, difficulties or doubts that may arise in relation/ reference to the amendment of the Scheme to the end and with intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board/NRC be and is hereby authorized to vary, amend, modify or alter the terms of the Scheme in accordance with and subject to the terms of the Act and any Guidelines, Rules or Regulations that may be issued by any regulatory/ statutory authority, as applicable.”

“**RESOLVED FURTHER THAT** the Board/NRC, be and is hereby severally authorized to do all such acts, deeds and things and execute all such deeds, documents and instruments and writings as may be necessary and incidental for giving effect to the above”.

**By Order of the Board of**
**Arvind Fashions Limited**

Sd/-
**Lipi Jha**
Company Secretary
Date: July 28, 2025
Place: Bangalore

**Registered Office:**
Main Building,
Arvind Limited Premises,
Naroda Road,
Ahmedabad – 382 345

## NOTES

1. Pursuant to the Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13,2021, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs and all other relevant circulars issued from time to time, General Meeting can be held through video conferencing (VC) or other audio visual means (OAVM) without physical attendance of the Members at the venue of General Meeting. Hence, Members can attend and participate in the ensuing Annual General Meeting (AGM) through VC/OAVM. The deemed venue for AGM shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is explained at Note No. 20 below.

2. The Notice of the AGM along with the Annual Report for the FY 2024-25 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories, in accordance with the aforesaid MCA Circulars & SEB Circular. Members may note that the Notice of AGM and Annual Report for the FY24-25 will also be available on the Company's website www.arvindfashions.com; websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively.

3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, 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 and hence the Proxy Form, Attendance Slip and route map are not annexed to the Notice.

4. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

6. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Members may note that the facility of participation at AGM through VC/OAVM will be made available for 1,000 Members on a first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first serve basis.

7. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the businesses under Item No. 6 to 9 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/re-appointment as Director under Item No. 4, 5, 7 & 8 of the Notice are also annexed to the notice.

8. The Company has fixed Tuesday, 12th August 2025 as the "Record Date" for determining entitlement of Members to receive dividend for the financial year ended on March 31, 2025, if approved at the Annual General Meeting.

9. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date shall be entitled for the dividend which will be paid within thirty days from the date of Annual General Meetings, subject to applicable TDS.

   Effective from April 1, 2024, SEBI has mandated that the Shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Contact Details (iii) Mobile Number (iv) Bank Account Details and (v) Signature], shall be eligible to get dividend only in electronic mode. Accordingly, payment of dividend subject to approval at the AGM, shall be paid to physical holders only after the above details are updated in their folios. Shareholders are requested to complete their KYC by writing to the Company's RTA, MUFG Intime India Private Limited (Formerly Link Intime India Private Limited).

10. Pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 01, 2020, the Company would be required to deduct tax at source (TDS) at the prescribed rates on the dividend paid to its Shareholders. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred dividend will be paid after deducting the TDS. The Company will be sending out individual communication to the Shareholders who have registered their email IDs with us. For the detailed process, the information is available at Company's website at www.arvindfashions.com/overview.

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, MUFG Intime India Private Limited in case the shares are held by them in physical form.

12. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA - MUFG Intime India Private Limited, for assistance in this regard.

13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MUFG Intime India Private Limited., the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

14. Nomination facility: As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Members desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Members may submit the same in Form ISR-3 or Form SH-14, as the case may be.

    The said forms can be downloaded from the Company's website at https://www. arvindfashions.com/overview/downloads/ under Updates section. Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the RTA at ahmedabad@in.mpms.mufg.com in in case the shares are held in physical form, quoting their folio no(s).

15. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the date of the AGM.

16. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to approach the Company or its RTA to claim their dividends, within the stipulated timeline. Unclaimed and unpaid dividends for the FY 22-23 and FY 23-24 will be transferred to this fund on respective due dates i.e. October 19, 2030 and September 26, 2031. Kindly note that once unclaimed and unpaid dividends and shares are transferred to the IEPF, Members will have to approach to IEPF Authority for such dividends and shares.

17. All documents referred to in the accompanying Notice of the AGM and explanatory statement shall be open for inspection without any fee at the registered office of the Company during normal business hours on any working day upto and including the date of the AGM of the Company.

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

19. **Instructions for voting through electronic means (e-voting):**

I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed National Securities Depository Limited ("NSDL") as the authorized agency, for facilitating voting through electronic means i.e. remote e-Voting and e-Voting during the AGM.

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

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

IV. Voting rights of the Members for voting through remote e-Voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, August 19, 2025. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-Voting and voting during the AGM.

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

   a. Commencement of remote e-Voting 09:00 A.M. (IST) on Saturday, 23rd August, 2025

   b. End of remote e-Voting: 05:00 P.M. (IST) on Monday, 25th August, 2025.

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

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

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

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

### IX. Process and manner for Remote e-Voting:

Members are requested to follow the below instructions to cast their vote through e-Voting:

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

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

### Step 1: Access to NSDL e-Voting system

### (A) Login method for e-Voting and joining virtual meetings for Individual Shareholders holding securities in demat mode

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

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

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. Existing IDeAS users can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.<br>4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.<br>**NSDL Mobile App is available on**<br>App Store Google Play |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.<br>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911 |

### (B) Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

### How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

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

5. Password details for Shareholders other than Individual Shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **"Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

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

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

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

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

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

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

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

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

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

### General Guidelines for Shareholders

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pcs.buchassociates@gmail.com with a copy marked to evoting@nsdl.com.

   Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

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

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request at evoting@nsdl.com.

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

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

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

3. Alternatively, Shareholders/Members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

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

**Instructions for Members for e-Voting on the day of the AGM are as under:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

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

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

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

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

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

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio Number, PAN and mobile number at investor.relations@arvindfashions.com on or before Tuesday, August 19, 2025.

6. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Registered Office:**
Main Building
Arvind Mills Premises,
Naroda Road,
Ahmedabad-380025

Date: July 28, 2025

**By order of the Board**
**For Arvind Fashions Limited**

-Sd-
**Lipi Jha**
Company Secretary

# EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

## ITEM NO. 6:

M/s. N. V. Kathiria & Associates, Practicing Company Secretaries, Ahmedabad, is appointed as Secretarial Auditors of the Company for FY 2024-25 for conducting Secretarial Audit and issue the Secretarial Compliance Report. The Securities and Exchange Board of India ("SEBI") vide its circular dated December 31, 2024, has amended the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 ("Listing Regulations"), wherein the SEBI has mandated that the appointment of Secretarial Auditor must be approved by the Members of the Company in Annual General Meeting w.e.f. April 1, 2025. In view of the above, after evaluating and considering the various factors such as industry experience, competency of audit team, efficiency in conducting audit, independence and based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to appoint M/s. N. V. Kathiria & Associates, Practicing Company Secretaries, Ahmedabad, as Secretarial Auditors of the Company for conducting Secretarial Audit and also to issue the Secretarial Compliance Report for the term of 5 (five) consecutive years from FY 2025-26 to FY 2029-30.

The remuneration proposed to be paid to the Secretarial Auditors during their term would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditors. M/s. N. V. Kathiria & Associates have consented to their appointment as Secretarial Auditors and has confirmed that their appointment will be in accordance with Section 204 of Companies Act, 2013 read with Listing Regulations. Accordingly, consent of the Members is sought by passing an Ordinary Resolution as set out at Item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice

The Board recommends the resolution set forth in **Item No. 6** for the approval of members.

## ITEM NO. 7:

The Board of Directors ("Board"), on recommendation of the Nomination and Remuneration Committee has appointed Ms. Amisha Jain (DIN 05114264) as an Additional Director (Executive) of the Company with effect from August 13, 2025. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article of Association of the Company, Ms. Amisha Jain will hold office up to the date of the ensuing Annual General Meeting (AGM') and is eligible to be appointed as a Director of the Company. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member, proposing the candidature of Ms. Amisha Jain, for the office of Director.

The Company has also received Ms. Amisha Jain, consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are appended to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Ms. Amisha Jain, to whom the resolution relates, is concerned or interested in the Resolution mentioned in Item No. 7 of the Notice.

The Board of Directors recommends a resolution as set out in **Item No. 7** for approval of the members of the Company by way of passing an Ordinary Resolution.

## ITEM NO. 8:

The Nomination and Remuneration Committee (NRC), at its meeting held on 16th July 2025, had recommended the appointment of Ms. Amisha Jain as Managing Director & CEO of the Company and terms of remuneration payable to her for a period of five years from 13th August 2025 up to 12th August 2030. The Board of Directors, at their meeting held on 16th July 2025, inducted her to the Board as an Additional Director with effect from 13th August 2025 and designated her as the Managing Director & CEO of the Company with effect from same date up to 12th August 2030, subject to the approval of the Members. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that she is fit and proper person to hold the said office and her appointment will be in the interest of the Company.

Ms. Amisha Jain is an alumna of INSEAD and McKinsey and she has over 25+ years of experience in technology, consumer, and retail sectors. Through the course of her career, she has been leading growth and transformation initiatives for various companies and their before brands.

Prior to joining our Company, she was the Managing Director & SVP of South Asia, Middle East, Africa and Eastern Europe at Levi Strauss & Co. During her 3-year term, Levi's India saw high teens growth while gaining #1 brand equity in the country in Denims and apparels.

Further prior to Levi's, she led the turnaround of Zivame, as the CEO and led it to an innovation-led consumer centric brand, that became the fastest growing women's intimate-wear, loungewear and athleisure business. Her prior experience includes Arvind group, Nike India, McKinsey & Company and Motorola Inc.

She has won many awards and accolades including the ET People-Focused CEO of the year 2024, at the prestigious The Economic Times HCA- Recognizing excellence in Human Capital. During her stint at Nike, she was also chosen for the prestigious '40 under 40: India's Hottest Business Leaders 2015' and 'India Inc's rising women business leaders' 2015' award by the Economic Times & Spencer Stuart, respectively.

The material terms of remuneration of Ms. Amisha Jain effective from 13th August 2025 up to 12th August 2030 as approved by both the Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 16th July 2025 are as under:

| | | Remuneration |
|---|---|---|
| I. | **Basic Salary per month (forms part of fixed remuneration)** | ₹ 31,00,000/- (Rupees Thirty-One Lakhs only) per month with such increase as may be decided by the Board of Directors (which shall include the NRC Committee) from time to time subject to a maximum of Rs. 40,00,000/- (Rupees Forty Lakhs only) per month. |
| II. | **Perquisites & Allowances (forms part of fixed remuneration)** | In addition to salary, the following perquisites / allowances shall be allowed to the Managing Director & CEO<br>**CATEGORY – A**<br>(i) HRA, medical & Other Allowances, meal coupons etc. as per the company policy<br>(ii) Personal Accident insurance as per the company policy<br>The aggregate value of perquisites for (i) to (ii) above for each year shall be computed as per the provisions of Income-tax Act, 1961. In case of benefits for which no specific rule of valuation is provided under the Income-tax Act, the perquisites value of such benefit shall be taken at actual cost.<br>**CATEGORY – B**<br>(i) The Company shall contribute towards Provident Fund/ Superannuation Fund/ Annuity Fund/ National Pension Fund provided that such contributions either singly or put together shall not exceed the tax-free limit prescribed under the Income-tax Act.<br>(ii) The Company shall pay Gratuity as per rules of the Company.<br>(iii) Leave on full pay and allowances, as per the rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be en-cashed at the end of the term as per rules of the Company.<br>Category B shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.<br>**CATEGORY – C**<br>(i) The Company shall provide car(s) & driver(s) at the cost of the Company for use on the Company's business and the same will not be considered as perquisites.<br>(ii) The Company shall provide telephone and other communication facilities to the MD & CEO at the cost of the Company. |

| | |
|---|---|
| **III. Variable Remuneration (up to 50% of the Total Remuneration shall be variable)** | Variable Pay shall be based on the performance of the Company and certain performance criteria and such other parameters as may be mutually agreed with the Board/the Committee thereof.<br>The said Variable Pay shall be in addition to the Fixed remuneration payable to her subject to Maximum remuneration as detailed below in this Explanatory statement.<br>An indicative list of factors along with their weightage that may be considered for determination of remuneration by way of Variable Pay by the Board/Committee are:<br>A. Quantitative Parameters – This will include the financial parameters like Revenue growth of the Company, its Profitability, Return on Capital Employed (ROCE), Profit after Tac (PAT) etc. (Weightage – 60%)<br>B. Qualitative Parameters – This will include succession planning, quality and safety, Company's progress towards achieving its Sustainability goals – Weightage - 20%<br>C. Individual performance - Weightage of 20%<br>D. Industry Benchmark of remuneration<br>Weightage given to each parameter as detailed above shall vary depending on prevailing market conditions existing at the time of pay out.<br>Variable Pay shall be approved by the Nomination and Remuneration Committee based on actual achievement of these parameters on a quarterly/annual basis as may be decided by the Board/committee. |
| **IV. Entitlement to Shares** | Stock Options may also be granted by the NRC under active Employee Stock Option Scheme of the Company at a price not less than Market Price on the date of grant. Further, she will be entitled to grant of Stock Options as may be decided by the NRC, from time to time not exceeding 12,00,000 stock options during her tenure of appointment. |

V. **Maximum Remuneration:** Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of office of the MD & CEO, the overall managerial remuneration payable to Ms. Amisha Jain shall be such amount as may be fixed by the Board of Directors from time to time on recommendation of the NRC but not exceeding ₹ 15,00,00,000/- (Rupees Fifteen Crores only) per annum at any point of time, excluding the value of perquisite, if any, for entitlement to shares as per para IV above, which may or may not exceed 11% (eleven per cent) of net profits of the Company as laid down in Section 197 read with Part II of Section I of Schedule V to the Companies Act, 2013.

VI. **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, in the event if the Company has no profits or its profits are inadequate in any financial year, the Company will pay a minimum remuneration by way of salary, perquisites, benefits and allowances, performance incentive etc., as specified in para I to VI above (excluding value of perquisite, if any, for Entitlement to shares as per para C above), as per Part II of Section II (A) of Schedule V to the Companies Act, 2013 and rules made thereunder, for a period not exceeding 3 (Three) years.

The above-mentioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company on recommendation of NRC as it may, in its discretion, deem fit, within the above limits.

She will hold office for a term of 5 (five) years from 13th August 2025 up to 12th August 2030. She satisfies the conditions set out in Section 196(3) and Part 1 of Schedule V to the Companies Act, 2013. She has given her consent to act as MD & CEO of the Company.

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

## I. GENERAL INFORMATION:

₹ In Crores

| Sr. No. | Information | | Description |
|---|---|---|---|
| 1 | Nature of industry | : | Apparel Industry |
| 2 | Date or expected date of commencement of commercial production | : | Business commenced in 2016, since the Company is into Apparel Industry, there is no date of commercial production. |
| 3 | In case of new companies, the expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | : | Not Applicable. |
| 4 | Financial performance based on given indicators (As per audited financial statements for the year ended 31.03.2025) | : | (see table below) |
| 5 | Foreign investments or collaborations, if any | : | The Company has not made any foreign investments and neither entered into any foreign collaborations. |

₹ In Crores

| Particulars | Standalone | Consolidated |
|---|---|---|
| Sales & Other Income | 665.91 | 4690 |
| EBIDTA | 110.58 | 637 |
| Net Profit | 37 | 34 |

## II. INFORMATION ABOUT THE APPOINTEE:

### 1. Background details:

Ms. Amisha Jain, an alumna of INSEAD and McKinsey, has over 25+ years of experience in technology, consumer, and retail sectors. Through the course of her career, she has been leading growth and transformation initiatives for various brands.

Prior to joining our Company Amisha Jain was the Managing Director & SVP. of South Asia, Middle East, Africa and Eastern Europe at Levi Strauss & Co. She has led the growth and transformation of the brand and business in the region contributing to the success of the brand. During her 3-year term, Levi's India saw high teens growth while gaining #1 brand equity in the country in Denims and apparels.

Further prior to Levi's, Amisha led the turnaround of Zivame, as the CEO. She pivoted it to an innovation-led consumer centric brand, that became the fastest growing women's intimate-wear, loungewear and athleisure business and set it up to catapult to greater heights. She is a firm believer of "One Team, One Voice". And this has been her foundation to build teams that are all individually strong and collectively effective at delivering business results.

Prior to joining Zivame, Amisha led 2 businesses for Arvind group – spearheaded the turnaround of Arvind Sports Lifestyle business with 6 brands in the portfolio, and alongside built the Digital Centre of Excellence, including the incubation of the NNNOW.com business.

Her prior experiences include - Head of National Sales & Retail for Nike India, Consultant at McKinsey & Company while serving clients across consumer, retail and PE in various capacities and as a Lead engineer at Motorola Inc.

### 2. Past remuneration:

Ms. Amisha Jain was not drawing up any remuneration as managerial personnel under the Companies Act, 2013.

### 3. Recognition or awards:

She was recently awarded the ET People-Focused CEO of the year 2024, at the prestigious The Economic Times HCA- Recognizing excellence in Human Capital. During her stint at Nike, she was also chosen for the prestigious '40 under 40: India's Hottest Business Leaders 2015' and 'India Inc's rising women business leaders' 2015' award by the Economic Times & Spencer Stuart, respectively.

### 4. Job profile and her suitability:

On the basis of background of Ms. Jain education, experience in technology, consumer, and retail sectors and leading growth and transformation initiatives for various brands, she has been appointed as the Managing Director & CEO of the Company and she shall devote whole time and attention to the business of the Company and perform such duties as may be entrusted to her by the Board from time to time and separately communicated to her and exercise such powers as may be assigned to her, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

### 5. Remuneration proposed:

The details of the proposed remuneration have already been explained hereinabove from Para I to VI

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

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

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

Besides the remuneration proposed, Ms.Amisha Jain, does not have any pecuniary relationship with the Company and its managerial personnel.

## III. OTHER INFORMATION:

₹ In Crores

| Sr. No. | Information | | Description |
|---|---|---|---|
| 1 | Reasons for loss or inadequate profits | : | The Company has earned on a standalone basis, PAT of ₹ 7.44 Crores; ₹ 9.86 Crores and ₹ (11.34) Crores for the FY 2021-22;2022-23 and 2023-24, respectively. The Company is expected to maintain the growth of profits during the coming financial years. |
| 2 | Steps taken or proposed to be taken for improvement | : | The Company focuses on accelerating revenue growth through direct channels of EBO retail and online B2C. Both these channels have grown significantly in FY25 and are likely to improve further going forward.<br>Investments in retail are focused on opening high quality large stores and a few marquee stores, investment into new retail formats such as Club A and Stride etc., and driving superior customer experience across our stores, leading to higher Like to Like. The Company has built significant capability in online B2C, including websites, large omni coverage, and development of analytics-driven online exclusive assortment. These investments has propelled faster growth for the online B2C business during the year. Both direct channels are growing in double digit percentage in recent times.<br>The Company has also made significant investments in adjacencies like womenswear, catalysing higher growth. Investments in products through the introduction of premium assortments for our customers empowered AFL to capture the premiumisation trend, which has emerged as a key growth driver for the business. |

₹ In Crores

| Sr. No. | Information | | Description |
|---|---|---|---|
| 3 | Expected increase in productivity and profits in measurable terms | : | The recent uptick in the overall demand environment has given us a sense of optimism about future growth. As demand improves gradually, we expect our growth rates to see a commensurate increase in the coming quarters. The positivity in the casual wear segment, higher disposable income through the sops announced by the Indian government in the budget for FY26, and favourable macroeconomic indications such as lower inflation and reduction in interest rates promise enhanced growth for AFL going forward.<br>All our key growth drivers, including net square foot expansion, continued execution on LTL growth, adjacent categories growth, product innovation and premiumization, sustainable fashion initiatives, and digitalisation driven by online B2C growth, are showing remarkable energy and readiness to fuel higher growth for AFL in FY26. Our sustained investments in these growth enablers will lead us on a continued journey of profitable growth, resulting in further improvement in EBITDA. We believe that our focus on working capital control will result in higher ROCE and FCF generation. These efforts will empower us to capitalise on the various opportunities we see ahead for steering our business growth |

## IV. DISCLOSURES:

The disclosures as required on all the elements of remuneration package such as salary, benefit, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, stock-option details, etc. have been made in the directors' report and corporate governance report attached to the financial statement of the Company.

The Board recommends the Resolution set out at Item No. 8 of the accompanying Notice as Special Resolution for the approval of the Members. She is not related to any of the Directors of the Company. The directorships held by Ms. Jain are within the limits prescribed under Section 165 of the Companies Act and the Listing Regulations. The draft of articles of agreement containing the terms and conditions of appointment of Ms. Jain as MD & CEO of the Company is available for inspection by Members at the Registered Office of the Company on any working day during working hours. Ms. Jain is interested in the passing of this resolution by virtue of her directorship.

None of the other Directors or Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this resolution.In view of the provisions of Sections 152, 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at **Item No.8** of the accompanying Notice for the approval of the Members.

### Item No. 9 (9A and 9B):

Stock Options are an effective instrument to attract, reward and retain the talented and key Employees in the Company. They also create a sense of ownership and participation amongst the employees of the Company and achieve sustained growth of the Company by creation of shareholder value by aligning the interests of the employees with that of the Organization.

The Board of Directors, keeping in view of the above-mentioned objectives, at their meeting held on 28th July 2025 formulated Arvind Fashions Limited-Employee Stock Option Scheme – 2025 ("Arvind Fashions Limited ESOS 2025") for the present and/or future permanent employees of the Company including subsidiary companies of the Company (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time) (hereinafter referred to as 'employees' or 'said employees') in accordance with the applicable laws.

In terms of the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Section 62(1) (b) and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, issue of equity shares to the employees requires an approval of the existing Members by way of a Special Resolution and accordingly, the said Special Resolution seeks your approval for the further issue of Equity Shares under the ARVIND FASHIONS LIMITED ESOS 2025, to the employees of the Company, as may be determined by the Nomination and Remuneration Committee.

The Salient features of the ARVIND FASHIONS LIMITED ESOS 2025 as per Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") are as follows:

### a) Brief description of the Scheme

The Company recognizes and appreciates the critical role played by the employees of the Company in bringing about growth of the organization. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the Company, approval of the shareholders is being sought for the issue of stock options to the employees of the Company. The purpose of the Scheme is:

- Creation of wealth
- Retention of critical Employees
- Increase the performance of Employees

The Scheme shall be administered by the Board/NRC.

### b) The total number of options to be granted

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches up to 27,00,000 (Twenty Seven Lakhs only) equity shares of ₹ 4/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company as may be applicable from time to time). The Employees are not required to pay any amount at the time of grants made to them.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOS - 2025.

The Board/NRC shall in accordance with the Applicable Laws determine the procedure for making a fair and reasonable adjustment to the ESOPs entitlement of an Option Grantee in case of a stock split, stock consolidation, rights issue, bonus issue, merger, demerger, amalgamation, sale of division and any other form of corporate restructuring, if any.

If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee, except that the entitlement to the number of options and the Exercise Price will be adjusted, as determined by the Board/NRC. Only if the employee stock options are vested and exercised and the Option Grantee is a valid holder of the shares of the Company, the Option Grantee would be entitled for bonus or rights options as Option holder of the Company. Accordingly, if any additional options/shares are issued by the Company to the option grantees for making such fair and reasonable adjustment, the above ceiling of 27,00,000 (Twenty Seven Lakhs only) shall be deemed to be increased to the extent of such additional options/shares issued.

### c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

The following classes of employees of the Company and the Company's Subsidiaries (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), depending upon the eligibility criteria determined by the Board, are entitled to participate in ESOS - 2025 (the "Eligible Employees Employees"):

a) a permanent employee of the Company who has been working in India or outside India; or

b) a director of the Company, whether a whole-time director or not but excluding an independent director; or

c) an employee as defined in clauses (a) or (b) of a subsidiary, whether in India or outside India, of the company; or

d) such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time but does not include-

i. an employee who is a promoter or a person belonging to the promoter group; or

ii. a director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company;

### d) Requirements of vesting and period of vesting

The options granted under ESOS - 2025 shall vest so long as the employee continues to be in the employment of the Company or its subsidiary subject to maximum period of 5 (five) years, as the case may be, as per applicable laws. The Board/NRC may, at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest subject to the minimum vesting period of 1 (one) year. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOS - 2025.

The options which vested may be cancelled in the following events:

i. Expiry of exercise period

ii. Resignation/Termination due to misconduct / breach of company policies, etc. and

iii. Abandonment / Long Leave.

### e) Maximum period within which the options shall be vested

The maximum vesting period may extend up to 5 (five) years from the date of grant of options.

### f) Exercise price or pricing formula

Exercise Price means the price, if any, payable by the Employee for exercising the Vested Option granted to him in pursuance of the Scheme.

The exercise price shall be the Market Price for options to be granted under this scheme.

Explanation - Market Price means the latest available closing price on a recognized stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date and if such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.

### g) Exercise period and process of exercise

a) Employees shall be entitled to exercise options in one or more traches within such period as may be prescribed by the Board, which period shall not be less than one year from the date of grant and shall not exceed a period of three years from the date of respective vesting of options.

b) In the event of an Employee being transferred between the Company, its Subsidiaries, and at instance of or with consent of the Company, the Option Grantee will continue to hold all the Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest as per the Vesting schedule.

The process and conditions subject to which options can be exercised shall be laid down by the Board of the Company.

### h) Appraisal Process for determining the eligibility of Employees to the Scheme.

The appraisal process for determining the eligibility of the employees will be specified by the Board/NRC and will be based on criteria such as criticality of the role, designation, length of service, past performance record, future potential of the employee and / or such other criteria that may be determined by the Board, at its sole discretion.

### i) Maximum number of options to be issued per Employee and in the aggregate

The number of Options that may be granted to any specific employee under ESOS-2025 shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital (excluding outstanding warrants and conversions) of the Company in aggregate in any one year unless prior specific approval from members of the Company through a special resolution to this effect is obtained.

### j) Maximum Quantum of benefits to be provided per employee

The maximum quantum of benefits underlying the options issued to an Eligible Employee shall depend upon the market price of the equity shares of the Company, as on the date of sale of such equity shares.

### k) Whether the scheme is to be implemented and administered directly by the Company or through a trust

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

### l) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust

The Scheme will involve only new shares by the Company.

### m) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;

Not applicable since the Scheme is not implemented through Trust.

### n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);

Not applicable since the Scheme is not implemented through Trust.

### o) Disclosure and accounting policies

The Company shall comply with the disclosure and the accounting policies prescribed as per the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (as amended from time to time) and the guidelines issued by Institute of Chartered Accountants of India from time to time.

### p) Method of Valuation

To calculate the employee compensation cost, the Company shall use Fair Value Method or any other applicable accounting guidelines for valuation of the options granted.

### q) Certificate from auditors

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company.

### r) Other terms

The employees to whom options have been granted (and which have not been exercised by them) shall have right, without giving any reason/s, to surrender such options, whether vested or otherwise and such surrendered options shall be added back to the number of Options that are pending to be granted.

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the per Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOS - 2025, subject to compliance with the Applicable Laws and Regulations.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI ESOS Regulations.

None of the Directors and Key Managerial Personnel of the Company, including their relatives are interested or concerned in resolution No. **9A and 9B**, except to the extent of their shareholding entitlements, if any, under the ESOS.

Your Directors recommend the Resolution set out in Item No. **9A & 9B** of the Notice for adoption by the Shareholders as Special Resolution/s.

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

| Name of Director | Mr. Sanjaybhai Shrenikbhai Lalbhai | Mr. Suresh Jayaraman | Ms. Amisha Hemchand Jain |
|---|---|---|---|
| DIN | 00008329 | 03033110 | 05114264 |
| Date of Birth | October 4, 1954 | January 6, 1957 | |
| Age | 70 yrs | 67 yrs | |
| Qualifications | B.Sc., MMS | BE, PGDM | BE, MS, MBA |
| Expertise in specific functional areas | Industrialist, Apparel & Textile Industry domain, Entrepreneur, Technology Expert | Apparel & Textile Industry domain, FMCG Industry domain, Marketing, Business Strategy & Corporate Planning. | Technology, Consumer, and Retail sectors, leading growth and transformation initiatives for various brands. |
| Brief Profile | Mr. Sanjay Lalbhai is the Chairman and Managing Director of Arvind Limited. He is also the Chairman and Non-executive Director of Anup Engineering and Arvind Smart Spaces and Arvind Fashions Limited - a group of businesses that post a turnover of 1.7 billion USD. It is under his leadership that Arvind has become one of the largest manufactureres of textiles globally and that the group has established a strogn presence in spaces such as apparel retailing, real estate and engineering. Mr. Lalbhai believes that addressing societal concerns and creating long lasting benefit to society is integral to the business strategy. He provides strategic leadership to SHARDA Trust and Arvind Foundation - the CSR arms of the Company. Mr. Lalbhai has a deep interest in the field of higher education and serves on the boards of several premier educational institutes. He is the President of Ahmedabad Education Society, President of Ahmedabad University, Chairman of CEPT University and was a member of the Governing Board of the Indian institute of Management, Ahmedabad. He provides leadership in the field of research by serving on the Council of Mangement of the Physical Research Laboratory and as Chairman of Council of Administration of Ahmedabad textile Industry's Research Association. Mr. Lalbhai is passionate about art. he srves as a Chairman of the Lalbhai Dalpatbhai Institute of Indology. He is also the founder and trustee of the Kasturbahi Lalbhai Museum and founder of the Arvind Indigo Museum. Mr. Lalbhai has been a practitioner of Heartfulness Meditation since 1994 and has been a trainer in practice since 2015. | Mr. Suresh has over 33 years of experience in the FMCG, Lifestyle Brands & Retail industries. This included an 18-year stint at Hindustan Unilever Limited, where he headed the sales Operations of the beverages business and was a management committee member of the Foods & Beverages business between 1999 and 2002. After HUL, he joined MTR Foods Ltd as its Chief Executive Officer and turned a regional brand into a national and global brand. He is an engineering graduate and has a Master's degree in Business Administration from Indian Institute of Management, Bangalore. | Ms. Amisha Jain, an alumna of INSEAD and McKinsey, has over 25+ years of experience in technology, consumer, and retail sectors. Through the course of her career, she has been leading growth and transformation initiatives for various brands.<br>Until recently, Amisha Jain was the Managing Director & SVP. of South Asia, Middle East, Africa and Eastern Europe at Levi Strauss & Co.. She has led the growth and transformation of the brand and business in the region contributing to the success of the brand. During her 3-year term, Levi's India saw high teens growth while gaining #1 brand equity in the country in Denims and apparels.<br>Prior to Levi's, Amisha led the turnaround of Zivame, as the CEO. She pivoted it to an innovation-led consumer centric brand, that became the fastest growing women's intimate-wear, loungewear and athleisure business and set it up to catapult to greater heights. She is a firm believer of "One Team, One Voice". And this has been her foundation to build teams that are all individually strong and collectively effective at delivering business results.<br>Prior to joining Zivame, Amisha led 2 businesses for Arvind group – spearheaded the turnaround of Arvind Sports Lifestyle business with 6 brands in the portfolio, and alongside built the Digital Centre of Excellence, including the incubation of the NNNOW.com business.<br>Her prior experiences include - Head of National Sales & Retail for Nike India, Consultant at McKinsey & Company while serving clients across consumer, retail and PE in various capacities and as a Lead engineer at Motorola Inc. |

| Name of Director | Mr. Sanjaybhai Shrenikbhai Lalbhai | Mr. Suresh Jayaraman | Ms. Amisha Hemchand Jain |
|---|---|---|---|
| Date of first appointment | February 02, 2017 | August 01, 2018 | 13th August 2025 |
| Directorships held in other public companies (excluding, private, foreign and Section 8 companies) | 1. Arvind Limited<br>2. The Anup Engineering Limited<br>3. Arvind SmartSpaces Limited | 1. Arvind Lifestyle Brands Limited<br>2. Value Fashion Retail Limited<br>3. Pepe Jeans India Limited<br>4. VLCC Limited | 1. Westlife Foodworld Limited<br>2. Godrej Consumer Products Limited |
| Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholder Relationship Committee) | Member of Stakeholder Relationship Committee in:<br>1. Arvind Limited<br>2. Arvind Smartspaces Limited<br>Chairman of Stakeholder Relationship Committee in:<br>1. Arvind Smartspaces Limited | Member of Audit Committee in:<br>1. VLCC Health Care Limited<br>2. Pepe Jeans India Limited<br>3. Arvind Fashions Limited<br>Chairman of Audit Committee in:<br>1. VLCC Health Care Limited | Members of Audit Committee<br>1. Westlife Foodworld Limited<br>2. Godrej Consumer Products Limited<br>Members of Stakeholder Relationship Committee<br>1. Westlife Foodworld Limited |
| Inter-se relationship with other Directors and Key Managerial Personnel | Mr. Sanjay Lalbhai is father of Mr. Kulin Lalbhai and Mr. Punit Lalbhai, Non-Executive Directors of the Company. | Nil | Nil |
| Number of shares held in the Company | 76 shares | 5,76,568 Shares | Nil |
| The number of Meetings of the Board attended during the year | 4 | 2 | Nil (Appointed with effect from 13th August 2025) |
| Details of remuneration sought to be paid | Refer report on Corporate Governance | Nil | As detailed in this Notice |
| Remuneration last drawn | Refer report on Corporate Governance | Refer report on Corporate Governance | Nil |

# Directors' Report

To

The Members,

Your Directors are pleased to present the Directors' Report of the Company together with the audited financial statements of the Company for the financial year ended March 31, 2025.

## 1. FINANCIAL HIGHLIGHTS

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

₹ in Crores

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2024-2025 | 2023-2024 | 2024-2025 | 2023-2024 |
| Revenue from operations (Net) | 665.91 | 609.09 | 4619.84 | 4,259.12 |
| Profit/(Loss) Before Interest, Depreciation, Tax & Exceptional Items | 110.58 | 74.87 | 636.64 | 544.27 |
| Less: Finance Cost | 21.44 | 19.50 | 155.80 | 144.18 |
| Profit/(Loss) Before Depreciation, Tax & Exceptional Items | 89.14 | 55.37 | 480.84 | 400.09 |
| Less: Depreciation/Amortization | 42.78 | 12.76 | 255.72 | 230.08 |
| Profit/(Loss) before exceptional items & tax | 46.36 | 42.61 | 225.12 | 170.01 |
| Less: Exceptional items | - | 51.46 | - | 6.17 |
| Profit/(Loss) before tax | 46.36 | (8.85) | 225.12 | 163.84 |
| Less: Current tax/Deferred tax | 8.59 | 2.49 | 190.45 | 57.25 |
| **Profit/(Loss) after Tax from Continuing Operations** | **37.77** | **(11.34)** | **34.40** | **106.59** |
| Profit/(Loss) Before Tax for the period from Discontinuing Operations | - | - | (1.42) | 30.73 |
| Tax Expense/(Credit) on Discontinuing Operations | - | - | - | 0.21 |
| **Profit/(Loss) after Tax from Discontinuing Operations** | **-** | **-** | **(1.42)** | **30.52** |
| **Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations** | **37.77** | **(11.34)** | **32.98** | **137.11** |
| **Add: Other Comprehensive Income** | **(0.06)** | **(0.17)** | **(1.36)** | **(2.37)** |
| **Profit/(Loss) after Tax and OCI** | **37.71** | **(11.51)** | **31.62** | **134.74** |
| Profit /(Loss) after tax carried over to Balance Sheet | 37.71 | (11.51) | 31.62 | 134.74 |

## 2. PERFORMANCE REVIEW:

Arvind Fashions Limited (AFL) has demonstrated a resilient performance, overcoming inflationary pressures and muted consumer demand environment during the year. The Company has continued its growth journey along with margin expansion. The Company maintained stable working capital days and improved inventory turnover, reflecting efficient supply chain management. With concerted efforts to strengthen the balance sheet and improve operational efficiencies, the Company's ROCE has increased to over 20% during the year.

The Company's focused interventions, like higher advertising, increased square foot expansion, superior customer experience, and product innovation, coupled with celebrity collab collections, have led to an acceleration of our retail channel growth. The Company had added gross 120 exclusive brand outlets in FY25 largely through the Franchise Owned Franchise Operated (FOFO) model, bringing the total store count to 977, comprising ~11.94 lakh sq. ft as on March 31, 2025. The Company's premium brands, such as Tommy Hilfiger and Calvin Klein, continued to drive growth, supported by strategic collaborations and targeted marketing efforts.

The Company has positioned itself as a distinguished leader within India's casual and denim sectors, exemplifying a commitment to excellence in the lifestyle branded & apparel market. The Company is engaged in the comprehensive processes of designing, sourcing, marketing, and selling a wide-ranging portfolio of licensed & owned brands ready-to-wear apparel, footwear, innerwear, and accessories for a diverse audience, including men, women, and children.

The Company registered revenue from operations of ₹ 4,619.8 crores in FY 2025, compared to ₹ 4,259.1 crores in FY 2024, achieving an 8.5% growth despite a challenging environment. This growth was driven by a healthy retail like-for-like growth of 4% and a sharper focus on retail channel execution, leading to an improvement in the retail channel mix by over 300 basis points. Additionally, the Company's continued investments in adjacent categories such as kidswear and womenswear, as well as the online direct-to-consumer channel, contributed to this positive performance.

Other Income includes ₹ 7.6 crore of gain on reassessment of lease and ₹ 15.3 crore on account of interest income on financial assets and fair value of security deposit.

EBITDA, or Earnings Before Interest, Depreciation, Amortisation, and Taxes, was ₹ 637 crore for the Company, compared to ₹ 544.3 crore in FY 2024, reflecting a 17% year-over-year growth. EBITDA margins improved by 101 basis points, primarily driven by improvement in gross margins, higher full-price sell-through, and cost optimisation efforts. The Company remains focused on improving profitability in the future as well

### On Standalone basis

Revenue Growth – The Company showed an increase in revenue growth, with revenue from operations by 9.33% from ₹ 609.09 Crores in FY 24 to ₹ 665.91 Crores in FY 25.

Profit/(Loss) After Tax (PAT) - The Profit after tax showed a growth from ₹ (11.34) Crores in FY 24 to ₹ 32.98 Crores in FY 25.

## 3. MATERIAL EVENTS DURING THE YEAR UNDER REVIEW

No material events took place during the year.

## 4. DIVIDEND

The Board of Directors have recommended a dividend of ₹ 1.60/- (One Rupee and sixty paise only) on fully paid up per equity share of ₹ 4 each, for the financial year ended on 31st March 2025.Dividend is subject to approval of the Members of the Company at the ensuing Annual General Meeting and shall be subject to deduction of income tax at source. The dividend, if approved by the members, would involve a cash outflow of about ₹ 22 Crores.

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Dividend Distribution Policy and the same is available on the Company's Website at https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Dividend-Distribution-Policy.pdf.

## 5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2024, AND MAY 17, 2025 (DATE OF THE REPORT).

During March 31, 2025, and May 17, 2025, no material change and commitments have taken place which may affect the financial position occurred in the Company.

## 6. TRANSFER TO RESERVE

During the year under review, the Company has not transferred any amount to reserve.

## 7. SHARE CAPITAL

As on March 31, 2025, the authorised capital of the Company stands at ₹ 75,00,00,000 divided into 18,75,00,000 equity shares of ₹ 4 each. The paid-up equity share capital of the Company is ₹ 53,31,03,284 consisting of 13,32,75,821 fully paid equity shares of ₹ 4 each and ₹ 49,378 consisting of 24,689 partly paid equity shares of ₹ 2 each.

During the year under review, the Company has allotted 3,16,050 Equity Shares of ₹4 each to the eligible employees pursuant to the exercise of stock options granted in terms of the Employee Stock Option Scheme 2016 and Employee Stock Option Scheme 2022 of the Company.

The Company has not issued any Equity Shares with differential voting rights and Sweat Equity Shares during the year under review.

## 8. EMPLOYEE STOCK OPTION SCHEMES (ESOS)

The Company has instituted the Employees Stock Option Scheme (ESOS) 2016, 2018 and 2022 to grant equity-based incentives to certain eligible employees and directors of the Company and its subsidiary companies, i.e. in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time ("SEBI ESOP Regulations").

During the year under review, the Company has granted 90,000 stock options to eligible employees under ESOS 2022. Disclosures in compliance with Section 62 of the Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 were compiled at the time of grant. Disclosures with respect to stock options, as required under Regulation 14 of the SEBI ESOP Regulations are available on the Company's website www.arvindfashions.com/overview and also set out in **Annexure - A** to this report.

Certificate from the Secretarial Auditor of the Company, Mr. N. V. Kathiria, has been obtained confirming that the implementation of Employee Stock Option Scheme is in accordance with the SEBI ESOP Regulations and the resolutions has been approved by the members regarding the Scheme.

## 9. DEPOSITS

During the year under review, your Company has neither accepted nor renewed any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## 10. NON-CONVERTIBLE DEBENTURES

During the year ended 31st March 2025, the Company does not have any outstanding Non-Convertible Debentures.

During the year ended 31st March 2025, the Company has not issued/allotted any Non-Convertible Debentures

## 11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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

## 12. CONSOLIDATED FINANCIAL STATEMENTS

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

## 13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's average net profits for the past three financial years are negative, hence, the Company was not required to undertake any CSR programs / projects for the financial year 2024-25. Your Company has a Corporate Social Responsibility Policy which is uploaded on website of the Company at https://www.arvindfashions.com/wp-content/uploads/2024/09/CSR-Policy.pdf

The Annual Report on CSR Activities for the year under review as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 in prescribed format is enclosed as an **Annexure-B**.

## 14. CREDIT RATING

Your Company is rated by CARE Ratings Limited on its various long term and short term bank facilities availed from the banks.

On January 8, 2025, CARE Ratings Limited has reaffirmed the rating of CARE A, Stable / CARE A1.

## 15. HUMAN RESOURCES

At Arvind Fashions, we believe that our people are our most important asset. This year the focus has been on refreshing our People ambition focused on building systems & processes and promoting a progressive and winning culture that enables everyone at Arvind Fashions to be successful.

The Company has a vibrant workforce of over 7045 employees with an average age of 29 years and a gender diversity of 19% signifies our effort to drive Diversity, Equity and Inclusion in the organization.

**Employee Engagement:** At Arvind Fashions, the Employee Engagement Initiatives are focused on the holistic wellbeing. Employees have a platform to express their opinions, concerns and suggestions aimed to foster a culture of transparency, open communication and empowerment. Leaders connect with employees through Townhalls, Theme-based structured Focused Group Discussions and regular employee connects where they share key achievements, challenges and the way forward. Celebrations during festivals, wellness programs focusing on physical well-being are on ongoing activity and a channel for employees to connect & collaborate. Our employees also pay it forward by participating in Blood Donation initiatives. Employees are rewarded for exemplary performance during the Annual Brand / Function offsites.

Enhancing Capabilities through Arvind University: To ensure we have the right people and skill base to deliver and achieve our vision, Learning and development as centre of excellence plays a pivotal role in cultivating a skilled, effective & capable workforce. With a coverage of 800 employees across 40 programs in the year, our programs are strategically aligned with the Brand & Function objectives through a thorough year-on-year Training Need identification process to meet the diverse needs across functional, behavioural and Leadership Programs. Some of the flagship programs includes Accelerate your leadership Potential, Arvind management Essentials (AME), Six Sigma, Lateral Thinking and Mindfulness Leadership Program. These programs aim at cultivating a strong pool of managerial talent, fostering the upcoming generation of adept leaders who exemplify & drive the core values of the Arvind culture.

**Talent Acquisition:** The focus for Hiring Talent at Arvind Fashions centered on data-driven agility, digital experience enhancement and deepening strategic partnerships. These efforts aimed to further strengthen our ability to attract, engage and retain top talent in a competitive talent market as mentioned below.

- Predictive Hiring & Workforce Planning - Shift from reactive hiring to predictive, demand-based hiring using ATS analytics and business forecasting inputs.
- Reduce TAT and improved candidate experience. We introduced pre-joining engagement plan for all new hires ensuring 97% joining rates.
- Enabled real-time visibility for HRBPs and leadership.
- Elevated candidate on-boarding experience beyond the administrative.
- Automated real-time document verification and checklist tracking via Darwin Box integrations.
- Enhanced efficiency in lateral hiring through performance-driven partnerships.
- Reduced average time-to-hire by 20% through automation and predictive planning.

**Campus Initiatives:** The Company introduced Business Summer Internship program here we hired interns from Top B-schools across the country.

The internship program was based on function-specific project framework aligned with real-time business challenges across brands, channels and formats ensuring every intern was mapped to a critical business priority to create tangible impact and measurable outcomes within 8–10 weeks.

- Rolled out a 3-stage evaluation process (Initial goal setting, Mid-review and Final presentation to Leadership).
- Ensured cross-functional feedback from project guides, HR mentors and reviewers for holistic performance assessment.

- Designed a clear PPO decision framework linked to business relevance, project outcomes and leadership feedback.
- Enhanced business contribution from projects, with multiple interns delivering implementable strategies.

**Policies & Benefits:** Our policies such as Flexi-time policy, Gender neutral policy, Equal Employment Opportunity policy, Paternity & Adoption policy, enhanced Crèche Services along with our Professional Development initiatives and Internal career mobility ensures that an environment of empowerment, growth, safe workplace and engagement is created for all employees.

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

## 16. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Board has framed a policy to identify, assess, monitor and mitigate various identified risks associated with the key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management Policy is available on the Company's website at https://www.arvindfashions.com/wp-content/uploads/2019/03/Risk-Management-Policy.pdf

The Board of Directors has formed a Risk Management Committee to oversee the risk management plan. As on March 31, 2025, the Committee comprises of the following Directors:

- Mr. Nagesh Pinge, Chairperson
- Mr. Shailesh Chaturvedi,
- Mr. Suresh Jayaraman,
- Mr. Nilesh Shah,
- Ms. Ananya Tripathi, members.

In the opinion of the Board, there are no risks that poses a threat to the existence of the Company.

## 17. INTERNAL FINANCIAL CONTROLS

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

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

## 18. VIGIL MECHANISM

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a vigil mechanism/Whistle Blower Policy to provide a platform to the Directors and Employees of the Company to raise concerns with the instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy within the Company.

The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf

## 19. SUBSIDIARIES / CONTROLLED ENTITIES / ASSOCIATES

As on March 31, 2025, the Company has following 3 subsidiary companies and 1 Controlled Entity Jointly Owned with PVH BV.

### Subsidiaries-

- Arvind Lifestyle Brands Limited
- Arvind Youth Brands Private Limited
- Value Fashion Retail Limited

### Controlled Entity Jointly Owned with PVH BV-

- PVH Arvind Fashions Private Limited

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

The Company has framed a policy for determining material subsidiaries, which has been uploaded on the Company's website at https://www.arvindfashions.com/wp-content/uploads/2025/02/Policy-on-Material-Subsidiaries.pdf

## 20. CHANGE IN THE NATURE OF THE BUSINESS

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

## 21. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors consists of 11 (Eleven) members, comprising of 1 (one) Managing Director, 4 (four) Non-Executive Directors and 6 (six) Non-Executive Independent Directors.

As per the provisions of Section 152(6) of the Companies Act, 2013 and in terms of the Article of Association of the Company, Mr. Sanjaybhai Shrenikbhai Lalbhai (DIN: 00008329) and Mr. Suresh Jayaraman (DIN: 03033110), shall retire by rotation at the ensuing Annual General Meeting and being eligible, shall offer themselves for re-appointment as the Directors of the Company.

### Cessation:

Ms. Nithya Easwaran (DIN: 03605392), Non-Executive Non-Independent Director, had resigned with effect from the close of business hours on September 23, 2024, from the directorship of the Company due to pre-occupation and other professional commitments.

None of the Directors of the Company are disqualified as per the provisions of Section 164 of the Companies Act, 2013. The Directors of the Company have made necessary disclosures under Section 184 and other relevant provisions of the Companies Act, 2013.

During the year under review, there were no changes in the Key Managerial Personnel of the Company. Therefore, as per the provisions of Section 203 of the Companies Act, 2013, Mr. Shailesh Shyam Chaturvedi as Managing Director & CEO, Mr. Girdhar Kumar Chitlangia as Chief Financial Officer and Ms. Lipi Jha as Company Secretary are the Key Managerial Personnel of the Company.

## 22. BOARD EVALUATION

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 read with the rules framed thereunder and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance and that of its Committees and individual Directors. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report which forms part of the Annual Report.

Further, to comply with Regulation 25(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors have also evaluated the performance of Non-Independent Directors, Chairman and Board as a whole at a separate meeting of Independent Directors, which was held on February 27, 2025.

## 23. NOMINATION & REMUNERATION POLICY OF THE COMPANY

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-Executive Directors, Key managerial personnel and Senior Management. The Policy also provides the criteria for determining qualifications, positive attributes and Independence of Directors and criteria for appointment and removal of Directors, Key managerial personnel/Senior Management and performance evaluation which are considered by the Nomination and remuneration Committee/Board of Directors. The Remuneration Policy is available on the Company's website at https://www.arvindfashions.com/wp-content/uploads/2019/05/Nomination-and-Remuneration-Policy.pdf

## 24. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme is explained in the Corporate Governance Report is also available on the Company's website at https://www.arvindfashions.com/wp-content/uploads/2024/04/Directors-Familiarization-Programs-2018-19-to-2023-24.pdf

## 25. DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI (listing Obligations and Disclosure Requirements) Regulation, 2015 and they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013.

## 26. BOARD/COMMITTEE MEETINGS HELD DURING THE YEAR

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

## 27. COMMITTEES OF THE BOARD

The Company has constituted various Committees of the Board as required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including composition, number of meetings held, attendance of members, etc. of such Committees, are set out to the Corporate Governance Report which forms a part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the provisions of Section 173 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Audit Committee ("AC") and Nomination and Remuneration Committee ("NRC") was reconstituted by way of addition of Mr. Suresh Jayaraman and Mr. Govind Shrikhande as Member of the AC and NRC, respectively.

### Composition of Audit Committee:

The Audit Committee consists of the following Members.

i) Mr. Nagesh Pinge – Independent Director

ii) Mr. Nilesh Shah – Independent Director

iii) Ms. Ananya Tripathi – Independent Director

iv) Mr. Suresh Jayaraman – Non-Executive Director

All the recommendations of the Audit Committee made during the year have been accepted by the Board.

### Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of the following Members.

i) Mr. Nilesh Shah – Independent Director

ii) Ms. Achal Bakeri – Independent Director

iii) Mr. Suresh Jayaraman – Independent Director

iv) Mr. Govind Shrikhande – Non-Executive Non-Independent Director

## 28. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby make the following Responsibility Statement as required by Section 134(5) of the Companies Act, 2013:

a) In the preparation of the annual accounts for the financial year ended 31st March 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any:

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

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

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

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

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

## 29. RELATED PARTY TRANSACTIONS UNDER SECTION 188 OF THE COMPANIES ACT, 2013

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnels etc. which may have potential conflict with the interest of the Company at large, or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

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

The Policy on Related Party Transactions as approved by the Board is available on Company's website at https://www.arvindfashions.com/wp-content/uploads/2025/02/Related-Party-Transaction-Policy.pdf

## 30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## 31. AUDITORS

- **Statutory Auditors**

M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No. 117365W) were appointed as the Statutory Auditors of the Company for a period of 5 (five) consecutive years at the Annual General Meeting held on August 23, 2021. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

- **Secretarial Auditors**

Pursuant to the amended provisions of Regulation 24A of the SEBI (LODR) Regulations and Section

204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Audit Committee and the Board of Directors at their respective meetings held on 17th May 2025 have approved and recommended for approval of Members, appointment of M/s. N.V. Kathiria & Associates, Practicing Company Secretaries, as Secretarial Auditor to conduct the Secretarial Audit of the Company for a term of 5 (Five) consecutive years, to hold office from financial year 2025-26 till financial year 2029-30. Accordingly, a Resolution seeking Member's approval is included at Item No.6 of the notice convening the Annual General Meeting.

A detailed proposal for appointment of Secretarial auditor forms part of the Notice convening this AGM.

The Secretarial Audit Report for the financial year ended 31st March 2025, pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as **"Annexure-C"**. The Secretarial audit report does not contain any qualifications, reservations or adverse remarks.

## 32. ENHANCING SHAREHOLDER'S VALUE

The Company believes that its Members are its most important stakeholders. Accordingly, the Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. The Company is also committed to create value for its other stakeholders by ensuring that its corporate actions positively impact on the socio-economic and environmental dimensions and contribute to sustainable growth and development.

## 33. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

A separate section on Management Discussion and Analysis Report (MDA) is included in the Annual Report as required under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 34. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable provisions of Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

## 35. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report for the year ended March 31, 2025, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed which forms part of this Annual Report.

## 36. INFORMATION ON CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### i) Conservation of Energy

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

#### a) Energy Efficiency

The Company has a 'Combat Climate Change' as a sustainability pillar, where the Company has shifted from conventional lights to LED lights in the stores and in the warehouses and the Company has installed motion sensor LED lights for energy management within its warehouse operations.

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

The Company has installed motion sensor LED lights for energy management within its warehouse operations in FY 25 that indicated a reduction potential of 5%-8% in the energy demand. The same is being evaluated and implemented for upcoming new warehouses as well. Arvind Fashions state of the art warehouse facility at Hoskote, Karnataka is currently undertaking the procedures of Green Building Certification that further represents Arvind's commitment to contribute towards reducing Green House Gas emission.

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

### b) Renewable energy

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

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

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

### ii) Absorption of technology

The Company has not absorbed any technology.

### iii) Foreign Exchange Earnings and Outgo

₹ in Crores

| Particulars | 2024-25 | 2023 – 24 |
|---|---|---|
| Earning in Foreign Currency | 20.33 | 16.35 |
| Expenditure in Foreign Currency | 43.88 | 404.90 |

## 37. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return is available on Company's website at https://www.arvindfashions.com/corporate-governance/

## 38. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

Further as per second proviso to Section 136(1) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard at investor.relations@arvindfashions.com.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure - D to this report.

## 39. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

At Arvind Fashions, we are unequivocal in our commitment to provide a safe, inclusive and respectful workplace for all. We maintain a zero-tolerance policy towards any form of sexual harassment and have adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

Arvind Fashions Internal Complaint Committee (ICC) functions independently and with full authority. Its presence and mandates are clearly communicated across the organization and all committee members are formally trained to manage proceedings with sensitivity, fairness and procedural rigour. Regular sessions are also conducted to build awareness and reinforce behavioural expectations across teams.

For the financial year 2024-25, one complaint was filed which was disposed off by taking appropriate action.

## 40. GENERAL

The Board of Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions or applicability pertaining to these matters during the year under review.

i. Fraud reported by the Auditors to the Audit Committee or the Board of Directors of the Company.

ii. Payment of remuneration or commission from any of its holding or subsidiary companies to the Managing Director/Whole Time Director of the Company.

iii. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section67(3)(c) of the Companies Act, 2013).

iv. Details of any application filed for corporate insolvency under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016.

v. One-time settlement of loan obtained from the banks or financial institutions.

## 41. ACKNOWLEDGEMENT

The Board expresses its sincere thanks to all the employees, customers, suppliers, investors, lenders, regulatory and government authorities and stock exchanges for their cooperation and support and look forward to their continued support in future.

**For and on behalf of the Board of**
**Arvind Fashions Limited**

Sd/-
**Sanjay Lalbhai**
Chairman & Director
DIN: 00008329

Place: Ahmedabad
Date: 17/05/2025

Sd/-
**Shailesh Chaturvedi**
Managing Director & CEO
DIN: 03023079

Place: Bangalore
Date: 17/05/2025

# Annexure – A to the Directors' Report

## DISCLOSURES UNDER REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

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

| 1 | Description of ESOS | ESOS 2016 | ESOS 2018 | ESOS 2022 |
|---|---|---|---|---|
| (g) | Variation of terms of options | | None | |
| 2 | Method used to account for ESOS | | Fair Value Method | |
| 3 | Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on the profits and EPS of the Company shall also be disclosed. | Not applicable | Not applicable | Not applicable |
| | (i) Difference between Intrinsic value and Fair value compensation cost | | | |
| | (ii) Impact on the Profits of the Company (₹) | | | |
| | (iii) Impact on Basic Earnings Per Share of the Company (₹) | | | |
| | (iv) Impact on Diluted Earnings Per Share of the Company (₹) | | | |
| 4 | Option movement during the period: | | | |
| (a) | Options Outstanding at the beginning of the year | 14,82,403 | 0 | 3,14,000 |
| (b) | Options granted during the year | 0 | 0 | 90,000 |
| (c) | Options forfeited / lapsed during the year | 94,214 | 0 | 33,000 |
| (d) | Options vested during the year | 3,56,000 | 0 | 1,05,666 |
| (e) | Options exercised during the year | 3,13,050 | 0 | 3,000 |
| (f) | Number of shares arising as a result of exercise of option | 3,13,050 | 0 | 3,000 |
| (g) | Money realised by exercise of options (₹) | 5,14,50,820 | 0 | 10,05,900 |
| (h) | Loan repaid by the Trust during the year from exercise price received | NA | NA | NA |
| (i) | Options Outstanding at the end of the year | 10,75,139 | 0 | 3,68,000 |
| (j) | Options Exercisable at the end of the year | 10,36,139 | 0 | 1,35,666 |
| 5A | Weighted average exercise prices of outstanding options whose: | | | |
| | Exercise price equals market price of stock | 306.34 | - | 362.52 |

| 1 | Description of ESOS | ESOS 2016 | ESOS 2018 | ESOS 2022 |
|---|---|---|---|---|
| | Exercise price exceeds market price of stock | 1320.37 | - | - |
| | Exercise price is less than market price of stock | 112.21 | - | - |
| 5b | Weighted average fair value of options whose | | | |
| | Exercise price equals market price of stock | 133.74 | - | 96.20 |
| | Exercise price exceeds market price of stock | 98.10 | - | - |
| | Exercise price is less than market price of stock | 98.53 | - | - |
| 6 | Grantee wise details of options granted to:<br>(i) Key managerial personnel | None | None | None |
| | (ii) any other grantee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year; | None | None | Alamdar Hussain – Head National Retail Operations – 20,000 options<br>Vinayak Hegde – Finance Controller – 10,000 options<br>Ankit Arora – Head Investor Relations & Treasury – 15,000 options<br>Kunal Mukund Mehta – Head IT – 20,000 options<br>Rohith Kumar A – Chief Human Resource Officer – 10,000 options<br>Hemant Kumar – Head Business Finance – 5,000 options<br>Harish Ramaswamy – General Manager Marketing – 5,000 options<br>Nikhil Agarwal – General Manager Commercial Key Accounts – 5,000 options |
| | (iii) identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant. | None | None | None |
| 7 | A description of the method and significant assumptions used during the year to estimate the fair values of options, including following weighted average information: | | No grants made during the period | |

| 1 | Description of ESOS | ESOS 2016 | ESOS 2018 | ESOS 2022 | | |
|---|---|---|---|---|---|---|
| | (i) Share price (₹) | No grants made during the period | No grants made during the period | 505.65 | 481.55 | 476.10 |
| | (ii) Exercise price (₹) | | | 505.65 | 481.55 | 476.10 |
| | (iii) Expected volatility | | | 38.25% | 35.14% | 35.14% |
| | (iv) Expected dividends | | | 0.20% | 0.26% | 0.27% |
| | (v) Risk-free interest rate | | | 6.84% | 6.55% | 6.55% |
| | (vi) Any other inputs to the model | | | None | None | None |
| | (vii) Method used and the assumptions made to incorporate effects of expected early exercise | | | Binomial Option Pricing Model | | |
| | (viii) How expected volatility was determined, including an explanation of the extent of to which expected volatility was based on historical volatility | | | The daily volatility of the Company’s stock price and comparable companies’ stock prices on NSE over the expected life of the options has been considered. | | |
| | (ix) Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition. | | | None | | |

# Annexure – B to the Directors' Report

## ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2024-25

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

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

Our CSR Policy is in sync with the broader areas of Schedule VII of the Companies Act, 2013 and will always be aligned to the changes that gets incorporate in the schedule.

The key points of the policy are presented below and the policy can be reached at our website through the given link: https://www.arvindfashions.com/wp-content/uploads/2024/09/CSR-Policy.pdf

### 2. Composition of the CSR Committee

Arvind Fashions Limited has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act, 2013. The members of the CSR Committee are:

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

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

https://www.arvindfashions.com/wp-content/uploads/2024/09/CSR-Policy.pdf

### 4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not applicable

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

The average net profit of the Company is (₹ 45.98 Lakhs) (Loss)

**b) Two percent of average net profit of the company as per sub-section (5) of section 135*:** (₹ 0.92 Lakhs) (Loss)

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

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

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

*The company has incurred average loss during the immediately three proceeding financial year as mentioned above under point 5 (a) and 5 (b). Therefore, the Company has not spend any amount towards CSR for the financial year 2024-25.

6. a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing project):** Nil

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

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

d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** Nil

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

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

f) **Excess Amount for set off, if any:** Not applicable

| Sl. No. | Particular | Amount (in ₹) |
|---|---|---|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub section (5) of section 135 | - |
| (ii) | Total amount spent for the Financial Year | - |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | - |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | - |

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

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding financial years (in ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in ₹) | Date of transfer | | |
| 1 | FY-1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 2 | FY-2 | | | | | | | |
| 3 | FY-3 | | | | | | | |

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

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

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

| Sl. No. | Short particulars of the property or asset(s) (including complete address and location of the property) | Pincode of the property or as set(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | |
|---|---|---|---|---|---|---|
| | | | | | CSR Registration Number, if applicable | Name |
| (1) | (2) | (3) | (4) | (5) | (6) | |
| Not Applicable | | | | | | |

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:** Not applicable.

Sd/-
**Sanjay Lalbhai**
Chairman & Director
DIN: 00008329

Place: Ahmedabad
Date: 17/05/2025

Sd/-
**Shailesh Chaturvedi**
Managing Director & CEO
DIN: 03023079

Place: Bangalore
Date: 17/05/2025

# Annexure – C to the Directors' Report

## FORM MR – 3

## SECRETARIAL AUDIT REPORT
## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

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

To,
The Members,
**ARVIND FASHIONS LIMITED**
Main Building, Arvind Limited Premises,
Naroda Road, Ahmedabad- 380025.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 (Audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:
    (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
    (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
    (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
    (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
    (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    (iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
    (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;
    (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as the Company has not issue any such securities during the financial year)
    (vii) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable as the Company is not registered as Registrar and Transfer Agents with SEBI)
    (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable as the Company has not delisted any of its equity shares during the financial year)

(ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable as the Company has not bought back any of the securities during the financial year).

3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.

4. The Company has complied with following specific laws to the extent applicable to the Company:
   a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
   b) The Employees' State Insurance Act, 1948.
   c) The Contract Labour (Regulation & Abolition) Act, 1970.
   d) The Maternity Benefit Act, 1961.
   e) The Minimum Wages Act, 1948.
   f) The Payment of Bonus Act, 1965.
   g) The Payment of Gratuity Act, 1972.
   h) The Payment of Wages Act, 1936.
   i) The Workmen Compensation Act, 1923.
   j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
   k) Shops and Establishment Act of respective states.
   l) The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.
   m) Tax on Profession of respective States.
   n) Labour Welfare Fund.
   o) The Legal Metrology Act, 2009.
   p) The Consumer Protection Act, 1986.
   q) Trademarks Act, 1999.
   r) The Information Technology Act, 2000.
   s) Income Tax Act, 1961 and its Rules.
   t) The Goods and Services Tax Act, 2017.
   u) Customs Act, 1962.

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

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

**We further report that**

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

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

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

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

1. The Company has allotted following Equity shares of ₹ 4/- each with premium, during the F.Y. 2024-25, to eligible employees pursuant exercise of stock options to eligible applicants/Grantee under Employee Stock Option Scheme 2016 (ESOS 2016) and Employee Stock Option Scheme 2022 (ESOS 2022) of the Company.

**ESOS 2016**

| Sl. No | Number of shares | Price Per share (Including Premium) | Date of allotment |
|---|---|---|---|
| 1 | 2,23,750 | 137.32 | 24-04-2024 |
| 2 | 12,000 | 137.32 | 12-06-2024 |
| 3 | 6,000 | 148.20 | 12-06-2024 |
| 4 | 5,000 | 148.20 | 29-07-2024 |
| 5 | 1,500 | 148.20 | 06-08-2024 |
| 6 | 9,000 | 286.70 | 19-09-2024 |
| 7 | 1,000 | 148.20 | 19-09-2024 |
| 8 | 3,000 | 148.20 | 29-10-2024 |
| 9 | 8,000 | 286.70 | 29-10-2024 |
| 10 | 15,200 | 293.50 | 29-10-2024 |
| 11 | 5,000 | 293.50 | 21-11-2024 |
| 12 | 7,000 | 148.20 | 10-12-2024 |
| 13 | 4,800 | 293.50 | 07-01-2025 |
| 14 | 2,800 | 286.70 | 07-01-2025 |
| 15 | 9,000 | 286.70 | 06-03-2025 |
| **Total** | **3,13,050** | - | - |

**ESOS 2022**

| Sl. No | Number of shares | Price Per share (Including Premium) | Date of allotment |
|---|---|---|---|
| 1 | 3,000 | 335.30 | 21-10-2024 |

**For N.V. KATHIRIA & ASSOCIATES**
**Company Secretaries**

**N. V. KATHIRIA**
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573G000366770)

DATE: 17.05.2025
PLACE: AHMEDABAD

## ANNEXURE TO SECRETARIAL AUDIT REPORT

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

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

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

**For N.V. KATHIRIA & ASSOCIATES**
**Company Secretaries**

**N. V. KATHIRIA**
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573G000366770)

DATE: 17.05.2025
PLACE: AHMEDABAD

## FORM NO. MR- 3

## SECRETARIAL AUDIT REPORT
## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

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

To,
The Members,
**Arvind Lifestyle Brands Limited**
Arvind Mills Premises, Naroda Road,
Ahmedabad– 380025.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

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

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

    (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;

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

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

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

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

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

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

    (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;

    (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

    (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

    (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

    It has been found that there were no instances requiring compliance with the provision of the laws indicated at point No. 2 mentioned hereinabove during the period under review.

3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.

4. The Company has complied with following specific laws to the extent applicable to the Company:
    a. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
    b. The Employees' State Insurance Act, 1948.
    c. The Contract Labour (Regulation & Abolition) Act, 1970.
    d. The Maternity Benefit Act, 1961.
    e. The Minimum Wages Act, 1948.
    f. The Payment of Bonus Act, 1965.
    g. The Payment of Gratuity Act, 1972.
    h. The Payment of Wages Act, 1936.
    i. The Workmen Compensation Act, 1923.
    j. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
    k. Shops and Establishment Act of respective states.
    l. The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.
    m. Tax on Profession of respective States.
    n. Labour Welfare Fund.
    o. The Legal Metrology Act, 2009.
    p. The Consumer Protection Act, 1986.
    q. Trademarks Act, 1999.
    r. The Information Technology Act, 2000.
    s. Income Tax Act, 1961 and its Rules.
    t. The Goods and Services Tax Act, 2017.
    u. Customs Act, 1962.

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

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

### We further report that

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

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

### We further report that

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

### We further report that

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

**For N.V. KATHIRIA & ASSOCIATES**
**Company Secretaries**

**N. V. KATHIRIA**
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN : F004573G000366231)

DATE: 17.05.2025
PLACE: AHMEDABAD

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
**Arvind Lifestyle Brands Limited**
Arvind Mills Premises, Naroda Road,
Ahmedabad- 380025.

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

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

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

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

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

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

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

**For N.V. KATHIRIA & ASSOCIATES**
**Company Secretaries**

**N. V. KATHIRIA**
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN : F004573G000366231)

DATE: 17.05.2025
PLACE: AHMEDABAD

# Annexure – D to the Directors' Report

## INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

₹ in Crores

| Sr. No. | Particulars | Status | Number of Times | |
|---|---|---|---|---|
| | | | If Total remuneration of the director is considered | If total remuneration of the Director excluding variable pay and commission is considered |
| 1. | The ratio of the remuneration of each director to median remuneration of the employees of the Company for financial year 2024-25. | Mr. Sanjay Lalbhai | 0.08 | 0.02 |
| | | Mr. Kulin Lalbhai | 0.12 | 0.02 |
| | | Mr. Punit Lalbhai | 0.09 | 0.02 |
| | | Ms. Nithya Easwaran | 0.004 | 0.004 |
| | | Mr. Suresh Jayaraman | 0.04 | 0.01 |
| | | Mr. Nagesh Dinkar Pinge | 0.15 | 0.03 |
| | | Mr. Nilesh Dhirajlal Shah | 0.11 | 0.04 |
| | | Mr. Achal Anil Bakeri | 0.08 | 0.02 |
| | | Mr. Govind Shrikhande | 0.09 | 0.02 |
| | | Mr. Manoj Nakra | 0.08 | 0.02 |
| | | Mr. Ananya Tripathi | 0.10 | 0.02 |
| | | Mr. Shailesh Chaturvedi | 5.5 | 4.5 |
| 2. | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2024-25. | **Directors** | | **%** |
| | | Mr. Sanjay Lalbhai | | 0 |
| | | Mr. Kulin Lalbhai | | (7.69) |
| | | Mr. Punit Lalbhai | | 0 |
| | | Ms. Nithya Easwaran* | | NA |
| | | Mr. Suresh Jayaraman** | | 100 |
| | | Mr. Nagesh Dinkar Pinge | | 0 |
| | | Mr. Nilesh Dhirajlal Shah | | 0 |
| | | Mr. Achal Anil Bakeri | | 14.3 |
| | | Mr. Govind Shrikhande*** | | 125 |
| | | Mr. Manoj Nakra | | 0 |
| | | Mr. Ananya Tripathi | | 0 |
| | | **Managing Director & CEO** | | |
| | | Mr. Shailesh Chaturvedi | | 0 |
| | | **Chief Financial Officer** | | |
| | | Mr. Girdhar Kumar Chitlangia | | 7.67 |
| | | **Company Secretary** | | |
| | | Ms. Lipi Jha | | 8.9 |
| 3 | The percentage increase in median remuneration of employees for the Financial Year 2024-25 | 21% | | |
| 4 | The number of permanent employees on the rolls of Company. | 187 | | |

₹ in Crores

| Sr. No. | Particulars | Status | Number of Times | |
|---|---|---|---|---|
| | | | If Total remuneration of the director is considered | If total remuneration of the Director excluding variable pay and commission is considered |
| 5. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year (i.e. F.Y. 2023-24) and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Average percentile increase in the salaries of employees other than the managerial personnel for the financial year 2024-25 was 21.33% and the average percentile increase in the salaries of the managerial personnel for the financial year 2024-25 was 2.2%. There is no exceptional increase in remuneration of Key Managerial Personnel. | | |
| 6. | Affirmation that the remuneration is as per the remuneration policy of the Company. | It is hereby affirmed that the remuneration paid during the year is as per the applicable Remuneration Policy of the Company. | | |

**Notes:**

* Ms. Nithya Easwaran resigned from the Board of the Company on 23rd September 2024 – percentage increase/ decrease not applicable.

** Mr. Suresh Jayaraman, the Non-Executive Director of the Company and being a member of Audit Committee was paid commission in the year 24-25

*** Mr. Govind Shrikhande was appointed as Independent Director of the Company on 9th October 2023. Commission and Sitting fee paid to him for the FY 23-24 was on pro-rata basis.

# Corporate Governance Report

Your Directors present the Company's Report on Corporate Governance for the year ended on March 31, 2025, in compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

Our corporate governance philosophy is based on the following principles:

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

The Board of Directors ("**the Board**") is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The majority of our Board, 6 out of 11, are independent. Given below is the report on Corporate Governance of Arvind Fashions.

## 2. BOARD OF DIRECTORS

### 2.1 Composition of the Board:

The Board has 11 Directors, comprising of 1 Executive Directors, 4 Non-Executive Non-Independent Directors and 6 Non-Executive Independent Directors. The Board is headed by Non-Executive Chairman. The Non-Executive Independent Directors are leading professionals from varied fields who bring independent judgment to the Board's discussions and deliberations.

The following is the Composition of the Board as on 31st March 2025.

| S. No. | Name of the Director | Category of Directorship | Number of directorships in public Companies (including Arvind Fashions Limited) * | Committee Position** | |
|---|---|---|---|---|---|
| | | | | Chairman | Member |
| 1 | Mr. Sanjay Lalbhai | Chairman and Non-executive Director | 4 | 1 | 2 |
| 2 | Mr. Kulin Lalbhai | Vice Chairman and Non-Executive Director | 4 | 1 | 3 |
| 3 | Mr. Shailesh Chaturvedi | Managing Director and CEO | 2 | 0 | 0 |
| 4 | Mr. Punit Lalbhai | Non-Executive Director | 5 | 1 | 2 |
| 5 | Mr. Suresh Jayaraman | Non-Executive Director | 5 | 0 | 3 |
| 6 | Mr. Nagesh Pinge | Independent Director | 9 | 5 | 8 |

| S. No. | Name of the Director | Category of Directorship | Number of directorships in public Companies (including Arvind Fashions Limited) * | Committee Position** | |
|---|---|---|---|---|---|
| | | | | Chairman | Member |
| 7 | Mr. Nilesh Shah | Independent Director | 5 | 0 | 4 |
| 8 | Mr. Achal Bakeri | Independent Director | 3 | 0 | 1 |
| 9 | Mr. Manoj Nakra | Independent Director | 2 | 1 | 2 |
| 10 | Ms. Ananya Tripathi | Independent Director | 3 | 0 | 2 |
| 11 | Mr. Govind Shrikhande | Independent Director | 4 | 1 | 3 |
| 12 | Ms. Nithya Easwaran# | Not Applicable | | | |

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

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

#Ms. Nithya Easwaran ceased to be a Non-Executive Director w.e.f closing hours of September 23rd 2024.

### Names of the other Listed Entities where a Director of the Company is a director and the category of Directorship as on March 31, 2025:

| S. No. | Name of the Director | Name of the Listed Company | Category of the Directorship |
|---|---|---|---|
| 1 | Mr. Sanjay Lalbhai | The Anup Engineering Limited | Chairman and Non-Executive Director |
| | | Arvind Smartspaces Limited | Chairman and Non-Executive Director |
| | | Arvind Limited | Chairman and Managing Director |
| 2 | Mr. Kulin Lalbhai | Arvind Smartspaces Limited | Non-Executive Director |
| | | Zydus Wellness Limited | Non-Executive Independent Director |
| | | Arvind Limited | Executive Director |
| 3 | Mr. Shailesh Shyam Chaturvedi | - | - |
| 4 | Mr. Punit Lalbhai | The Anup Engineering Limited | Vice Chairman and Non-Executive Director |
| | | Arvind Limited | Executive Director |
| | | Deepak Nitrite Limited | Non-Executive Independent Director |
| 5 | Mr. Suresh Jayaraman | - | - |
| 6 | Ms. Nithya Easwaran@ | NA | NA |
| 7 | Mr. Nagesh Dinkar Pinge | Automobile Corporation of Goa Limited | Non-Executive Independent Director |
| | | Arvind Limited | Non-Executive Independent Director |
| | | Utkarsh Small Finance Bank Limited | Non-Executive Independent Director |
| | | Goa Carbon Limited | Non-Executive Independent Director |
| 8 | Mr. Nilesh Shah | Arvind Limited | Non-Executive Independent Director |
| | | Arvind Smartspaces Limited | Non-Executive Independent Director |
| 9 | Mr. Achal Bakeri | Symphony Limited | Chairman and Managing Director |
| | | Nuvoco Vistas Corporation Limited | Non-Executive Independent Director |
| 10 | Mr. Manoj Nakra | Credo Brands Marketing Limited | Non-Executive Non-Independent Director |
| 11 | Ms. Ananya Tripathi | - | - |
| 12 | Mr. Govind Shrikhande | Brand Concepts Limited | Non-Executive Independent Director |
| | | Donear Industries Limited | Non-Executive Independent |
| | | V-Mart Retail Limited | Non-Executive Independent |

@Ms. Nithya Easwaran (DIN: 03605392) had resigned from the position of Non-executive Director of the Company with effect from September 23, 2024

Pursuant to Regulation 17A of the SEBI Listing Regulations, none of the Directors hold directorships in more than seven (7) Listed Companies or act as an Independent Director in more than seven (7) Listed Companies. Also, none of the Directors is a member of more than ten (10) committees or Chairperson of more than five (5) Committees across all the public companies in which he or she is a director in terms of Regulation 26 of the SEBI Listing Regulations. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2025, have been received from all the Directors.

In terms of the annual disclosures given by the Directors, none of them are disqualified under Section 164(2) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. None of the Directors of the Company have been restrained or debarred from holding the office of director by virtue of SEBI order or any other authority. The Company has proper systems to enable the Board of Directors to review on a periodic basis compliance report of all laws applicable to the Company, as prepared by the Company as well as to assess the steps taken by the Company to rectify instances of non-compliances, if any.

## 2.2 Key Board Qualifications, Expertise and Attributes:

The Nomination and Remuneration Committee ("NRC") along with the Board identifies the right candidate with the right qualities, skills and experience required for an individual member and the Board as a whole.

In case of appointment of Independent Directors, the NRC satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively and ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Act and as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank.

The following skills/ expertise/competencies have been identified for the effective functioning of the Company and are currently available with the Board:

| Name of the Director | Skills/Expertise/Competencies identified for the effective functioning of the Company and are currently available with the Board |
|---|---|
| Mr. Sanjay Lalbhai | • Industrialist, Apparel & Textile Industry domain |
| | • Entrepreneur |
| | • Board Service & Governance |
| | • International business experience covering operations in new geographies |
| | • Sales and Marketing including an understanding of consumer markets in India, US and Europe |
| | • Strategic Thinking |
| Mr. Shailesh Shyam Chaturvedi | • Apparel & Textile Industry domain |
| | • Marketing |
| | • Finance |
| | • Business Strategy & Corporate Planning. |
| Mr. Suresh Jayaraman | • Apparel & Textile Industry domain |
| | • FMCG Industry domain |
| | • Marketing |
| | • Business Strategy & Corporate Planning. |
| Mr. Kulin Lalbhai | • Industrialist |
| | • Apparel & Textile Industry domain |
| | • Entrepreneur |
| | • Expert in retail technologies and digital transformation |
| | • Sales and Marketing including an understanding of consumer markets in India, US and Europe |
| | • International business experience covering operations in new geographies |

| Name of the Director | Skills/Expertise/Competencies identified for the effective functioning of the Company and are currently available with the Board |
|---|---|
| Mr. Punit Lalbhai | • Expertise in new materials and sustainable technologies |
| | • Sales and marketing |
| | • International business operations and Innovation management |
| Mr. Nilesh Shah | • Finance & Banking |
| | • Asset Management |
| | • Capital Markets, Wealth Management |
| | • Expertise in macro-economy |
| | • Shareholder value creation |
| | • General Management and financial management skills including mergers and acquisition, legal and regulatory management |
| Ms. Ananya Tripathi | • Business strategy |
| | • Business analysis |
| | • Management consulting and competitive analysis. |
| Mr. Nagesh Pinge | • Expert in ethics, Corporate Governance, Risk Management, Internal Audit, Finance, Accounts and corporate laws. |
| Mr. Achal Bakeri | • Industrialist, Entrepreneur, corporate strategy and people development |
| Mr. Manoj Nakra | • Expertise and experience are in retail and distribution, entrepreneurship, and technology applications. |
| Mr. Govind Shrikhande | • Apparel & Textile Industry domain, Marketing, Finance, Business Strategy & Corporate Planning |
| Ms. Nithya Easwaran* | Not applicable |

*Ms. Nithya Easwaran (DIN: 03605392) has resigned from the position of Non-executive Director of the company with effect from September 23, 2024

## 2.3 Board Agenda:

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

The necessary quorum was present for all Board meetings. All material information was circulated to all the Directors before the meeting or placed at the meeting, including the minimum information required to be made available to the Board as prescribed under Part-A of Schedule II of the SEBI Listing Regulations. To enable the Board to discharge its responsibilities effectively and make informed decisions, the management apprises the Board through a presentation at every Meeting on the Company's overall performance.

### Invitees & Proceedings:

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

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

### Support and Role of Company Secretary:

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

### 2.4 Meetings and Attendance:

Board meetings are scheduled as required under the SEBI Listing Regulations, the Act and the rules made thereunder, and as required under business exigencies. During the year, the Board of Directors met 4 (four) times, i.e., May 21, 2024, August 1, 2024, October 28, 2024, and February 5, 2025. The gap between two consecutive meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by The Institute of Company Secretaries of India.

The following is the attendance of the Directors in Board meetings and last Annual General Meeting (AGM) held as on March 31, 2025:

| S. No. | Name of the Director | Number of Board Meetings held during the year when the Director was on the Board | Attendance of meetings | |
|---|---|---|---|---|
| | | | No. of Board meetings attended during FY25 | Attendance in the last AGM held on Aug 19, 2024 |
| 1 | Mr. Sanjay Lalbhai | 4 | 4 | Yes |
| 2 | Mr. Shailesh Chaturvedi | 4 | 4 | Yes |
| 3 | Mr. Suresh Jayaraman | 4 | 2 | Yes |
| 4 | Mr. Kulin Lalbhai | 4 | 4 | Yes |
| 5 | Mr. Punit Lalbhai | 4 | 4 | Yes |
| 6 | Mr. Nagesh Pinge | 4 | 4 | Yes |
| 7 | Mr. Nilesh Shah | 4 | 4 | Yes |
| 8 | Mr. Achal Bakeri | 4 | 3 | No |
| 9 | Mr. Manoj Nakra | 4 | 4 | Yes |
| 10 | Ms. Ananya Tripathi | 4 | 3 | Yes |
| 11 | Mr. Govind Shrikhande | 4 | 4 | Yes |
| 12 | Ms. Nithya Easwaran* | 2 | 2 | Yes |

*Ms. Nithya Easwaran (DIN: 03605392) had resigned from the position of Non-executive Director of the Company with effect from September 23, 2024

### 2.5 Independent Directors:

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

#### (a) Number of Directorship –

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

#### (b) Criteria of Independence –

The Independent Directors have confirmed that they meet the criteria of independence laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

#### (c) Tenure –

None of the Independent Directors have exceeded the tenure prescribed under Regulation 25 of the SEBI Listing Regulations and Section 149(10) of the Act.

#### (d) Separate meeting of Independent Director –

During the year under review, the Independent Directors met on February 27, 2025, without the presence of the non-independent directors and members of the management to *inter-alia* discuss the matters pertaining:

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

They expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express views on the business transacted at the Meetings, and the openness with which the Management discussed various subject matters on the agenda of meetings. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company at https://www.arvindfashions.com/wp-content/uploads/2023/12/Independent-Director-Terms-and-Conditions-of-Appointment.pdf

### 2.6 Disclosure of relationships between the Directors inter-se:

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

### 2.7 Number of shares and convertible instruments held by Non-Executive Directors as on 31st March 2025:

| Name | Category | No. of equity shares held |
|---|---|---|
| Mr. Sanjaybhai Lalbhai | Chairman and Non-Executive Director | 76 |
| Mr. Kulin Lalbhai | Vice Chairman & Non-Executive Director | 0 |
| Mr. Suresh Jayaraman | Non-Executive Director | 5,76,568 |
| Ms. Nithya Easwaran@ | Non-Executive Director | 6,670 |
| Mr. Punit Lalbhai | Non-Executive Director | 1544 |
| Mr. Nilesh Shah | Independent Director | 42 |
| Mr. Nagesh Pinge | Independent Director | 0 |
| Mr. Achal Bakeri | Independent Director | 0 |
| Mr. Manoj Nakra | Independent Director | 0 |
| Ms. Ananya Tripathi | Independent Director | 0 |
| Mr. Govind Shrikhande | Independent Director | 0 |

@Ms. Nithya Easwaran (DIN: 03605392) had resigned from the position of Non-executive Director of the Company with effect from September 23, 2024.

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

### 2.8 Familiarization Programme:

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

The details of familiarization program imparted to Independent Directors is also posted on the Company's Website at https://www.arvindfashions.com/wp-content/uploads/2025/04/Directors-Familiarization-Programs-2018-19-to-2024-25.pdf

### 2.9 Code of Conduct for Directors and Senior Management Personnel:

In terms of the provisions of the SEBI Listing Regulations, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company at https://www.arvindfashions.com/corporate-governance/. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct.

The Chairman and Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of conduct.

### 2.10 Prohibition of Insider Trading Code:

The Company has adopted codes viz. "Code of Conduct for Prohibition of Insider Trading" and the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information" in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), as amended from time to time.

The Code is applicable to Promoters, members of the Promoters' Group, all Directors and such Designated Persons and their immediate relatives who are expected to have access to unpublished price-sensitive information relating to the Company. The Chief Financial Officer is the Compliance Officer and is responsible for the implementation of the Code and monitoring adherence to the said PIT Regulations. The Code allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

Further, the details of the trading by Designated Persons are placed before the Audit Committee on a quarterly basis.

### 2.11 Committees of the Board:

The Board Committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. Minutes of the proceedings of Committee meetings are circulated to the directors and placed before Board meetings for noting. The Board of Directors has constituted 6 Committees of the Board, viz.

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

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

## 3. AUDIT COMMITTEE

The Audit Committee of the Company comprises of 4 (four) members out of which 3 (three) members are Non-Executive Independent Directors. The Committee members are professionals having wide exposure, knowledge and experience in the fields of Finance and Accounts, Banking and Management. The terms of reference of the Audit Committee have been drawn up in line with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act. Mr. Nagesh Pinge, Non-Executive Independent Director acts as the Chairman of the Committee and was present at the last AGM of the Company, held on August 19, 2024, to answer shareholder queries in accordance with the provisions of the Act, SEBI Listing Regulations and Secretarial Standards.

The Audit Committee, *inter alia*, provides reassurance to the Board on the existence of an effective internal control environment.

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

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of auditors of Company.

3. Approval of payment to Auditors for any other services rendered by the Auditors of Company.

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons thereto;
    - Major accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of any related party transactions; and
    - Modified opinion(s) of the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.

8. Formulating a policy on related party transactions, which shall include materiality of related party transactions.

9. Approval or any subsequent modification of transactions of the Company with related parties.

10. Scrutiny of inter-corporate loans and investments

11. Valuation of undertakings or assets of the listed entity, wherever it is necessary.

12. Evaluation of internal financial controls and risk management systems.

13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

15. Discussion with internal auditors of any significant findings and follow up there on;

16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

18. To investigate the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

19. To review the functioning of the whistle blower mechanism.

20. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.

21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

22. To review the compliance with the provisions of Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively.

23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

24. Carrying out any other function as mentioned in the terms of reference of the audit committee.

    **Audit Committee shall mandatorily review the following information:**

    a. Management discussion and analysis of financial condition and results of operations.

    b. Management letters / letters of internal control weaknesses issued by the statutory auditors of Company.

    c. Internal audit reports relating to internal control weaknesses.

    d. The appointment, removal and terms of remuneration of the chief internal auditor.

    e. Statement of deviations:

        - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchanges in terms of sub-regulation (1) of Regulation 32 of the SEBI Listing Regulations; and
        - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of sub-Regulation (7) of Regulation 32 of the SEBI Listing Regulations.

### 3.2 The Composition of the Committee as on March 31, 2025, and the details of Members participation at the Meetings of the Committee are as under:

During the year, the Board of Directors, in their meeting held on October 28, 2024, had re-constituted Audit Committee by way of inclusion of Mr. Suresh Jayaraman (DIN: 03033110), Non-Executive, Non-Independent Director of the Company as a member of the Audit Committee with immediate effect.

During the year, 4 (four) Audit Committee Meetings were held on May 21, 2024, August 1, 2024, October 28, 2024, and February 5, 2025. The attendance of each Members of the Committee is given below.

| Sr. No. | Name of Member | Position | Number of Meetings held during the year | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. Nagesh Pinge | Chairman | 4 | 4 |
| 2 | Mr. Nilesh Shah | Member | 4 | 4 |
| 3 | Ms. Nithya Easwaran@ | Member | 4 | 0 |
| 4 | Ms. Ananya Tripathi | Member | 4 | 3 |
| 5 | Mr. Suresh Jayaraman | Member | 4 | 0 |

@Ms. Nithya Easwaran (DIN: 03605392) had resigned from the position of Non-executive Director of the Company with effect from September 23, 2024.

The gap between the two meetings did not exceed 120 days. The representatives of Internal and Statutory Auditors are invitees to the Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

## 4 NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178(1) of the Act and Regulation 19 of the SEBI Listing Regulations, the Nomination and Remuneration Committee ("NRC") has been constituted. The NRC of the company comprises of 4 (four) Directors viz. Mr. Achal Bakeri, Mr. Nilesh Shah, Mr. Govind Shrikhande and Mr. Suresh Jayaraman - 1 (one) of them is Non-Executive, Non-Independent Director and other 3 (three) are Non-Executive Independent Directors. During the year under review, the committee met once on July 31, 2024.

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

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

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

    i. Use the services of external agencies if required.

    ii. Consider candidates from a wide range of backgrounds, having due regard for diversity.

    iii. Consider the time commitment of the candidates.

3. Formulation of criteria for evaluation of independent directors and the Board.

4. Devising a policy on Board diversity.

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

6. Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, the Nomination and Remuneration Committee or an Independent external agency and review its implementation and compliance.

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

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

### 4.2 The Composition of the Committee as on March 31, 2025, and the details of Members participation at the Meetings of the Committee are as under:

During the year, the Board of Directors, in their meeting held on August 1, 2024 and October 28, 2024 had re-constituted Nomination and Remuneration Committee by way of inclusion of Mr. Govind Shrikhande (DIN: 00029419), Non-executive Independent Director and Mr. Suresh Jayaraman (DIN: 03033110), Non-Executive, Non-Independent Director of the Company respectively as a member of the Nomination and Remuneration Committee with immediate effect.

During the year under review, 1 (one) Nomination and Remuneration Committee Meeting was held on July 31, 2024. The Chairman of the NRC was present at the last AGM of the Company, held on August 19, 2024, to answer shareholder queries in accordance with the provisions of the Act, SEBI Listing Regulations and Secretarial Standards. The Attendance of Members at meeting was as under:

| Sr. No. | Name of Member | Position | Number of Meetings held during the year | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. Nilesh Shah | Chairman | 1 | 1 |
| 2 | Mr. Achal Bakeri | Member | 1 | 1 |
| 3 | Ms. Nithya Easwaran@ | Member | 1 | 1 |
| 4 | Mr. Govind Shrikhande | Member | 1 | NA* |
| 5 | Mr. Suresh Jayaraman | Member | 1 | NA** |

@Ms. Nithya Easwaran (DIN: 03605392) had resigned from the position of Non-executive Director of the Company with effect from September 23, 2024.

*Mr. Govind Shrikhande (DIN: 00029419), Non-executive Independent Director became the member of the Committee with effect from August 1, 2024.

**Mr. Suresh Jayaraman (DIN: 03033110), Non-executive Non-Independent Director became the member of the Committee with effect from October 28, 2024.

### 4.3 Evaluation of the Board's Performance:

During the year, the Annual Performance Evaluation was conducted for all Board Members as well as the working of the Board and its Committees. The specific focus of the evaluation process was on the performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Act and the SEBI Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board evaluation was conducted through a questionnaire designed with qualitative parameters and feedback based on ratings.

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

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company. The Chairman of the Board in consultation with the Chairman of the NRC have noted the actions taken in improving Board effectiveness based on feedback given by the Directors.

### 4.4 Remuneration Policy and Criteria for making payment to Directors, Senior Management and Key Managerial Personnel:

Remuneration of Managing Director, Senior Management employees and Key Managerial Personnel is recommended by the NRC and approved by the Board of Directors and the Shareholders of the Company (if applicable) after considering various factors like balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, Company's performance vis-à-vis the annual achievement, individuals' performance vis-à-vis KRAs/ KPIs, Industry benchmark and prevailing HR policies etc.

The remuneration of Non-Executive Directors is determined by the Board and is also approved by the Shareholders in a General Meeting. Non-Executive Directors are paid Sitting Fees of ₹ 50,000/- for every meeting of the Board of Directors and ₹ 20,000/- for every meeting of the Committee attended by them. Apart from this, Non-Executive Directors [other than Managing Director and Whole Time Director(s)] are entitled for commission within the limit of 1% of the net profits of the Company per annum or such other amount as may be approved by the Board and Shareholders.

The remuneration policy is available on Company's website at https://www.arvindfashions.com/corporate-governance/. None of the Non-Executive Directors received remuneration exceeding 50% of the total annual remuneration paid to all Non-Executive Directors for the year ended March 31, 2025.

**Details of remuneration paid to all Directors for the services rendered and stock options granted during the Financial Year 2024-25 are as under:**

**(₹ in Crores)**

| Sr. No | Name of Director | Salary (₹) | Perquisites & Allowances & Performance Linked Incentives (₹) | Retirement & Leave Benefits (₹) | Sitting Fees (₹) | Commission/ Bonus (₹) | Stock Option (No. of shares) |
|---|---|---|---|---|---|---|---|
| 1 | Mr. Sanjay Lalbhai | - | - | - | 0.020 | 0.055 | - |
| 2 | Mr. Suresh Jayaraman | - | - | - | 0.012 | 0.032 | - |
| 3 | Mr. Kulin Lalbhai | - | - | - | 0.024 | 0.100 | - |
| 4 | Mr. Punit Lalbhai | - | - | - | 0.022 | 0.065 | - |
| 5 | Ms. Nithya Easwaran@ | - | - | - | 0.004 | - | - |
| 6 | Mr. Nilesh Shah | - | - | - | 0.036 | 0.075 | - |
| 7 | Mr. Nagesh Pinge | - | - | - | 0.032 | 0.120 | - |
| 8 | Mr. Achal Bakeri | - | - | - | 0.017 | 0.065 | - |
| 9 | Mr. Shailesh Shyam Chaturvedi* | 7.35 | 1.90* | - | - | - | - |
| 10 | Mr. Manoj Nakra | | | - | 0.020 | 0.055 | - |
| 11 | Ms. Ananya Tripathi | - | - | - | 0.021 | 0.075 | - |
| 12 | Mr. Govind Shrikhande | - | - | - | 0.022 | 0.065 | - |

@Ms. Nithya Easwaran (DIN: 03605392) had resigned from the position of Non-executive Director of the Company with effect from September 23, 2024. Ms. Easwaran had opted not to accept commission.

*Perquisite of Mr. Shailesh Chaturvedi is on account of the exercise of his vested employees' stock options.

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

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

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

Please refer to Point no. 8 of Directors' Report for Employee Stock Option Scheme.

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

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted the Stakeholders' Relationship Committee ("SRC") in compliance with the provisions of Section 178(5) of the Act and Regulation 20 of the SEBI Listing Regulations. The SRC of the Company comprises 4 (four) Directors out of which 2 (two) are Non-Executive Independent Directors and 2 (two) are Non-Executive Non-Independent Directors.

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

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

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

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

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

### 5.2 The Composition of the Committee as on March 31, 2025, and the details of Members participation at the Meetings of the Committee are as under:

During the year, 1 (one) SRC Meeting was held on May 21, 2024. The Attendance of Members at meeting was under:

| Sr. No. | Name of Member | Position | Number of Meetings held during the year | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. Kulin Lalbhai | Chairman | 1 | 1 |
| 2 | Ms. Nithya Easwaran@ | Member | 1 | 0 |
| 3 | Mr. Nilesh Shah | Member | 1 | 1 |
| 4 | Mr. Govind Shrikhande | Member | 1 | 1 |

@Ms. Nithya Easwaran (DIN: 0J3605392) had resigned from the position of Non-executive Director of the Company with effect from September 23, 2024.

### 5.3 Name and Designation of Compliance Officer:

Ms. Lipi Jha

Company Secretary

### 5.4 Details of Complaints / Queries received and redressed during the year are as follows:

| Number of shareholders' complaints pending at the beginning of the year | Number of shareholders' complaints received during the year | Number of shareholders' complaints redressed during the year | Number of shareholders' complaints pending at the end of the year |
|---|---|---|---|
| 0 | 14 | 13 | 1 |

All the complaints/queries have been redressed to the satisfaction of the complainants and one complaint/query was pending at the end of the year.The Chairman of the SRC attended the last AGM held on August 19, 2024.

## 6. RISK MANAGEMENT COMMITTEE

In terms of Regulation 21 of the SEBI Listing Regulations, the Risk Management Committee ("RMC") has been constituted.

The Risk Management Committee comprising of 5 (five) Director viz. Mr. Nilesh Shah, Mr. Nagesh Pinge, Mr. Suresh Jayaraman, Ms. Ananya Tripathi and Mr. Shailesh Chaturvedi, 3 (three) of them are Non-Executive Independent Directors, 1 (one) is Non-Executive Director and 1 (one) is Executive Director.

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

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

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

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

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

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

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

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

### 6.2 The Composition of the Committee as on March 31, 2025, and the details of Members participation at the Meetings of the Committee are as under:

During the year, the Board of Directors, in their meeting held on October 28, 2024, had re-constituted Risk Management Committee by way of appointing Mr. Nagesh Pinge (DIN: 00062900), Non-executive Independent Director as the Chairman of the Committee with immediate effect.

During the year under review, the RMC met 2 (two) times on July 31, 2024 & February 21, 2025, and the Attendance of Members at meeting was under:

| Sr. No. | Name of Member | Position | Number of Meetings held during the year | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. Nagesh Pinge | Chairman | 2 | 2 |
| 2 | Mr. Suresh Jayaraman | Member | 2 | 1 |
| 3 | Mr. Nilesh Shah | Member | 2 | 1 |
| 4 | Ms. Nithya Easwaran* | Member | 2 | 1 |
| 5 | Mr. Shailesh Chaturvedi | Member | 2 | 2 |
| 6 | Ms. Ananya Tripathi | Member | 2 | 0 |

[@] Ms. Nithya Easwaran (DIN: 03605392) had resigned from the position of Non-executive Director of the Company with effect from September 23, 2024.

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has in place a Corporate Social Responsibility (CSR) Committee in line with the provisions of Section 135 of the Act to recommend the amount of expenditure to be incurred on the activities prescribed as per the approved policy and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Committee comprises of three (3) Directors viz. Mr. Kulin Lalbhai, Mr. Punit Lalbhai and Mr. Nilesh Shah of which two (2) are Non-Executive Directors and one (1) is Non-Executive Independent Director.

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

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

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

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

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

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

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

### 7.2 Composition of the Committee as on March 31, 2025, and the details of Members participation at the Meetings of the Committee are as under:

During the year under review, the CSR Committee met once a year on May 21, 2024. The Attendance of the Members at the meeting were as under:

| Sr. No. | Name of Member | Position | Number of Meetings held during the year | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. Kulin Lalbhai | Chairman | 1 | 1 |
| 2 | Mr. Nilesh Shah | Member | 1 | 1 |
| 3 | Mr. Punit Lalbhai | Member | 1 | 1 |

The Company Secretary acts as Secretary to the CSR Committee.

## 8. COMMITTEE OF DIRECTORS

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

### 8.1 Role:

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

### 8.2 The Composition of the Committee as on March 31, 2025, and the details of Members participation at the Meetings of the Committee are as under:

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

| Sr. No. | Name of Member | Position | Number of Meetings held during the year | Number of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. Sanjay Lalbhai | Member | 19 | 19 |
| 2 | Mr. Kulin Lalbhai | Member | 19 | 18 |
| 3 | Mr. Punit Lalbhai | Member | 19 | 19 |
| 4 | Mr. Suresh Jayaraman | Member | 19 | 1 |
| 5 | Mr. Shailesh Chaturvedi | Member | 19 | 0 |

## 9. SENIOR MANAGEMENT:

Details of the Senior Management Personnel as on March 31, 2025, as defined under Regulation 16(1)(d) of SEBI Listing Regulations are as follows:

| Sr. No. | Name | Designation |
|---|---|---|
| 1 | Mr. Amitabh Suri | CEO – USPA & Flying Machine |
| 2 | Mr. Anand Iyer | CEO - Arrow |
| 3 | Mr. Nitesh Kumar Kanchan | CEO (AFL Digital) |
| 5 | Mr. Anurag Pandey | CEO – Footwear Division |
| 6 | Mr. Rajat Arora | Senior VP – Supply Chain |
| 7 | Mr. Lal Sudhakaran | Chief Sourcing Officer |
| 8 | Mr. Mallikarjuna Yarabolu | Chief Revenue Officer |
| 9 | Mr. Girdhar Kumar Chitlangia | Chief Financial Officer |
| 10 | Ms. Lipi Jha | Company Secretary |
| 11 | Mr. Rohith Kumar A | Chief Human Resource Officer |

During the period under review, following changes took place –

- Mr. Nidhi Raj, CEO – Flying Machine, Mr. Asim Jagdale, Chief Human Resource Officer and Mr. Satish Panchapakesan, Chief Information Officer had resigned from the Company and therefore, ceased to be a part of Senior Management Personnel.

- Mr. Rohith Kumar A has been appointed on February 3, 2025, as Chief Human Resource Officer & designated as Senior Management Personnel of the Company. Mr. Ankit Arora, Head Investor Relations & Treasury and Ms. Preeti Kaushik, Business Head - Innerwear ceases to be part of Senior Management Personnel due to change in reporting structure.

## 10. INFORMATION ON GENERAL BODY MEETINGS

### 10.1 Annual General Meeting (AGM):

**The details of AGM 's convened during the last three (3) years are as follows:**

| Date | Time | Venue |
|---|---|---|
| August 19, 2024 | 11:00 A.M. | The Registered Office was deemed venue of the meeting as the meeting was held through Video Conference (VC)/Other Audio Visual Means (OAVM) |
| September 12, 2023 | 11:00 A.M | The Registered Office was deemed venue of the meeting as the meeting was held through Video Conference (VC)/Other Audio Visual Means (OAVM) |
| September 26, 2022 | 02:00 P.M. | The Registered Office was deemed venue of the meeting as the meeting was held through Video Conference (VC)/Other Audio Visual Means (OAVM) |

### 10.2 Special Resolution passed in the last 3 Annual General Meetings:

**2023-24**

NIL

**2022-23**

1. Special Resolution for approving payment of the Commission to the Non-Executive Directors of the Company.

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

3. Special Resolution to re-appoint Mr. Nagesh Pinge (DIN: 00062900) as an Independent Director of the Company.

4. Special Resolution to re-appoint Mr. Achal Bakeri (DIN: 00397573) as an Independent Director of the Company

**2021-22**

1. To Appoint Mr. Manoj Nakra (DIN: 08566768) as an Independent Director of the Company.

2. To approve loans or guarantees or provide security to the Subsidiary and Joint Venture Companies.

3. To consider such number of stock options exercisable into not more than 8,00,000 (Eight Lakhs only) equity shares of the Company of face value of ₹ 4 each, under one or more Employee Stock Option Schemes for the benefit of such person(s) who are in permanent employment of the Company/Holding Company/Subsidiary Companies

### 10.3 Extra-Ordinary General Meeting (EGM):

Apart from the Annual General Meeting, no other General Meeting was held during the Financial Year 2024-25.

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

During the year, the Company has not passed any resolution through postal ballot.

**Procedure for postal ballot:**

The Postal Ballot is carried out in compliance with the Regulation 44 of the SEBI Listing Regulations and as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with various circulars issued by the Ministry of Corporate Affairs. The postal ballot notice was dispatched containing resolution together with the explanatory statement and remote e-voting instructions through electronic mode to all those members whose e-mail address were registered with the Company/Registrar and Share Transfer Agent ("RTA") or Depository/Depository Participants and whose names appeared in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories.

The Company engages National Securities Depository Limited for providing e-voting facility to all its members, to enable them to cast their votes electronically. In terms of relaxation provided by the Ministry of Corporate Affairs, only e-voting facility was provided, and physical ballot papers were not provided to the members. The Company had also published notices in the newspapers about the postal ballot and the process as required under the Act and applicable rules.

The Board of Directors appoints scrutinizer as required under the Act for conducting the postal ballot through remote e-voting process in a fair and transparent manner. The consolidated results of the voting were submitted by the scrutinizer to the Company Secretary within the period specified in the postal ballot notice and the same was simultaneously submitted with the stock exchanges and displayed on the Company's website at https://www.arvindfashions.com/corporate-governance/ and NSDL at www.evoting.nsdl.com.

## 11. MEANS OF COMMUNICATION

11.1 The Quarterly, half-yearly and yearly financial Results are published in the Financial Express - All India Editions and Financial Express - Gujarati Edition of Ahmedabad. The quarterly/half-yearly and yearly results are also uploaded on NSE's Electronic Application Processing System (NEAPS) and BSE Listing Centre and are also uploaded on the Company's website at www.arvindfashions.com.

11.2 The Company hosts the quarterly earnings call after the release of its quarterly/half-yearly/annual results along with a discussion on the performance of the business which was well attended by the analysts and investors. This is followed by a question-and-answer session such that whosoever has a question for the management can raise it in the forum. Transcripts of the conference calls are also made available on the Company's website. Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors. Presentations made to institutional investors/analysts are posted on the Company's website at www.arvindfashions.com.

11.3 The Company's website contains a separate dedicated section on 'Investor Relations' that keeps the investors updated on the key and material developments of the Company. It contains comprehensive database of information for the investors including the financial results, Annual Reports of the Company, presentations made to institutional investors or to the analyst, business activities and the services rendered / facilities extended by the Company to our investors, in a user-friendly manner. The basic information about the Company as required in terms of Listing Regulations is also provided on the Company's website, and the same is updated regularly.

NSE's Electronic Application Processing System ('NEAPS") and BSE Listing Centre ('Listing Centre") is a web-based system designed by NSE and BSE for corporates. The shareholding pattern, corporate governance report, corporate announcements, financial results and other event-based updates/announcements, etc. are also filed electronically on NEAPS and Listing Centre, which can be accessed at www.nseindia.com and www.bseindia.com.

11.4 The investors' complaints are also being processed through the centralized web-based complaint redressal system. The salient features of SCORES are the availability of a centralized database of complaints, uploading online Action Taken Reports (ATRs) by the Company. Through SCORES, the investors can view online the actions taken and the status of the complaints

## 12. GENERAL SHAREHOLDER INFORMATION

### 12.1 Annual General Meeting:

| | |
|---|---|
| Date | 26th August 2025 |
| Time | 11.00 A.M (IST) |
| Venue | Video Conferencing or through Other Audio Visual Means |

### 12.2 Financial Calendar (Tentative):

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

| | | |
|---|---|---|
| First quarter results | : | Last week of July, 2025 |
| Second quarter results | : | First week of November, 2025 |
| Third quarter results | : | Last week of January, 2026 |
| Fourth quarter results / Year end results | : | First week of May, 2026 |

## 12.3 Record Date for Dividend Payment: 12th August 2025

## 12.4 Dividend Payment Date: Dividend shall be paid within 30 days of the AGM date.

## 12.5 Listing on Stock Exchanges:

### Equity Shares-

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

### Non-Convertible Debentures -

None

Scrip Code – Not Applicable

Debenture Trustee – Not Applicable

The Company has paid Annual Listing Fees for the year 2024-25 to the above Stock Exchanges.

## 12.6 Registrar And Transfer Agent:

MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)
5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre (GBC), Near St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad-380006.
Phone Nos. 079-26465179/86/87
E-mail: ahmedabad@linkintime.co.in
Website: www.in.mpms.mufg.com

## 12.7 Share Transfer System:

### (I) Delegation of Share Transfer Formalities:

As mandated by SEBI, securities of the Company can be transferred/traded only in dematerialized form. Shareholders holding shares in physical form are advised to avail the facility of dematerialization. During the year, the Company obtained a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange and deletion of names were issued as required under Regulation 40(9) of the SEBI (LODR) Regulations 2015. The Certificate was duly filed with the Stock Exchange. The Stakeholders Relationship Committee meet as and when required to, inter alia, consider the issue of duplicate share certificates and attend to Shareholder's grievances etc.

### (II) Share Transfer Details for the period from April 1, 2024, to March 31, 2025:

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

### (III) Investors' Grievances:

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

### (IV) Category wise Shareholding as on 31st March 2025:

| Category | Number of Shares | Shareholding in percentage(%) |
|---|---|---|
| Promoters and Promoter Group | 46906359 | 35.19 |
| **Mutual Funds** | 22411771 | 16.81 |
| Financial Institutions, Banks, Insurance Companies, Alternative Investment Funds & Central/State Government | 6831619 | 5.12 |
| Foreign Portfolio Investors, Foreign Institutional Investors, NRIs, Foreign Banks, Foreign Nationals | 13792275 | 10.35 |
| NBFCs registered with RBI | 1152 | 0.00 |
| Bodies Corporate | 6599548 | 4.95 |
| Individuals | 35572616 | 26.69 |
| Trusts | 18595 | 0.01 |
| Hindu Undivided Family | 1156128 | 0.87 |
| Clearing Members | 9695 | 0.01 |
| Overseas Bodies Corporate | 752 | 0.00 |
| **Total shareholding** | **13,33,00,510** | **100.00** |

### (v) Distribution of Shareholding as on 31st March 2025:

| Sr. No. | Share range | | | Number of Shareholders | Total shares for the range | % of Issue Capital |
|---|---|---|---|---|---|---|
| 1 | 1 | to | 500 | 187725 | 8681910 | 6.51 |
| 2 | 501 | to | 1000 | 4353 | 3153284 | 2.37 |
| 3 | 1001 | to | 2000 | 2079 | 2998590 | 2.25 |
| 4 | 2001 | to | 3000 | 691 | 1731025 | 1.30 |
| 5 | 3001 | to | 4000 | 357 | 1259802 | 0.95 |
| 6 | 4001 | to | 5000 | 217 | 1003984 | 0.75 |
| 7 | 5001 | to | 10000 | 429 | 3131857 | 2.35 |
| 8 | 10001 | to | ********** | 629 | 111315369 | 83.52 |
| **Total** | | | | **196480** | **13,32,75,821*** | **100.00** |

**Excluding 24,689 partly paid up shares.*

### (VI) Dematerialization of shares and liquidity:

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on March 31, 2025, 13,28,36,093 shares representing 99.65% of the issued capital have been dematerialized by investors and bulk of transfers take place in the demat form.

**Demat ISIN:** Equity Shares fully paid: INE955V01021

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

The company has not issued any GDRs / ADRs / Warrants or any convertible instruments, hence this is not applicable.

## 12.9 Commodity price risk or foreign exchange risk and hedging activities:

The Company does not engage in commodity trading, hedging activities

### Forex Risk:

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

### Plant Locations:

The Company does not have any manufacturing plants.

## 12.10 Unclaimed Dividend:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to an unpaid dividend account shall also be transferred to the IEPF Authority.

Due Dates for Transfer of Unclaimed Dividend to the IEPF:

| Year | Dividend | Date of Declaration | Due Date for transfer to IEPF |
|---|---|---|---|
| FY23 | Final Dividend | September 12, 2023 | October 19, 2030 |
| FY24 | Final Dividend | August 19, 2024 | September 26, 2031 |

## 12.11 Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act are requested to submit the prescribed Form SH-13 for this purpose. Shareholders can access the desired form from the website of the Company at https://www.arvindfashions.com/wp-content/uploads/2022/01/Form-No.-SH-13-Registration-of-Nomination.pdf or alternatively may an e-mail write to the Company at investor.relations@arvindfashions.com.

## 12.12 List of all Credit Ratings obtained by the entity

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

## 12.13 Address for correspondence:

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

| | |
|---|---|
| Arvind Fashions Limited<br>Secretarial Department<br>Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 382345.<br>Phone Nos: 079-68268000/68268108-09<br>E-mail: investor.relations@arvindfashions.com<br>Website: www.arvindfashions.com | MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)<br>5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre (GBC), Near St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad - 380006.<br>Phone No. 079-26465179/86/87<br>Fax No. 079-26465179<br>E-mail: ahmedabad@in.mpms.mufg.com<br>Website: www.in.mpms.mufg.com |

## 13 OTHER DISCLOSURES

**I.** There are no materially significant transactions with the related parties viz. promoters, directors or the management or their relatives or subsidiaries etc. that had potential conflict with the company's interest at large or which warrants the approval of the shareholders. Suitable disclosure as required by the Indian Accounting Standard has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's Website at https://www.arvindfashions.com/wp-content/uploads/2025/02/Related-Party-Transaction-Policy.pdf

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

**III.** Loans and advances in the nature of loans to firms/ companies in which directors are interested by the Company and its subsidiaries is NIL.

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

**V.** The Company is in full compliance with the matters related to capital market and that no Strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Security Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

**VI.** The Company has formed the policy for determining material subsidiaries as required by Regulation 16 of the SEBI Listing Regulations, and the same is disclosed on the Company's website. The Web link is https://www.arvindfashions.com/wp-content/uploads/2025/02/Policy-on-Material-Subsidiaries.pdf.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings and the same is uploaded on the website of the Company at https://www.arvindfashions.com/financial-reports.

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

### VI. Vigil Mechanism

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

The Company has a Whistleblower Policy (WB Policy) that provides a framework and avenue for all directors, employees, business associates and other stakeholders which are a part of the business ecosystem of the Company for reporting, in good faith, instances of unethical/ improper conduct in the Company and commitment in adhering to the standards of ethical, moral and fair business practices, if any. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

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

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

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

Toll Free No.: 1800 200 8301

Dedicated Email ID: arvind@ethicshelpline.in

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

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

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

### IX. Certification from Company Secretary in Practice:

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

### X. Complaints pertaining to Sexual Harassment:

The details of the complaints received during the financial year under review are as follows:

| Sr. No. | Particulars | No. of Complaints |
|---|---|---|
| 1 | Complaints filed during the financial year | 1 |
| 2 | Complaints disposed off during the financial year | 1 |
| 3 | Complaints pending as on end of the financial year | 0 |

### XI. Details of total fees paid to Statutory Auditors:

Details relating to fees paid to the Statutory Auditors are given in Note 23(a) to the Standalone Financial Statements and Note 23(a) of the Consolidated Financial Statements.

### XII. Disclosure of the Compliance with Corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation 92) of Regulation 46 of the SEBI (Listing Obligation and Disclosure requirements), 2015.

| Regulation No. | Particulars | Compliance Status (Yes/No) |
|---|---|---|
| 17 | Board of Directors | Yes |
| 18 | Audit Committee | Yes |
| 19 | Nomination and Remuneration Committee | Yes |
| 20 | Stakeholders Relationship Committee | Yes |
| 21 | Risk Management Committee | Yes |
| 22 | Vigil Mechanism | Yes |
| 23 | Related Party Transactions | Yes |
| 24 | Corporate Governance Requirements with respect to subsidiary of the Company | Yes |
| 25 | Obligations with respect to Independent Directors | Yes |
| 26 | Obligations with respect to Directors and Senior Management | Yes |
| 27 | Other Corporate Governance requirements | Yes |
| 46(2)(b) | Website | Yes |

### XIII. CEO/CFO Certification:

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

### XIV. Disclosure of certain types of agreements binding listed entities:

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

### XV. Details of material subsidiaries:

| Sl No. | Name of material subsidiaries | Date of incorporation | Place of incorporation | Name of statutory auditors | Date of appointment of statutory auditors |
|---|---|---|---|---|---|
| 1 | Arvind Lifestyle Brands Limited | 13/02/1995 | Ahmedabad | Deloitte Haskins & Sells | 30/09/2021 |

### XVI. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

- During the year, the Company has fully complied with the mandatory requirements as stipulated under SEBI Listing Regulations.

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

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

    ii. **Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers but the same are not being sent to the shareholders.

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

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

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

The above Report was placed before the Board at its meeting held on May 17, 2025, and the same was approved.

**For and on behalf of the Board**

**Sanjay Lalbhai**
Chairman & Director
DIN - 00008329

**Shailesh Chaturvedi**
Managing Director & CEO
DIN - 03023079

Place: Ahmedabad
Date: May 17, 2025

Place: Bengaluru
Date: May 17, 2025

# CEO / CFO certification

To
The Board of Directors,
Arvind Fashions Limited,

**Re: Financial Statements for the year 2024-25 - Certification by CEO and CFO**

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

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2025 and that to the best of our knowledge and belief:

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

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

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

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

D. We have indicated to the auditors and the Audit Committee

  1. Significant changes in internal control over financial reporting during the year.

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

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

Sd/-
**Shailesh Chaturvedi**
Managing Director and CEO
DIN: 03023079

Sd/-
**Girdhar Kumar Chitlangia**
Chief Financial Officer

Place: Bangalore
Date: May 17, 2025

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

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

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2025.

Place: Bangalore
Date: May 17, 2025

**Shailesh Chaturvedi**
Managing Director & CEO
DIN: 3023079

# CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of
**Arvind Fashions Limited**

We, N. V. Kathiria & Associates, Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company for the year ended on 31st March, 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para–C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para–C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended on 31st March, 2025.

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

For, **N. V. KATHIRIA & ASSOCIATES**
Company Secretaries

**N. V. KATHIRIA**
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573G000366352)

Date: 17.05.2025
Place: Ahmedabad

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
**Arvind Fashions Limited**
Main Building, Arvind Limited Premises,
Naroda Road, Ahmedabad- 382345. (Gujarat)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Arvind Fashions Limited** having CIN: L52399GJ2016PLC085595 and having registered office at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad- 382345 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Mr. Sanjaybhai Shrenikbhai Lalbhai | 00008329 | 07/02/2017 |
| 2. | Mr. Nagesh Dinkar Pinge | 00062900 | 10/10/2018 |
| 3. | Mr. Achal Anil Bakeri | 00397573 | 10/10/2018 |
| 4. | Mr. Nilesh Dhirajlal Shah | 01711720 | 07/02/2017 |
| 5. | Mr. Shailesh Shyam Chaturvedi | 03023079 | 12/11/2020 |
| 6. | Mr. Suresh Jayaraman | 03033110 | 01/08/2018 |
| 7. | Mr. Punit Sanjay Lalbhai | 05125502 | 02/04/2019 |
| 8. | Mr. Kulin Sanjay Lalbhai | 05206878 | 07/02/2017 |
| 9. | Mr. Manoj Nakra | 08566768 | 01/07/2022 |
| 10. | Ms. Ananya Tripathi | 08102039 | 14/03/2023 |
| 11. | Mr. Govind Shridhar Shrikhande | 00029419 | 09/10/2023 |

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

For, **N. V. KATHIRIA & ASSOCIATES**
Company Secretaries

**N. V. KATHIRIA**
PROPRIETOR
FCS 4573 COP 3278
PR Cert. No. 1085/2021
(UDIN: F004573G000366308)

Date: 17.05.2025
Place: Ahmedabad

# Business Responsibility & Sustainability Reporting (BRSR)

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | L52399GJ2016PLC085595 |
| 2. | Name of the Listed Entity | Arvind Fashions Limited |
| 3. | Year of incorporation | 2016 |
| 4. | Registered office address | Arvind Limited, Naroda Road, Ahmedabad – 382345, Gujarat, India |
| 5. | Corporate address | Duparc Trinity, Service Road, M G Road, Bangalore – 560001 |
| 6. | E-mail | investor.relations@arvindfashions.com |
| 7. | Telephone | 080 - 4155 0601 |
| 8. | Website | Arvind Fashions - Powering Fashion in India |
| 9. | Financial year for which reporting is being done | FY 2024-25 |
| 10. | Name of the Stock Exchange(s) where shares are listed | 1. BSE Limited (Scrip Code: 542484)<br>2. National Stock Exchange of India Limited (Symbol: ARVINDFASN) |
| 11. | Paid-up Capital | INR 53.32 Crores Rupees |
| 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: Mr. Ankit Arora<br>Head of Investor Relations, Treasury & Sustainability<br>Telephone: +91 – 9920664475<br>Email id: ankit.arora@arvindfashions.com |
| 13. | Reporting boundary<br>Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Disclosures made in this report are on consolidated basis |

| Name of the Subsidiaries/JVs/Associate Companies | CIN Number |
|---|---|
| Arvind Lifestyle Brands Limited | U64201GJ1995PLC024598 |
| PVH Arvind Fashion Private Limited | U52190GJ2011PTC084513 |
| Arvind Youth Brands Private Limited | U52100GJ2020PTC112995 |
| Value Fashion Retail Limited | U52609DL2020PLC362661 |

| | | |
|---|---|---|
| 14. | Name of assurance provider | Not Available |
| 15. | Type of assurance obtained | Not Available |

## II. Products/services

### 16. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of main activity | Description of business activity | % of turnover of the entity (FY25) |
|---|---|---|---|
| 1 | Wholesale and Retail Trading of Ready-Made Garments and Accessories | Wholesale and Retail Trading of Apparel and Non-Apparel Fashion Products (Footwear, Belts, Bags etc.) | 100% |

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

| S. No. | Product/Service | NIC Code | % of total turnover contributed |
|---|---|---|---|
| 1 | Wholesale Trading of Fashion Brands | 4641 | 57% |
| 2 | Retail Trading of Fashion Brands | 4771 | 43% |

## III. Operations

### 18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 0 | 7* | 7 |
| International | 0 | 0 | 0 |

*Note: The Head Office is located in Bangalore, with three Regional Offices situated in Gurgaon, Mumbai, and Kolkata. The company operates a total of seven warehouses, out of which operational control is maintained over three: Hoskote, Chintamani, and Narasapura. Accordingly, this report covers data from the Head Office, all three Regional Offices, and the three warehouses under operational control.

### 19. Markets served by the entity:

### a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States/UTs) | 28 |
| International (No. of Countries) | 12 |

### b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.85%

### c. A brief on types of customers

Considering the nature of business, we deal with customers from multiple geographies.

## IV. Employees

### 20. Details as at the end of Financial Year:

### a. Employees and Workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | | EMPLOYEES | | | | |
| 1. | Permanent (D) | 1079 | 795 | 74% | 284 | 26% |
| 2. | Other than Permanent (E) | 5966 | 4880 | 82% | 1086 | 18% |
| 3. | **Total employees (D + E)** | **7045** | **5675** | **81%** | **1370** | **19.4%** |

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **WORKERS** | | | | | |
| 4. | Permanent (F) | NA | | | | |
| 5. | Other than Permanent (G) | | | | | |
| 6. | **Total workers (F + G)** | | | | | |

## b. Differently abled Employees and Workers

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 0 | 0 | 0 | 0 | 0 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | **Total differently abled employees (D + E)** | **0** | **0** | **0** | **0** | **0** |
| | **DIFFERENTLY ABLED WORKERS** | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5. | Other than permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6. | **Total differently abled workers (F + G)** | **0** | **0** | **0** | **0** | **0** |

## 21. Participation/Inclusion/Representation of women

| Particulars | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors (BOD) | 11 | 1 | 9% |
| Key Management Personnel (KMP) | 3 | 1 | 33.33% |

## 22. Turnover rate for permanent employees and workers

| | FY 2024-25 | | | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 21.5% | 24.6% | 22.3% | 25.8% | 28.1% | 26.3% | 31.3% | 57.6% | 37.3% |
| Permanent Workers | NA | NA | NA | NA | NA | NA | NA | NA | NA |

Note – Data for FY 2023-24 and FY 2022-23 was re-visited and updated for the above question

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

### 23. (a) Names of holding / subsidiary / associate companies / joint ventures

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

## VI. CSR Details

**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) -** Yes

**(ii) Turnover (in ₹) -** 665.91 Crore Rupees (Standalone) and 4619.84 Crore Rupees (Consolidated)

**(iii) Net worth (in ₹) -** 2332.19 Crore Rupees (Standalone) and 957.11 Crore Rupees (Consolidated)

## VII. Transparency and Disclosures Compliances

### 25. 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 2024-25 Current Financial Year | | | FY 2023-24 Previous Financial Year | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Investors (other than shareholders) | https://www.arvindfashions.com/investor-support/ | 0 | 0 | - | 0 | 0 | - |
| Communities | https://www.arvindfashions.com/contact-us/ | 0 | 0 | - | 0 | 0 | - |
| Shareholders | https://www.arvindfashions.com/investor-support/ | 14 | 1 | Subsequently Resolved | 13 | 0 | - |
| Employees and workers | https://www.arvindfashions.com/wp-content/uploads/2024/07/Arvind-Equal-Opportunity-Policy.pdf<br>https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf | 0 | 0 | | 0 | 0 | - |
| Customers | https://www.arvindfashions.com/contact-us/ | 2,07,089* | 0 | - | 70724 | 0 | - |
| Value Chain Partners | https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf | 0 | 0 | - | 0 | 0 | - |
| Others | https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf | 0 | 0 | - | 0 | 0 | - |

* This year's customer complaints also include issues related to the recently inaugurated U.S. Polo dot-com platform.

## 26. 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**

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Energy Management | Opportunity and Risk | **Risk:** While energy contributes to the growth of textile and apparel industry, resulting emissions are a dampener for environmental health. Increasing demand of textile and apparels in the world, followed by increased production is the cause of higher GHG emissions.<br>**Opportunity:** Improving upon the energy efficiency and increasing renewable usage will support us in cutting down the energy expenses and achievement of pertinent emission reduction commitments. | Arvind Fashions have developed an energy policy to continually improve the energy performance, flatten the energy demand curve and reduce the carbon footprint.<br>Additionally, Arvind Fashions is focusing on increasing renewable energy uptake in the energy mix. | **Positive:** Initially there will be additional cost to adopt new technologies, however in the long run it will shield from fossil fuel price increase.<br>**Negative:** Increased production cost due to change in input prices of fossil fuels. |
| 2 | Water and Wastewater Management | Opportunity and Risk | **Risk:** Increased water consumption and constrained water supply are among the most critical global risks. Considering Arvind's huge dependency on water for the viability of its operations, it is identified as a material risk.<br>**Opportunity:** Arvind Fashions have made commitments to reduce their water use; thus, adopting water saving practices will give us an edge | Arvind Fashions has made commitments to reduce the water consumption in both production and domestic by using water conservation technologies such as working with the factories whose ETP is ZLD and freshwater consumption reduction by promoting rainwater harvesting | **Positive:** Initially there will be additional cost to adopt new technologies. However, in the long run, it will shield from water price and availability issues. Thus, helping maintain a control over the operating expenses.<br>**Negative:** Increased production cost due to change in input prices of water, driven by water availability and quality issues |
| 3 | Circularity | Opportunity | Focusing towards shifting from liner model 'Take › make › dispose' to a circular model of 'Make › use › return'. For the better use of resources, extend material usage life and also contribute to reducing generation of associated emissions and waste | Th organization has a standard procedure to receive and take back damaged products which are then reused and resold | Positive |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 4 | Health Safety and Wellbeing | Risk | Failure to identify risk related to employee's welfare can lead to injuries, illness and even fatalities.<br>Consumers and stakeholders increasingly value ethical and sustainable practices. Failing to address health and safety risks can tarnish an organization's reputation, leading to decreased consumer trust and loyalty.<br>In a globalized supply chain, risks related to health and safety can affect the entire production process. | Regular training programmes and health check-ups have been conducted for the employees.<br>Heath insurance have been provided to the employees and their dependents.<br>Partnered with third party vendor to offer discounted diagnostic services to employees.<br>Regularly conduct wellness sessions for the employees by experienced ergonomic specialists from third party agency | **Negative:** Any fatalities or medical cost will directly have impact on cost |
| 5 | Talent attraction and retention | Risk | Inability to retain trained skilled employees or attract candidates with right skill set may lead to increase in cost of operations.<br>Talent attraction and retention directly impact an organization's ability to achieve its goals. High turnover or difficulties in attracting skilled individuals can hinder productivity, innovation, and the overall quality of work delivered. | Industry benchmarking of compensation on annually basis for salaries and benefits.<br>Streamlining of recruitment processes to attract the right candidates and ensure smooth onboarding experiences to enhance retention.<br>Developing robust succession plans and talent management strategies to identify and nurture future leaders within the organization.<br>Providing clear career paths, continuous learning opportunities, and development programs to engage employees and foster loyalty. | Negative |
| 6 | Human Rights | Risk | Violation of human rights triggers conflicts and instability and causes severe risk in the overall reputation on the organization | The company's Code of Conduct and the HR policies and processes adequately address the aspects of human rights | Negative |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 7 | Data Privacy and Cybersecurity | Risk | In today's world, where entire business operations/activities are largely dependent on the internet or usage of technology, technology failures or cyber-attacks can disrupt operations, leading to downtime and loss of productivity.<br>Risks such as data breaches or unauthorized access can compromise sensitive information, resulting in financial loss, legal implications, and damage to reputation. Technology-related risks can also impact customer trust and loyalty. | Regular assessment helps to identify potential technology risks, including cybersecurity threats, system vulnerabilities, compliance gaps, and technological obsolescence.<br>Enhanced cybersecurity by implementing firewalls, encryption, multi-factor authentication, regular security audits and educated employees about cybersecurity best practices to mitigate human error.<br>Established and maintained robust backup and disaster recovery plans to ensure data integrity and minimize downtime in case of system failures, cyber-attacks, or natural disasters. | Negative |

## 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 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| **1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| **b. Has the policy been approved by the Board? (Yes/No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| **c. Web Link of the Policies, if available** | corporate governance - Arvind Fashions<br>Some policies which are meant for internal stakeholders are available at the Company's internal portal. | | | | | | | | |
| **2. Whether the entity has translated the policy into procedures. (Yes / No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| **3. Do the enlisted policies extend to your value chain partners? (Yes/No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| **4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.** | Flame penetration test certificate from The Automotive Research Association of India (ARAI) and BIS for Footwear | | | | | | | | |

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| **5. Specific commitments, goals and targets set by the entity with defined timelines, if any.** | Arvind Fashions has carried out materiality assessment to arrive at their key material aspects relevant to their business. Future goals and targets on the key material aspects will be set and performance will be monitored | | | | | | | | |
| **6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.** | | | | | | | | | |
| **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)** | We recognize that Environmental, Social, and Governance (ESG) principles are not only central to responsible business but also fundamental to our long-term resilience and growth. As a leading fashion retailer, we are mindful of the sector's environmental footprint and social obligations, and we remain committed to advancing sustainability across every aspect of our value chain.<br>People and capability development form the foundation of our ESG agenda. In FY 2024–25, we made significant strides in enhancing workforce skills and awareness. Our employees were trained across diverse areas such as financial wellness, women leadership development, Six Sigma, and Artificial Intelligence, among others—equipping them with tools for personal growth, innovation, and informed decision-making in a dynamic retail environment. Further, 100% of our value chain partners underwent structured training on key social responsibility areas including labour standards, human rights, health and safety, and the identification and prevention of unethical practices. These initiatives reflect our commitment to building a more responsible and empowered ecosystem, both within and beyond our organisation.<br>In the area of sustainable sourcing, we have taken tangible steps to integrate circularity and reduce our environmental impact. We are proud to report that 100% of our polybags sourced are now compostable and all product labels are made from recycled polyester.<br>On the environmental front, we have focused on reducing our operational carbon footprint. Our FCONSO warehouse transitioned to solar electricity in FY 2024–25, helping us avoid approximately 228 tons of $CO_2$e emissions. Additionally, motion sensor lighting has been deployed across key facilities, resulting in energy savings of up to 50% in lighting-related electricity use.<br>We are proud to share that our Hoskote warehouse has received the Platinum Certification from the Indian Green Building Council (IGBC) under the Green Logistics Parks and Warehouses rating system. The facility was assessed on several parameters including energy and water efficiency, use of sustainable materials, waste management, and overall environmental performance. This achievement aligns with our broader commitment to responsible growth and sustainability across our infrastructure.<br>We are also committed to fostering inclusive and resilient supply chains. In FY 2024–25, 38% of our sourcing was from Micro, Small, and Medium Enterprises (MSMEs), thereby contributing to local entrepreneurship and economic inclusion. Additionally, 77% of our sourcing was domestic, reducing our reliance on global supply chains and strengthening partnerships with Indian suppliers.<br>As we move forward, our focus remains on deepening these efforts—through transparent reporting, stakeholder engagement, and continuous improvement—while aligning with evolving regulatory expectations. We are confident that our ESG-led approach will not only enhance stakeholder trust but also position us for sustainable and inclusive growth in the years to come. | | | | | | | | |
| **8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies** | Name: Mr. Shailesh Chaturvedi<br>DIN: 03023079<br>Designation: Managing Director & CEO | | | | | | | | |
| **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.** | Yes, the Company has a Board level, Enterprise Risk Management Committee, which is responsible for decision-making on sustainability related issues and chaired by Non-Independent, Non-Executive Director. The ERM team focuses on environmental and social issues, the impact of such issues on the continuity of the business and way forward to address such issues. | | | | | | | | |

### 10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | Committee of the board | | | | | | | | | Annually | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Committee of the board | | | | | | | | | Annually | | | | | | | | |

### 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| | The company has not carried out assessment/ evaluation by external agency. | | | | | | | | |

### 12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | Not Applicable | | | | | | | | |
| The entity does not have the financial or/ human and technical resources available for the task (Yes/No) | Not Applicable | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | Not Applicable | | | | | | | | |
| Any other reason (please specify) | Not Applicable | | | | | | | | |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

## Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

### Essential Indicators

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | Percentages of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors (BoD) | 4 | 1. Updating about scale and details of operations of the Company<br>2. Updating on recent changes in the regulatory requirements.<br>3. Updating on Rights and Responsibilities of Directors in line with the statutory amendments. | 100% |
| Key Managerial Personnel (KMPs) | 4 | 1. POSH<br>2. Code of Conduct<br>3. Insider Trading<br>4. Arvind Management Essential Program<br>5. Acceleration Your Leadership Program. | 100% |
| Employees other than BoD and KMPs | 49 | 1. POSH<br>2. Code of Conduct,<br>3. Arvind Management Essentials Program<br>4. Six Sigma Program<br>5. Insider Trading<br>6. Financial Wellness<br>7. Accelerate Your Leadership Program<br>8. Women's Leadership Program<br>9. Indian Chief Financial officers Program<br>10. Mindfulness leadership Program<br>11. Adobe Illustrator & Photoshop Program<br>12. Fibre to Fashion<br>13. Generative AI Tools – Unveiling CHATGPT<br>14. Power Query & Macros<br>15. Arrow Core Product Training<br>16. AW'24 Season Training<br>17. Brand, Service Culture & KPI<br>18. Compliance Training<br>19. CRM Training<br>20. Customer Service<br>21. D365 Training<br>22. Dept. Store Cluster Manager Training<br>23. IST Process<br>24. Italian Elegance Line Training<br>25. Product & Selling Skills (MBO)<br>26. Omni<br>27. Product Training: Women's Wear<br>28. SS'24 Season Training<br>29. SS'25 Season Training<br>30. Suit & Blazer Training<br>31. X Store training | 56% |
| Workers | NA | NA | NA |

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ Enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| **a. Monetary** | | | | | |
| Penalty/ Fine | - | - | 0 | - | - |
| Settlement | - | - | 0 | - | - |
| Compounding fee | - | - | 0 | - | - |

| | NGRBC Principle | Name of the regulatory/ Enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|---|---|---|---|---|
| **b. Non-Monetary** | | | | |
| Imprisonment | - | - | - | - |
| Punishment | - | - | - | - |

No fines and penalties (monetary or non-monetary) was reported against any Directors and KMPs in the financial year,

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| - | - |

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Anti-bribery or anti-corruption is a part of the Company's Code of Conduct, whistle blower policy, ethics policy which articulates the group's dedication to conducting business with integrity, adhering to relevant anti-bribery laws and standards. These policies aim to provide clear guidance, ensure compliance with anti-corruption laws, foster an ethical culture, and protect its employees' reputations while minimizing the risk of fines and penalties. These policies are applicable universally to all employees of the Company and its group companies. The Company also expects adherence to these principles from its business partners, which include suppliers, service providers, agents, and channel partners (such as dealers and distributors). These policies are available on the website of the Company as well as internal platform created by the Company for the convenient access to all the employees.

www.arvindfashions.com/corporate-governance/

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

| | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| Directors | 0 | 0 |
| KMPs | 0 | 0 |
| Employees | 0 | 0 |
| Workers | 0 | 0 |

## 6. Details of complaints with regard to conflict of interest:

| | FY 2024-25 Current Financial Year | | FY 2023-24 Previous Financial Year | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | There are no complaints received in relation to the conflict of interest against Directors and KMPs in the current financial year | 0 | There are no complaints received in relation to the conflict of interest against Directors and KMPs in the current financial year |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | 0 | | 0 | |

## 7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

## 8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

| | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| Number of days of accounts payables | 199 days | 168 days |

## 9. Open-ness of business

**Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format**

| Parameter | | | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|---|---|
| Concentration of Purchases | a. | Purchases from trading houses as % of total purchases | NA | NA |
| | b. | Number of trading houses where purchases are made from | 0 | 0 |
| | c. | Purchases from top 10 trading houses as % of total purchases from trading houses | NA | NA |
| Concentration of Sales | a. | Sales to dealers / distributors as % of total sales | 53.13% | 48.73% |
| | b. | Number of dealers / distributors to whom sales are made | 701 | 831 |
| | c. | Sales to top 10 dealers / distributors as % of total sales to dealers / distributor | 57.59% | 55.16% |
| Share of RPTs in | a. | Purchases (Purchases with related parties / Total Purchases) | 0.009 | 0.022 |
| | b. | Sales (Sales to related parties / Total Sales) | 0.002 | 0.001 |
| | c. | Loans & advances (Loans & advances given to related parties / Total loans & advances) | Nil | Nil |
| | d. | Investments (Investments in related parties / Total Investments made) | Nil | Nil |

Note – Data for FY 2023-24 was re-visited and updated for the above question

## Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

| Total number of awareness programmes held | Topics / principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| The Awareness on the AFL Responsible Supply chain is given to all of the vendors who are onboarding as a business partners | Broader topics of Labor Standards, Human Rights, Health and Safety and Unethical practices | 100% |

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, Arvind Fashions have a Code of Conduct for Directors and Senior Management Personnel.

Each Board Member or Senior Management Personnel should endeavor to avoid having his or her private interests interfere with (i) the interests of the Company or (ii) his or her ability to perform his or her duties and responsibilities objectively and effectively. Board Members and Senior Management Personnel should avoid receiving or permitting members of their immediate family to receive, improper personal benefits from the Company including loans from or guarantees of obligations by the Company. A Board Member should make a full disclosure to the entire Board of any transaction or relationship that such a Board Member reasonably expects could give rise to an actual conflict of interest with the Company and seek the Board's authorization to pursue such transactions or relationships.

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

|  | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | Not applicable | Not applicable | We do not allocate a separate capital expenditure for R&D; however, research and development are integral to our process when developing trims and products |
| Capex | Not applicable | Not applicable |  |

2. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, Arvind Fashions have procedures in place for sustainable sourcing.

b. **If yes, what percentage of inputs were sourced sustainably?**

- 100% of all polybags are compostible

- 50% of the total thread volume used consists of recycled polyester thread- 100% of all labels are made from recycled polyester

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

We at Arvind Fashions has framed waste management policy and below are the actions taken to dispose the wastes generated,

a. **Plastic Wastes:** All the plastic wastes generated from the packaging are disposed to SPCB approved Recycler for recycling.

b. **E wastes:** All the E wastes (Tube Lights, Computer Scraps) are disposed to SPCB approved Recycler for recycling.

c. **Hazardous Waste:** NA

d. **Other Wastes:** Other wastes viz., Carton box wastes, paper wastes are disposed to SPCB approved Recycler for recycling.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

**"If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same" this is part of the question so this is to be made bold in line with the question.**

Yes, Arvind Fashions is registered under EPR regulations, and the plastic wastes are categorized under Compostable and PET.

Arvind Fashions, in association with Arvind Envisol, is engaged in plastic waste recycling across India. During the previous financial year (FY 2023–24), a total of 395 metric tonnes (MT) of plastic waste was collected and recycled, fulfilling the Extended Producer Responsibility (EPR) obligations. For the current financial year (FY 2024–25), the annual EPR target stands at 334 MT.

## Leadership Indicators

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 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
| Recycled Polybag | 100% of all polybags are compostable | 100% of all polybags, constitute 50% more than recycled plastic |
| Recycled Polyester Thread | 50% of total thread volume | 30% of the threads are recycled threads |
| Recycled Labels | 100% of all labels are made of recycled polyester | 100% of all labels, constitute 25% more than recycled polyester |

## Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

## 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 | |
| | | No. (B) | % (B/A) | No. (C) | % (C /A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 795 | 795 | 100% | 795 | 100% | 0 | 0% | 795 | 100% | 0 | 0% |
| Female | 284 | 284 | 100% | 284 | 100% | 284 | 100% | 0 | 0% | 0 | 0% |
| **Total** | **1079** | **1079** | **100%** | **1079** | **100%** | **284** | **26%** | **795** | **74%** | **0** | **0%** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 4880 | 1488 | 30% | 0 | 0% | 0 | 0% | 0 | 0 | 0 | 0% |
| Female | 1086 | 454 | 42% | 0 | 0% | 1086 | 100% | 0 | 0 | 0 | 0% |
| **Total** | **5966** | **1942** | **33%** | **0** | **0%** | **1086** | **42 %** | **0** | **0** | **0** | **0%** |

Note - In other than permanent employee category, the rest of the percentage of employees are covered under ESIC

### b. Details of measures for the well-being of workers:

| Category | Total (A) | % of workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C /A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | Not Applicable | | | | | | | | | | |
| Female | | | | | | | | | | | |
| **Total** | | | | | | | | | | | |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | Not Applicable | | | | | | | | | | |
| Female | | | | | | | | | | | |
| **Total** | | | | | | | | | | | |

### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

| | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.35% | 0.21% |

## 2. Details of retirement benefits.

| Benefits | FY 2024-25 Current Financial Year | | | FY 2023-24 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | NA | Yes | 100% | NA | Yes |
| Gratuity | 100% | NA | Yes | 100% | NA | Yes |
| ESI | 100% | NA | Yes | 100% | NA | Yes |
| Other | - | - | - | - | - | - |

## 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 offices of the company are accessible to differently abled employees and workers in line with Rights of Persons with Disabilities Act, 2016. The installed features include ramps and lift facilities.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Arvind Fashions Limited ensures that the employees are treated fairly and with equality, regardless of their race, sex, or disability. All the employees have equal chance to apply for any internal job postings or promotions, and training opportunities at the workplace.

The policy is available internally at https://brands.onearvind.com/

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | NA | NA |
| Female | 100% | 83% | NA | NA |
| Total | 100% | 89% | NA | NA |

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

| | Yes/No | (If Yes, then give details of the mechanism in brief) |
|---|---|---|
| **Permanent Workers** | Yes, Arvind Fashions has a grievance mechanism and link to the website is given below: Whistleblower policy (arvindfashions.com) | |
| **Other than Permanent Workers** | | |
| **Permanent Employees** | | |
| **Other than Permanent Employees** | | |

### 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| Category | FY 2024-25 Current Financial Year | | | FY 2023-24 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | 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 Employees** | NA | NA | NA | NA | NA | NA |
| Male | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA |
| **Total Permanent Workers** | NA | NA | NA | NA | NA | NA |
| Male | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA |

### 8. Details of training given to employees and workers:

| Category | FY 2024-25 Current Financial Year | | | | | FY 2023-24 Previous Financial Year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C /A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| | **Permanent Employees** | | | | | | | | | |
| Male | 795 | 485 | 61.01% | 299 | 37.61% | 968 | 523 | 54.03% | 493 | 50.93% |
| Female | 284 | 161 | 56.69% | 130 | 45.77% | 276 | 186 | 67.39% | 115 | 41.67% |
| **Total** | **1079** | **1079** | **59.87%** | **429** | **39.76%** | **1244** | **709** | **56.99%** | **608** | **48.87%** |
| | **Permanent Workers** | | | | | | | | | |
| Male | Not applicable | | | | | | | | | |
| Female | | | | | | | | | | |
| **Total** | | | | | | | | | | |

### 9. Details of performance and career development reviews of employees and worker:

| Category | FY 2022-23<br>Current Financial Year | | | FY 2023-24<br>Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Permanent Employees** | | | | | | |
| Male | 795 | 795 | 100% | 968 | 968 | 100% |
| Female | 284 | 284 | 100% | 276 | 276 | 100% |
| **Total** | **1079** | **1079** | **100%** | **1244** | **1244** | **100%** |
| **Permanent Workers** | | | | | | |
| Male | Not applicable | | | | | |
| Female | | | | | | |
| **Total** | | | | | | |

### 10. Health and safety management system:

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?**

Yes, Arvind Fashions has Safety, Health & Environment (SHE) policy which endeavors to create safe and healthy working environment at all our facilities.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Arvind Fashions follow the Hazard Identification and Risk Assessment (HIRA) framework for identifying work-related hazards and risk assessment. This framework helps in carrying out systematic identification of potential risks, evaluate existing safeguards available to control these risks and develop additional control measures to reduce the risk to acceptable level.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, Arvind Fashions have a process in place for workers to report the work-related hazards and it is included in the Occupational Health and Safety Procedures Manual. Additionally, Arvind Fashions conduct trainings, mock drills, safety talks and seminars for raising awareness of the workers.

**d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?**

The employees are covered for health and accidental insurance. Additionally, basic paramedical services within the premises are provided to everyone.

### 11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2024-25<br>Current Financial Year | FY 2023-24<br>Previous Financial Year |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | NA | NA |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | NA | NA |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | NA | NA |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | NA | NA |

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

At Arvind Fashions, HIRA has been carried out for all the operations involved in the daily routines and every floor is provided with Secondary Exits equipped with emergency evacuation plan. Regular Fire Mock drills and Health checkups are provided to the employees for a better safe and healthy workplace. In addition to these following practices are observed and carried out in the premises:

- First Aid box provided on all the floors of the office.
- Medical Room with Doctor and Nurse available during working hours.
- Routine health check-up, Medical Camp with Blood donation and Eye examination are organized on a regular basis.
- Safety drill and fire drill are organized frequently among employees, housekeeping staff and security staff.

13. **Number of complaints on the following made by employees and workers**

| | FY 2024-25 Current Financial Year | | | FY 2023-24 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | There are no complaints received | 0 | 0 | There are no complaints received |
| Health & Safety | 0 | 0 | | 0 | 0 | |

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% |
| Working Conditions | 100% |

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.**

No significant risks or concerns were highlighted in the assessment carried out for the financial year.

## Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, at Arvind Fashions, Arvind Care covers wide range of benefits like term life insurance, EDLI, death benefit voluntary contribution to the employees.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Arvind Fashions ensures that all statutory dues have been deducted and deposited by the value chain partners in accordance with applicable laws and regulations.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
| Employees | 0 | 0 | 0 | 0 |
| Workers | NA | NA | NA | NA |

5. **Details on assessment of value chain partners:**

| Category | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | 100%, We will conduct audit on the Principles of Responsible Supply chain (RSC) guidelines with acceptable limit of Sedex 4 Pillars certification which covers the Health and Safety practices, Labor and human rights regulations where the supply chain needs to be met. The audit will be conducted every year. |
| Working Conditions | |

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   No such significant risks/ concerns were observed during the assessment of health and safety practices and working conditions of value chain partners.

## Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Internal and external group of stakeholders have been identified. Presently the given stakeholder groups have the immediate impact on the operations and working of the company. This includes Employees, Shareholders & Investors, Customers, Communities and Vendors.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employees | No | Emails/Meetings Townhall | Ongoing process | 1. Employee welfare programs<br>2. Health and safety trainings<br>3. Learning and Personnel skill development programs |
| Value Chain Partners | No | Frequent Vendor communication/ Vendor meeting | Ongoing process | 1. Arvind Fashions RSC Guidelines<br>2. Social compliance requirement |
| Customers | No | SMS, Email, Website and social media | Ongoing process | Customer complaints |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Regulatory Bodies | No | Meetings, Emails | Ongoing process | 1. Submission of Annual regulatory reports<br>2. Attending the meetings held by regulatory bodies |
| Community | Yes | Meetings, Emails | Ongoing process | Impact Assessment and CSR Intervention Monitoring and Evaluation |

## Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Board of Directors at Arvind Fashions has constituted various Board Committee - Stakeholder's Relationship Committee, Environmental Social and Governance committee, Enterprise Risk Management Committee. Meetings of these committees are convened by the respective committee chairman/company secretary. The various Board committees receive their inputs based on interactions between the stakeholders and our various departments. These departments engage with stakeholders and the feedback of these discussions are provided to the Board by placing the meeting minutes of these committees before the Directors for their perusal and noting.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the environmental and Social Topics identification was done in tandem with the stakeholder identification was carried out. During this assessment, key material issues were identified by us. For managing these issues, we have incorporated various policies and procedures and implemented various initiatives.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Not Applicable

## Principle 5: Businesses should respect and promote human rights.

## Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2024-25 Current Financial Year | | | FY 2023-24 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| | | | Employees | | | |
| Permanent | 1079 | 1079 | 100.00% | 1244 | 1132 | 91.00% |
| Other than permanent | 5966 | 5966 | 100.00% | 5201 | 4176 | 80.29% |
| **Total employees** | **7045** | **7045** | **100.00%** | **6445** | **5308** | **82.36%** |

| Category | FY 2024-25<br>Current Financial Year | | | FY 2023-24<br>Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| **Workers** | | | | | | |
| Permanent | Not applicable | | | | | |
| Other than permanent | | | | | | |
| **Total workers** | | | | | | |

## 2. Details of minimum wages paid to employees and workers, in the following format

| Category | FY 2024-25<br>Current Financial Year | | | | | FY 2023-24<br>Previous Financial Year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 795 | 2 | 0.25% | 793 | 99.75% | 968 | 4 | 0.41% | 964 | 99.59% |
| Female | 284 | 0 | 0% | 284 | 100% | 276 | 0 | 0% | 276 | 100.00% |
| **Total** | **1079** | **2** | **0.19%** | **1077** | **99.81%** | **1244** | **4** | **0.32%** | **1240** | **99.68%** |
| **Other than Permanent** | | | | | | | | | | |
| Male | 4880 | 3809 | 78% | 1071 | 22% | 4402 | 3271 | 74% | 1131 | 26% |
| Female | 1086 | 825 | 76% | 261 | 24% | 799 | 603 | 75% | 196 | 25% |
| **Total** | **5966** | **4634** | **78%** | **1332** | **22%** | **5201** | **3874** | **74%** | **1327** | **26%** |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | Not applicable | | | | | | | | | |
| Female | | | | | | | | | | |
| **Total** | | | | | | | | | | |
| **Other than Permanent** | | | | | | | | | | |
| Male | Not applicable | | | | | | | | | |
| Female | | | | | | | | | | |
| **Total** | | | | | | | | | | |

## 3. Details of remuneration/salary/wages, in the following format*:

### a. Median remuneration / wages:

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD)* | 10 | 0.08 INR Crores | 2* | 0.05 INR Crores |
| Key Managerial Personnel | 2 | 6.64 INR Crores | 1 | 0.49 INR Crores |
| Employees other than BoD and KMP | 793 | 0.122 INR Crores | 283 | 0.109 INR Crores |
| Workers | NA | - | NA | - |

*Median remuneration of BoDs includes only sitting fee and commission.

**Among the 2 females under Board of Directors, one female director of the Board has resigned during financial year 2024-25.

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

| | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| Gross wages paid to females as % of total wages | 20.05% | 18.63% |

**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, Arvind Fashions have individuals and committees that looks into the matters addressed with respect to human rights impacts or issues caused or contributed to by the business. A respective committee with 4 internal and external members exist in each of the offices located in Bangalore (Corporate and Regional Office), Delhi (Regional Office), Mumbai (Regional Office) and Kolkata (Regional Office) that address the issues reported with respect to human rights. These committees act as Disciplinary Committee as well in the respective locations In addition to the committees, Arvind Fashions also has a team of DEI (Diversity, Equity and Inclusion) Champions to look into the overall diversity of the organization.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Grievances related to Human rights impacts or issues at Arvind are addressed via the Whistle Blower Committee and/or the Internal Grievance Redressal Body depending upon the nature of the matter.

**6. Number of Complaints on the following made by employees and workers:**

| | FY 2024-25 Current Financial Year | | | FY 2023-24 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending Resolution at the end of year | Remarks | Filed during the year | Pending Resolution at the end of year | Remarks |
| Sexual Harassment | 5 | 1 | All the Sexual Harassment cases reported during the year FY 2024-25 in Arvind Fashions and its subsidiaries have been satisfactorily addressed before 31st March 2025, except the one which was reported on 11-Mar-2025 and it's closed in Jun-2025 | 2 | 0 | All the Sexual Harassment cases reported during the year FY 2023-24 in Arvind Fashions and its subsidiaries have been satisfactorily addressed before 31st March 2024 |
| Discrimination at workplace | 0 | 0 | No cases found | 0 | 0 | No cases found |
| Child Labour | 0 | 0 | No cases found | 0 | 0 | No cases found |
| Forced Labour/ Involuntary Labour | 0 | 0 | No cases found | 0 | 0 | No cases found |
| Wages | 0 | 0 | No cases found | 0 | 0 | No cases found |
| Other human rights related issues | 0 | 0 | No cases found | 0 | 0 | No cases found |

### 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 5 | 2 |
| Complaints on POSH as a % of female employees / workers | 0.36% | 0.2% |
| Complaints on POSH upheld | 0 | 0 |

### 8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

For handling the complaints of discrimination, harassment, or any other complaint under the scope of the Whistle Blower and POSH Policies, the identification of the complainant is kept confidential. Further every internal and external stakeholder has set obligations to follow, to prevent the adverse consequences to the complainant by adhering to the following mechanism (for more details refer to the Whistle Blower and POSH policies: Ensure that the complainant is not victimized for doing so and is adequately protected against any such incident. Treat victimization as a serious matter including initiating disciplinary action on such person/(s) that subjects or threatens to subject the other person to any detriment.

**Ensure complete confidentiality by,**

- Maintaining complete confidentiality / secrecy of the matter
- Not discussing the matter in any informal / social gatherings / meetings
- Discussing only to the extent or with the persons required for the purpose of completing the process and investigations
- Not keeping the papers unattended anywhere at any time
- Keeping the electronic mails / files under password

### 9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Code of Conduct of Arvind Fashions covers the human rights requirements, below listed policies are pertaining to human rights requirements:

- Equal Opportunity policy
- POSH policy
- Whistle Blower Policy

### 10. Assessments of the year

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100%<br>The Company is in compliance with the laws, as applicable |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |

### 11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

## Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   Not applicable as no such modifications has been introduced in the current reporting year.

2. **Details of the scope and coverage of any Human rights due diligence conducted**

   At Arvind Fashions Limited, we believe that it is of utmost importance to undertake our business with honesty and integrity while ensuring a safe and conducive work environment for everyone, free of discrimination and harassment. We are committed to uphold and respect human rights across all our operations and businesses.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes, the offices of the company are accessible to differently abled visitors in line with Rights of Persons with Disabilities Act, 2016. The installed features include ramps and lift facilities.

4. **Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual harassment | 100%<br>At Arvind Fashions, we conduct audit on the Principles of Responsible Supply chain (RSC) guidelines which covers POSH, Labour and human rights, Minimum wages regulations where every supply chain needs to be meet. The audit is conducted every year |
| Discrimination at workplace | |
| Child labour | |
| Forced/involuntary labour | |
| Wages | |
| Others – please specify | |

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   Not applicable

## Principle 6: Businesses should respect and make efforts to protect and restore the environment

## Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format*:**

| Parameter | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| **From renewable sources (GJ)** | | |
| Total electricity consumption (A) | 1,130 | 4,320 |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | - | - |
| **Total energy consumed from renewable sources (A+B+C)** | 1,130 | 4,320 |
| **From non-renewable sources (GJ)** | | |
| Total electricity consumption (D) | 4,410 | 5,633 |
| Total fuel consumption (E) | 641 | 410 |
| Energy consumption through other sources (F) | - | - |
| **Total energy consumed from non-renewable sources (D+E+F)** | 5,051 | 6,043 |
| **Total energy consumed (A+B+C+D+E+F)** | 6,181 | 10,363 |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations, GJ/ INR) | 0.000000134 | 0.000000243 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/ USD) | 0.00000276 | 0.00000503 |

| Parameter | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| Energy intensity in terms of physical output | - | - |
| Energy intensity (optional) – the relevant metric may be selected by the entity | - | - |

*In addition to data of Corporate Office located in Bangalore, Karnataka, the total energy consumption data includes our regional offices at Delhi, Mumbai and Kolkata and our exclusive warehouses at Hoskote, Chintamani and Narasapura all located in the state of Karnataka.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/ evaluation/assurance has been carried out by an external agency for energy data.

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.**

Arvind Fashions does not fall under designated consumer category in Performance, Achieve and Trade (PAT) scheme of Bureau of Energy efficiency (BEE).

3. **Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| **Water withdrawal by source (in kilolitres) *#** | | |
| 4 (i) Surface water | - | - |
| (ii) Groundwater | - | 8,253 |
| (iii) Third party water (Municipal water supplies) | 6970 | 595 |
| (iv) Seawater / desalinated water | - | - |
| (v) Others (Rainwater storage) | - | - |
| **Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)** | 6970 | 8,848 |
| **Total volume of water consumption (in kiloliters) *** | 3095 | 8,848 |
| **Water intensity per rupee of turnover** (Total water consumption / Revenue from operations, KL/INR) | 0.000000067 | 0.000000208 |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption / Revenue from operations adjusted for PPP) | 0.00000138 | 0.00000429 |
| **Water intensity** in terms of physical output | - | - |
| **Water intensity (optional)** – the relevant metric may be selected by the entity | - | - |

Note – Data for FY 2023-24 was re-visited and updated for the above question

*Arvind Fashions has initiated regular monitoring of water consumption in all its offices and branches from FY 2023-24.

# In addition to data of Corporate Office located in Bangalore, Karnataka, the total water consumption data includes our regional offices at Delhi, Mumbai and Kolkata and our exclusive warehouses at Hoskote, Chintamani and Narasapura all located in the state of Karnataka.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/evaluation/assurance has been carried out by an external agency for water withdrawal and consumption data

### 4. Provide the following details related to water discharged:

| Parameter | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilo liters) *** | | |
| (i) To Surface water | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (ii) To Groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) To Seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third parties | 3,875 | - |
| - No treatment (Water sent for treatment to Central Effluent Treatment Plant) * | 3,875 | - |
| - With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – Tertiary treatment | - | - |
| **Total water discharged (in kilo liters)** | **3,875** | **-** |

*The use of water in Arvind Fashions is primarily only for drinking and domestic purposes.

At certain sites where a Sewage Treatment Plant (STP) is not available, a limited quantity of grey water is generated. This wastewater is collected by an authorized external vendor and sent for recycling to ensure responsible disposal and reuse.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/ evaluation/assurance has been carried out by an external agency for water discharge data.

### 5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Arvind Fashions is not a production/manufacturing facility and does not generate any industrial wastewater, but certain vendor facilities working for Arvind Fashions operate Zero Liquid Discharge system and are meeting the State Pollution Control Board norms.

### 6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format :

| Parameter | Please specify unit | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|---|
| NOx | Tonnes | 0.00495 | 0.0020 |
| SOx | Tonnes | 0.0027 | 0.0011 |
| Particulate matter | Tonnes | 0.0086 | 0.0029 |
| Persistent organic pollutants (POP) | Parts Per Million (PPM) | NA | NA |
| Volatile organic compounds (VOC) | Parts Per Million (PPM) | NA | NA |
| Hazardous air pollutants (HAP) | Parts Per Million (PPM) | NA | NA |

Note – Data for FY 2023-24 was re-visited and updated for the above question

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency for air emissions data.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tons of CO2 equivalent | 47.8 | 29.12 |
| **Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tons of CO2 equivalent | 890.7 | 1,120.36 |
| **Total Scope 1 and Scope 2 emissions** | Metric tons of CO2 equivalent | 938.5 | 1,149.48 |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | Metric tons of CO2 equivalent Per INR | 0.0000203 | 0.0000269 |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | Metric tons of CO2 equivalent Per USD | 0.00000042 | 0.00000056 |
| **Total Scope 1 and Scope 2 emission intensity in terms of physical output** | | - | - |
| **Total Scope 1 and Scope 2 emission intensity** (optional) – the relevant metric may be selected by the entity | | - | - |

[#] In addition to data of Corporate Office located in Bangalore, Karnataka, the total emissions data includes our regional offices at Delhi, Mumbai and Kolkata and our exclusive warehouses at Hoskote, Chintamani and Narasapura all located in the state of Karnataka.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency for emissions data.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Currently we have included Renewable power in FCONSO where company consumed 3,13,870 units of solar power resulting in a emissions reduction of 228 tCO2e.

Motion sensor lights saving up to 50% of the cost due to electricity requirement for lighting.

Our Hoskote warehouse received the prestigious Platinum certification from IGBC (Indian Green Building Council) for outstanding green concepts and techniques.

9. **Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| **Total Waste generated (in metric tons)** | | |
| Plastic waste (A) | 0 | 211 |
| E-waste (B) | 0.46 | 1 |
| Bio-medical waste (C) | 0 | 0 |
| Construction and demolition waste (D) | 4 | 0 |
| Battery waste (E) | 0 | 0 |
| Radioactive waste (F) | 0 | 0 |

| Parameter | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| Other Hazardous waste. Haz. Waste from process + Haz. Waste from pollution control equipment's, + Filter bed sand+ Filter bags etc. (G) | 0 | 0 |
| Other Non-hazardous waste generated (H) – Corrugated boards | 813 | 682 |
| **Total (A+B + C + D + E + F + G + H)** | **817.46** | **894** |
| **Waste intensity per rupee of turnover** (Total waste generated in Metric tons / Revenue from operations in INR) | 0.000000018 | 0.000000021 |
| **Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated / Revenue from operations adjusted for PPP) (MT/ USD) | 0.00000037 | 0.00000043 |
| **Waste intensity** in terms of physical output | - | - |
| **Waste intensity (optional) –** the relevant metric may be selected by the entity | - | - |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)** | | |
| **Category of waste** | | |
| (i) Recycled | 813.46 | 894 |
| (ii) Re-used | 0 | 0 |
| (iii) Other recovery operations | 0 | 0 |
| **Total** | **813.46** | **894** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)** | | |
| **Category of waste** | | |
| (i) Incineration | 0 | 0 |
| (ii) Landfilling | 4 | 0 |
| (iii) Other disposal operations | 0 | 0 |
| **Total** | **0** | **0** |

**10. 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.**

From the perspective of the nature of its business, Arvind Fashions do not generate any hazardous wastes and toxic chemicals. All the non-hazardous and other wastes generated in the facilities are recycled by an approved State Pollution Control Board recycler.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| Arvind Fashions operating facilities are in the premises which have the requisite building permits and fire departments clearance for carrying out the operations | | | |

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| No such project requiring EIA has been undertaken in the current or previous reporting year | | | | | |

13. **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:**

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| The company is in compliance with all the applicable environmental law/ regulations/ guidelines in India | | | | |

## Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilo liters):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption, and discharge in the following format:

The use of water in Arvind Fashions is primarily for drinking and domestic purposes.

2. **Please provide details of total Scope 3 emissions & its intensity**

We plan to carry out a Scope 3 emissions assessment starting this year, covering the applicable categories.

3. **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.**

Arvind Fashions does not have operations in ecologically sensitive areas.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| S. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1. | RE Adoption | Currently we have included Renewable power in FCONSO warehouse where company consumed 3,13,870 units of solar power | Emission reduction of 228 tCO2e |
| 2. | Motion Sensor Lights | Motion sensor lights have been adopted in the warehouses | Saving up to 50% of the cost due to electricity requirement for lighting. |

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes. Arvind Fashions has implemented a robust and well-structured Business Continuity and Disaster Recovery framework designed to safeguard critical operations, ensure service continuity, and maintain high levels of reliability and resilience in the face of disruptions.

   Arvind Fashion's Disaster Recovery Configuration and Recovery Procedures:

   1) Applications and Databases: Utilization of various applications, databases and server networks in the recovery procedure.

   2) DR (Disaster Recovery) Replication Configuration: Replication setting between the primary production data center to the disaster recovery data center and the replication of store information to the production and disaster recovery data center.

   3) Replication Configuration: This configuration consists of Active-Active Configuration, Active-Passive Configuration, Backup Restoration and Store Database Restoration

   4) Verification Procedures: Verify user access, system connectivity, job recovery, application availability, and report generation from the DR (Disaster Recovery) site.

   5) Testing and Data Validation: Periodic reviews and validation

   The Disaster Recovery (DR) setup covers key databases and applications including XCENTER, RELATE, PORTAL, and supporting servers. XCENTER uses an active-active configuration with 15-minute replication, while other systems follow an active-passive model with daily incremental backups for restoration. Store databases replicate every minute to both production and DR sites, enabling swift failovers. Regular verification ensures applications, databases, and connectivity are functional at the DR site. Periodic testing and validation confirm data accuracy, job continuity, and system readiness, with final signoff from IT and business owners to ensure successful recovery without data loss.

6. **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 impact to the environment arising from the value chain of the entity were observed for the FY 2024-25

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   Arvind Fashions procures goods from licensed and certified vendors and suppliers. The 'Responsible Sourcing Guidelines' contain the minimum sustainability & compliance standards that the vendors and suppliers are expected to meet and good practices that may be adopted. Arvind Fashions conducts supplier assessments through two separate audits, a Quality Management System (QMS) audit and an audit by the Responsible Sourcing Team, which evaluates environmental and social aspects based on Arvind's Responsible Sourcing Guidelines.

## PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. **Number of affiliations with and industry chambers/ associations.**

   4

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a 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 |
|---|---|---|
| 1 | Retailers' Association of India (RAI) | National |
| 2 | Retailers' Association's Skill Council of India (RASCI) | National |
| 3 | India Retail Forum (IRF) | National |
| 4 | Confederation of Indian Industry (CII) | 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.**

   No incidents of anti-competitive behavior reported

## Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

| S. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|---|---|---|---|---|---|
| Not Applicable | | | | | |

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

## Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web Link |
|---|---|---|---|---|---|
| No such project requiring SIA has been undertaken in the current or previous reporting year. Hence, not applicable | | | | | |

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| Not Applicable | | | | | | |

3. **Describe the mechanisms to receive and redress grievances of the community.**

   We actively engage with the local community through various interactions and activities through Investor Relations Department, and through the institutions promoted and partnered by us. The receiving and redressing of any grievance by the local community is done in accordance with the Whistle Blower Policy

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| Parameter | FY 2024-25 Current Financial Year | FY 2023-24 Previous Financial Year |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 38% | 33% |
| Directly from within India* | 77% | 86% |

*Directly from within India inclusive of sourcing from MSMEs.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

| Location | FY 2024-25<br>Current Financial Year | FY 2023-24<br>Previous Financial Year |
|---|---|---|
| Rural | 0.0% | 0.0% |
| Semi-urban | 0.7% | 0.8% |
| Urban | 20.5% | 20.5% |
| Metropolitan | 78.8% | 78.7% |

Note – Data for FY 2023-24 was re-visited and updated for the above question

*(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

## Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|---|---|
| The company has not conducted any Social Impact Assessment in the current financial year. Hence, not applicable | |

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| State | Aspirational District | Amount Spent (In ₹) |
|---|---|---|
| - | - | - |

For FY 2024-25, Arvind Fashions does not fall under the guidelines of Corporate Social Responsibility Provisions (Section 135 of Companies Act, 2013) and has not carried out CSR Projects in aspirational district.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No, Arvind Fashions currently do not have a preferential procurement policy, however purchase from MSME Vendors is carried out as part of the procurement process of Arvind Fashions.

(b) **From which marginalized /vulnerable groups do you procure?**

Not Applicable

(c) **What percentage of total procurement (by value) does it constitute?**

Not Applicable

6. **Details of beneficiaries of CSR Projects:**

| S. No. | CSR Projects | No. of persons benefited from CSR Projects 2023 | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| | | - | |

For FY 2024-25, Arvind Fashions does not fall under the guidelines of Corporate Social Responsibility Provisions (Section 135 of Companies Act, 2013) and has not carried out CSR Projects.

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company has a Customer Care team which is available through dedicated phone numbers, Email, Website to enable customers to log any complaints or feedbacks. Customer can also provide feedback through social media, which gets picked up by our concerned team for necessary action. These complaints are regularly tracked for resolution.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| Parameter | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 10% |
| Safe and responsible usage | 90% |
| Recycling and/or safe disposal | 5% |

3. **Number of consumer complaints in respect of the following:**

| | FY 2024-25 Current Financial Year | | | FY 2023-24 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending Resolution at the end of year | Remarks | Received during the year | Pending Resolution at the end of year | Remarks |
| Data privacy | 0 | 0 | - | 0 | 0 | - |
| Advertising | 0 | 0 | - | 0 | 0 | - |
| Cyber-security | 0 | 0 | - | 0 | 0 | - |
| Delivery of essential Services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Other | 0 | 0 | - | 0 | 0 | - |

4. **Details of instances of product recalls on account of safety issues:**

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | 0 | NA |
| Forced recalls | 0 | NA |

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, Arvind Fashions Limited has a confidentiality information security policy and the purpose of this policy is to state the organizations directive towards data confidentially and to ensure adequate safeguards to prevent misuse or loss of information. Arvind Fashions has taken adequate precautions for the protection of data and has ensured that information related to its employees is secure. Appropriate controls are in place to prevent unauthorized disclosure or modification.

   The policy can be found at: https://brands.onearvind.com/brand/index (Internal Website)

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   No such incident related to the mentioned topics has been reported.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches**

      No instance of data breach has been reported

   b. **Percentage of data breaches involving personally identifiable information of customers**

      - 0%

   c. **Impact, if any, of the data breaches**

      -

      NIL

## Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Comprehensive information about Arvind Fashions, including details about the company, its brands, and the latest news, can be found on their official website- https://www.arvindfashions.com/.

   For online shopping and to access a wide range of Arvind Fashions' brands with the latest offers, visit https://www.nnnow.com/.

   Additionally, Arrow's specific digital platforms and social media –

   - https://www.instagram.com/arrow_1851/?hl=en
   - https://www.facebook.com/arrowlif
   - https://www.youtube.com/@arrowlife6751

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Every product comes with a necessary tag and a wash care label which gives a necessary information about the product regarding the safe and responsible usage.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Yes, as part of the Company's ERP system, contact details such as email addresses and phone numbers are maintained. This information can be used to intimate them about any risk of disruption or discontinuation of services.

4. **Does the entity display product information on the product over & above what Is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief? Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, Customer feedback is considered as an important factor. Preferences of the customers are considered through their feedbacks at the store levels and through social handles.

# Independent Auditor's Report

To The Members of
Arvind Fashions Limited

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of Arvind Fashions Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1. | **Revenue Recognition (Wholesale business): [Assertion- Cut off] and provision for sales return.**<br>Revenue recognition involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point of time and provision for sales return.<br>Cut-off is the key assertion in so far as revenue recognition is concerned. | **Principal Audit Procedures Performed:**<br>The details of audit procedures performed by us are as follows:<br>• Evaluated the company's accounting policies with respect to revenue recognition and provision for sales return in accordance with Ind As 115 "Revenue from Contracts with customer".<br>• Selected a sample and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. |

| Sr. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| | There is a risk that revenue is recognized on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".<br>Also, Company has contracts with customers which entitles them to right of return. At year end, amount of expected returns that have not yet been settled with the customers are estimated and accrued.<br>Estimating the amount of such accrual at year end is considered a key audit matter due to assumptions and judgments required to be made by management. | • We obtained an understanding of process and evaluated the design and operating effectiveness of key controls, over timing of revenue recognition and calculating, reviewing and approving sales returns.<br>• Selected samples and performed the following procedures:<br>- Read, analyzed and identified the distinct performance obligations in these contracts and compared these performance obligations with that identified and recorded by the Company.<br>- For the selected samples, tested with the performance obligations specified in the underlying contracts.<br>- Performed analytical procedures for reasonableness of revenues with comparative period.<br>- Analyzed historical trends for returns and held discussions with management to understand changes in provisioning norms/additional provisions made based on management's assessment of market conditions and based on that, we have tested the estimates of returns related accruals with underlying documentation such as management approved norms, customer agreements, sales data and customer reconciliations, as applicable.<br>• At the year-end on the selected samples, we have performed early and late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales. |
| **2.** | **Assessment of Impairment of Investment in Subsidiaries –**<br>The carrying values of Company's investments in subsidiaries is assessed annually by management for potential indicators of impairment by reference to the requirements of Ind AS 36 'Impairment of Assets".<br>The company has direct equity investments (including perpetual debt) of ₹ 1,824.60 crores and ₹ 46.91 crores in Arvind Lifestyle Brands Limited (ALBL) and Arvind Youth Brands Private Limited (AYBPL) respectively and indirect investment in AYBPL from ALBL is ₹ 68.16 crores. [Refer note 7(a)]. | **Principal Audit Procedures Performed:**<br>• Evaluated the Company's accounting policies with respect to impairment of financial asset in accordance with Ind AS 36 "Impairment of Assets".<br>• We have obtained and discussed with management and evaluated the key judgements / assumptions underlying management's assessment of potential indicators of impairment.<br>• Evaluated the design and implementation of the relevant internal controls and tested the operating effectiveness of such internal controls over impairment assessment process, which inter-alia included the management's control over reasonableness of key assumptions considered in related forecasts of future cash flows principally related to revenue and profitability growth, terminal growth rate and discount rates used.<br>We obtained the investment valuations from the management and performed the following substantive procedures: |

| Sr. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| | The Company has carried out detailed evaluation of recoverable value of its equity investments in ALBL and AYBPL given considering various factors, as further explained in Note 7(a)(6) to the standalone financial statements. As per Ind AS 36, the Company has considered the recoverable amount to be higher of (i) value in use and (ii) fair value less cost to sell as applicable. Value is use has been determined, which requires management to make significant estimates and assumptions related to forecasts of future cash flows principally related to revenue, profitability growth, terminal growth rate and discount rates used. Furthermore, the value in use is highly sensitive to changes in some of the inputs used in forecasting the future cash flows.<br>Fair value less cost to sell, wherever applicable, has been determined using the Comparable Companies Multiple (CCM) approach, as evaluated by management with the assistance of an external valuation expert.<br>Based on such assessment the management has concluded that the carrying value of the equity investments is good and recoverable. Any adverse changes in these assumptions could have a significant impact on either the recoverable value, or the amount of any impairment charge, or both.<br>Accordingly, we identified the assessment of potential impairment of investments in above mentioned subsidiaries as a key audit matter because materiality of equity investments in subsidiaries and impairment assessment involves significant degree of management judgement in determining the key assumptions. | • Assessed the reasonableness of the key business assumptions such as revenue growth and EBIDTA margins, by understanding the management's plan and performing retrospective testing.<br>• Evaluated the valuation approach and assumptions used by the independent valuation expert appointed by the Management. This involved assessing the competence, expertise and objectivity of the independent valuer.<br>• Where potential indicators of impairment were identified, we evaluated management's impairment assessment and assumptions around key drivers of the cash flow forecasts, discount rates, expected growth rates and terminal growth rates used by comparison with available financial information including considerations of audited financial statements of the subsidiary.<br>• With internal fair-value specialists, we evaluated the reasonableness of (1) the valuation methodology and (2) the discount rate considered, by<br>• Testing the source information underlying the determination of the discount rate.<br>• Developing a range of independent estimates and comparing those to the discount rate selected by management.<br>• We also performed sensitivity analysis to determine impact of changes in key assumptions both individually and in aggregate. |

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexures thereof, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 25 to the standalone financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

        iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 39(a)(iv)(I) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 39(a)(iv)(II) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 42 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

Additionally audit trail has been preserved by the Company as per the statutory requirements for record retention as stated in note 39(b) of standalone financial statement.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

**Kartikeya Raval**
(Partner)
(Membership No. 106189)
(UDIN: 25106189BMNRJG9903)

Place: Ahmedabad
Date: May 17, 2025

# Annexure "A" to The Independent Auditor's Report

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of Arvind Fashions Limited (the "Company") as at March 31, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

## OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to standalone financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No. 117365W)

**Kartikeya Raval**
(Partner)
(Membership No. 106189)
(UDIN: 25106189BMNRJG9903)

Place: Ahmedabad
Date: May 17, 2025

# Annexure "B" to The Independent Auditor's Report

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed / transfer deed / provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including Right-of-Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for Goods in Transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, including the revised submissions made by the Company to its lead bankers based on closure of books of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has made investments in, provided guarantee and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has provided loans and stood guarantee during the year and details of which are given below:

₹ In Crores

| Particulars | | Loans | Guarantees# |
|---|---|---|---|
| A. | Aggregate amount granted during the year: | | |
| - | Subsidiaries | 30.00 | 861.63 |
| - | Others | 0.15 | - |
| B. | Balance outstanding as at balance sheet date in respect of above cases:* | | |
| - | Subsidiaries** | 200.00 | 768.80 |
| - | Others | 0.20 | - |

*includes opening balances.

** includes amounts invested in Perpetual / non convertible debentures of Subsidiary. These are classified under the note of Investments in financial statements, has been considered as loans without repayment for the purpose of reporting in clause (iii) of the Order.

# includes amount given by the Company as a counter guarantee against the guarantee given by the wholly owned subsidiary to its subsidiary.

The Company has not provided any advances in the nature of loans to any other entity during the year.

(b) The investments made, guarantees provided, and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, not prejudicial to the Company's interest.

(c) (i) The Company has granted loans to its subsidiaries, which are payable on demand. Accrued interest at every year end is converted to loan as per the agreement. In our opinion, the repayments of principal amounts (when demanded) are regular. In respect of loans granted by the Company to others, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(ii) In respect of loans granted in the nature of Perpetual Debt, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans granted by the Company which have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) During the year, the Company has granted loans which are repayable on demand or without specifying any terms or period of repayment, details of which are given below:

₹ In Crores

| Particulars | All Parties (including related parties) | Related Parties |
|---|---|---|
| Aggregate amount loans: | 30.15 | 30.00 |
| - Repayable on demand | 30.00 | 30.00 |
| Percentage of loans/ advances in nature of loans to the total loans given | 99.50% | 100% |

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

₹ In Crores

| Name of Statute | Nature of Dues | Amount involved | Amount unpaid | Period to which the Amount Relates | Forum where Dispute is pending |
|---|---|---|---|---|---|
| The Income Tax Act, 1961 | Income Tax | 43.66 | 40.63 | 2018-19<br>2020-21<br>2023-24 | Commissioner of Income Tax Appeals |
| Goods & Services Tax Act, 2017 | Goods & Service Tax | 15.67 | 14.98 | 2017-18<br>2019-20 | Joint Commissioner of Haryana State Tax (Appeals) |
| | | 0.14 | 0.13 | 2017-18 | Joint Commissioner of Maharashtra State Tax (Appeals) |
| | | 0.01 | 0.01 | 2019-20 | Assistant Commissioner of Gujarat |
| | | 0.05 | 0.05 | 2019-20 | GST State tax officer of Kannur, Kerala |

The above-mentioned figures represent the unpaid amount as of March 31, 2025 against disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entities or persons on account of or to meet the obligations of its subsidiaries during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2025.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit but had incurred cash losses amounting Rs 2.30 crores in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

**For Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

**Kartikeya Raval**
(Partner)
(Membership No. 106189)
(UDIN: 25106189BMNRJG9903)

Place: Ahmedabad
Date: May 17, 2025

# Standalone Balance Sheet

As at March 31, 2025

₹ In Crores

| Particulars | Notes | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **I. Non-current assets** | | | |
| (a) Property, Plant and Equipment | 5 | 27.64 | 19.45 |
| (b) Right-of-Use Asset | 33 | 48.60 | 22.36 |
| (c) Intangible assets | 6 | 28.05 | 50.54 |
| (d) Intangible assets under development | 6(a) | 0.15 | 2.48 |
| (e) Financial assets | | | |
| (i) Investments | 7(a) | 1,988.91 | 1,984.79 |
| (ii) Other financial assets | 7(f) | 3.39 | 1.13 |
| (f) Deferred tax assets (net) | 24 | 16.11 | 17.96 |
| (g) Non-Current tax assets (net) | 8 | 15.79 | 14.95 |
| (h) Other non-current assets | 9 | 0.26 | 3.89 |
| **Total Non-current Assets** | | **2,128.90** | **2,117.55** |
| **II. Current assets** | | | |
| (a) Inventories | 10 | 94.42 | 59.95 |
| (b) Financial assets | | | |
| (i) Trade receivables | 7 (b) | 255.47 | 226.26 |
| (ii) Cash and cash equivalents | 7 (d) | 7.64 | 3.23 |
| (iii) Bank balance other than (ii) above | 7 (e) | 1.29 | 1.21 |
| (iv) Loans | 7 (c) | 100.19 | 127.98 |
| (v) Others financial assets | 7 (f) | 2.75 | 0.07 |
| (c) Other current assets | 9 | 102.33 | 117.17 |
| **Total Current Assets** | | **564.09** | **535.87** |
| **Total Assets** | | **2,692.99** | **2,653.42** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 11 | 53.32 | 53.19 |
| (b) Other equity | 12 | 2,278.72 | 2,250.65 |
| **Total equity** | | **2,332.04** | **2,303.84** |
| **Liabilities** | | | |
| **I. Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 (a) | - | 10.57 |
| (ii) Lease Liabilities | 33 | 39.90 | 18.89 |
| (iii) Other financial liabilities | 13 (c) | 5.94 | 3.56 |
| (b) Provisions | 14 | 5.80 | 4.74 |
| **Total Non-current Liabilities** | | **51.64** | **37.76** |
| **II. Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 (a) | 61.68 | 92.52 |
| (ii) Lease Liabilities | 33 | 10.44 | 5.40 |
| (iii) Trade payables | | | |
| -Total outstanding dues of micro enterprises and small enterprises | 13 (b) | 16.53 | 8.84 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | 13 (b) | 194.01 | 160.65 |
| (iv) Other financial liabilities | 13 (c) | 15.15 | 29.89 |
| (b) Other current liabilities | 15 | 10.60 | 13.79 |
| (c) Provisions | 14 | 0.90 | 0.73 |
| **Total Current Liabilities** | | **309.31** | **311.82** |
| **Total Equity and Liabilities** | | **2,692.99** | **2,653.42** |
| Material Accounting Policies | 3 | | |

The accompanying notes are an integral part of these Standalone Financial Statements.
As per our report of even date attached

**For Deloitte Haskins & Sells**
Chartered Accountants

**Kartikeya Raval**
Partner

Place: Ahmedabad
Date: May 17, 2025

For and on behalf of the board of directors of **Arvind Fashions Limited**

**Sanjay S. Lalbhai**
Chairman & Director
DIN - 00008329
Place: Ahmedabad
Date: May 17, 2025

**Shailesh Chaturvedi**
Managing Director & CEO
DIN - 03023079
Place: Bengaluru
Date: May 17, 2025

**Girdhar Chitlangia**
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2025

**Lipi Jha**
Company Secretary
Place: Bengaluru
Date: May 17, 2025

# Standalone Statement of Profit and Loss

For the year ended March 31, 2025

(₹ in Crores except per share data)

| Particulars | Notes | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| **I Income** | | | |
| Revenue from operations | | | |
| Sale of Products | 16 | 665.35 | 607.69 |
| Operating Income | 16 | 0.56 | 1.40 |
| **Revenue from operations** | | **665.91** | **609.09** |
| Other income | 17 | 64.24 | 62.38 |
| **Total Income (I)** | | **730.15** | **671.47** |
| **II Expenses** | | | |
| Purchases of stock-in-trade | 18 | 455.06 | 438.77 |
| Changes in inventories of stock-in-trade | 19 | (34.47) | (32.87) |
| Employee benefits expense | 20 | 56.83 | 64.80 |
| Finance costs | 21 | 21.44 | 19.50 |
| Depreciation and amortisation expense | 22 | 42.78 | 12.76 |
| Other expenses | 23 | 142.15 | 125.90 |
| **Total Expenses (II)** | | **683.79** | **628.86** |
| **III. Profit/(Loss) before exceptional items and tax (I-II)** | | **46.36** | **42.61** |
| **IV. Exceptional Item** | 23(b) | - | (51.46) |
| **V. Profit/(Loss) before tax (III+IV)** | | **46.36** | **(8.85)** |
| **VI. Tax Expense** | 24 | | |
| Current tax | 24 | 6.71 | 1.01 |
| Deferred tax charge / (credit) | | 1.88 | 1.48 |
| **Total Tax Expense** | | **8.59** | **2.49** |
| **VII. Profit/(Loss) for the year (V-VI)** | | **37.77** | **(11.34)** |
| **VIII. Other Comprehensive Income** | | | |
| **Items that will not to be reclassified to profit or loss:** | | | |
| Re-measurement gains / (losses) on defined benefit plans | 29 | (0.09) | (0.26) |
| Income tax effect | 24 | 0.03 | 0.09 |
| **Total Other Comprehensive Income/(Loss) for the year (Net of Tax)** | | **(0.06)** | **(0.17)** |
| **IX. Total Comprehensive Income/(Loss) for the year (VII+VIII)** | | **37.71** | **(11.51)** |
| **X. Earnings per share** | | | |
| Nominal Value per share - ₹ 4 | | | |
| Basic - ₹ | | 2.84 | (0.85) |
| Diluted - ₹ | | 2.83 | (0.85) |
| Material Accounting Policies | 3 | | |

The accompanying notes are an integral part of these Standalone Financial Statements.
As per our report of even date attached

**For Deloitte Haskins & Sells**
Chartered Accountants

**Kartikeya Raval**
Partner

Place: Ahmedabad
Date: May 17, 2025

For and on behalf of the board of directors of **Arvind Fashions Limited**

**Sanjay S. Lalbhai**
Chairman & Director
DIN - 00008329
Place: Ahmedabad
Date: May 17, 2025

**Shailesh Chaturvedi**
Managing Director & CEO
DIN - 03023079
Place: Bengaluru
Date: May 17, 2025

**Girdhar Chitlangia**
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2025

**Lipi Jha**
Company Secretary
Place: Bengaluru
Date: May 17, 2025

# Standalone Statement of Changes in Equity

For the year ended March 31, 2025

## A. EQUITY SHARE CAPITAL

₹ In Crores

| Balance | Amount |
|---|---:|
| **As at April 1, 2023** | **53.13** |
| Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32) | 0.06 |
| **As at March 31, 2024** | **53.19** |
| Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32) | 0.13 |
| **As at March, 31, 2025** | **53.32** |

## B. OTHER EQUITY

₹ In Crores

| Particulars | Reserves and Surplus | | | | Total Other equity |
|---|---:|---:|---:|---:|---:|
| | Share Based Payment Reserve | Securities premium | Retained Earnings | Capital Reserve | |
| | Note 12 | Note 12 | Note 12 | Note 12 | |
| **Balance as at April 1, 2023** | **16.15** | **2,152.45** | **60.48** | **39.89** | **2,268.96** |
| Profit/ (Loss) for the year | - | - | (11.34) | - | (11.34) |
| Other comprehensive income/(loss) for the year | - | - | (0.17) | - | (0.17) |
| **Total Comprehensive income/(loss) for the year** | **-** | **-** | **(11.51)** | **-** | **(11.51)** |
| Share issued during the year | - | 2.26 | - | - | 2.26 |
| Share based payment expense | 4.21 | - | - | - | 4.21 |
| Transfer to securities premium | (0.91) | - | - | - | (0.91) |
| Transfer from share based payment reserve | - | 0.91 | - | - | 0.91 |
| Dividend paid during the year | - | - | (13.28) | - | (13.28) |
| **Balance as at March 31, 2024** | **19.45** | **2,155.62** | **35.69** | **39.89** | **2,250.65** |
| **Balance as at April 1, 2024** | **19.45** | **2,155.62** | **35.69** | **39.89** | **2,250.65** |
| Profit/ (Loss) for the year | - | - | 37.77 | - | 37.77 |
| Other comprehensive income/(loss) for the year | - | - | (0.06) | - | (0.06) |
| **Total Comprehensive income/(loss) for the year** | **-** | **-** | **37.71** | **-** | **37.71** |
| Share issued during the year | - | 5.12 | - | - | 5.12 |
| Share based payment expense | 1.89 | - | - | - | 1.89 |
| Transfer to securities premium | (2.27) | - | - | - | (2.27) |
| Transfer from share based payment reserve | - | 2.27 | - | - | 2.27 |
| Dividend paid during the year | - | - | (16.65) | - | (16.65) |
| **Balance as at March 31, 2025** | **19.07** | **2,163.01** | **56.75** | **39.89** | **2,278.72** |

The accompanying notes are an integral part of these Standalone Financial Statements.
As per our report of even date attached

**For Deloitte Haskins & Sells**
Chartered Accountants

**Kartikeya Raval**
Partner

Place: Ahmedabad
Date: May 17, 2025

For and on behalf of the board of directors of **Arvind Fashions Limited**

**Sanjay S. Lalbhai**
Chairman & Director
DIN - 00008329
Place: Ahmedabad
Date: May 17, 2025

**Shailesh Chaturvedi**
Managing Director & CEO
DIN - 03023079
Place: Bengaluru
Date: May 17, 2025

**Girdhar Chitlangia**
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2025

**Lipi Jha**
Company Secretary
Place: Bengaluru
Date: May 17, 2025

# Standalone Statement of Cash Flows

For the year ended March 31, 2025

₹ In Crores

| | Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| **A** | **Cash Flow from Operating Activities** | | |
| | **Profit/(Loss) before tax** | **46.36** | **(8.85)** |
| | **Adjustments to reconcile profit/(loss) before tax to net cash flows:** | | |
| | Depreciation and Amortisation expense | 42.78 | 12.76 |
| | Interest Income | (10.61) | (7.86) |
| | Finance Costs | 21.44 | 19.50 |
| | Loss/(Gain) of mark to market of derivatives financial instruments | 0.24 | - |
| | Financial guarantee commission | (3.39) | (3.85) |
| | Allowance/ (Reversal) of doubtful debts | 0.65 | 0.13 |
| | Unrealised Foreign Exchange Difference (net) | (0.31) | (0.28) |
| | (Profit)/Loss on Sale of Property, Plant & Equipment (net) | (0.01) | 0.00 |
| | Provision/(Reversal) for Non-moving Inventory and Returnable assets | (3.81) | 6.49 |
| | Unclaimed liability written off | - | (1.00) |
| | Share based payment expense | 1.23 | 3.10 |
| | Gain on Reassessment of Lease | (0.14) | - |
| | Dividend Income | (50.03) | (49.28) |
| | Income from Sale of Mutual Funds | - | (0.38) |
| | Loss on Sale of Subsidiary | - | 38.37 |
| | **Operating Profit before Working Capital Changes** | **44.40** | **8.85** |
| | **Adjustments for changes in working capital :** | | |
| | (Increase)/Decrease in Inventories | (32.07) | (39.36) |
| | (Increase)/Decrease in Trade receivables | (29.84) | 16.72 |
| | (Increase)/Decrease in Other assets | 19.89 | (2.80) |
| | (Increase)/Decrease in Other financial assets | (7.35) | (1.01) |
| | Increase/(Decrease) in Trade payables | 41.34 | (24.11) |
| | Increase/(Decrease) in Other liabilities | (3.20) | 0.97 |
| | Increase/(Decrease) in Other financial liabilities | (12.34) | 18.03 |
| | Increase/(Decrease) in Provisions | 1.14 | 0.92 |
| | **Net Changes in Working Capital** | **(22.43)** | **(30.64)** |
| | **Cash Generated from Operations** | **21.97** | **(21.79)** |
| | Income Taxes paid (Net of Income Tax refund) | (7.54) | (6.58) |
| | **Net Cash received from/ (used in) Operating Activities (A)** | **14.43** | **(28.37)** |
| **B** | **Cash Flow from Investing Activities** | | |
| | Purchase of Property, Plant & Equipment and Intangible assets | (15.56) | (57.46) |
| | Proceeds from Sale of Property, Plant & Equipment | 0.03 | 0.10 |
| | Purchase of Mutual Funds | - | (70.00) |
| | Proceeds from Sale of Mutual Funds | - | 70.38 |
| | Redemption of Perpetual debt of Subsidiary | - | 15.70 |
| | Proceeds from Sale of Subsidiary | - | 95.80 |
| | Changes in other bank balances not considered as cash and cash equivalents | (0.02) | - |
| | Loans (given)/received back (net) | 27.78 | (13.58) |
| | Interest Received | 10.36 | 4.03 |
| | Dividend Received | 50.03 | 49.28 |
| | **Net Cash received from/ (used in) Investing Activities (B)** | **72.62** | **94.25** |

# Standalone Statement of Cash Flows

For the year ended March 31, 2025

₹ In Crores

| | Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| **C** | **Cash Flow from Financing Activities** | | |
| | Proceeds from issue of equity share capital | 5.25 | 2.33 |
| | Repayment of long term borrowings | (15.41) | (13.22) |
| | Proceeds/(Repayment) from short term borrowings (net) | (26.00) | (15.76) |
| | Finance Cost Paid | (17.56) | (17.12) |
| | Repayment of lease liabilities | (8.00) | (3.77) |
| | Repayment of Interest amount of Lease Liabilities | (4.27) | (1.87) |
| | Dividend paid | (16.65) | (13.28) |
| | **Net Cash received from/ (used in) Financing Activities (C)** | **(82.64)** | **(62.70)** |
| | **Net Increase/(Decrease) in cash & cash equivalents(A+B+C)** | **4.41** | **3.18** |
| | Cash & Cash equivalent at the beginning of the year | 3.23 | 0.05 |
| | Cash & Cash equivalent at the end of the year | 7.64 | 3.23 |

Figures in brackets indicate outflows.

## Reconciliation of Cash & Cash Equivalents

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Cash and cash equivalents comprise of: (Refer Note 7(d))** | | |
| Cash on Hand | - | - |
| Balances with Banks | 7.64 | 3.23 |
| **Cash and cash equivalents** | **7.64** | **3.23** |

The accompanying notes are an integral part of these Financial Statements.

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

₹ In Crores

| Particulars of liabilities arising from financing activity | Note No. | As at April 1, 2024 | Net cash flows | Non Cash Changes | | As at March 31, 2025 |
|---|---|---|---|---|---|---|
| | | | | Impact of Ind AS 116 | Other Changes* | |
| **Borrowings:** | | | | | | |
| Long term borrowings | 13(a) | 24.09 | (15.41) | - | - | 8.68 |
| Short term borrowings | 13(a) | 79.00 | (26.00) | - | - | 53.00 |
| Interest accrued on borrowings | 13(c ) | 1.07 | (1.07) | - | 0.67 | 0.67 |
| Lease liabilities | 33 | 24.29 | (12.27) | 34.05 | 4.27 | 50.34 |
| **Total** | | **128.45** | **(54.76)** | **34.05** | **4.94** | **112.69** |

# Standalone Statement of Cash Flows

For the year ended March 31, 2025

₹ In Crores

| Particulars of liabilities arising from financing activity | Note No. | As at April 1, 2023 | Net cash flows | Non Cash Changes | | As at March 31, 2024 |
|---|---|---|---|---|---|---|
| | | | | Impact of Ind AS 116 | Other Changes* | |
| **Borrowings:** | | | | | | |
| Long term borrowings | 13(a) | 37.31 | (13.22) | - | - | 24.09 |
| Short term borrowings | 13(a) | 94.75 | (15.76) | - | - | 79.00 |
| Interest accrued on borrowings | 13(c) | 0.56 | (0.56) | - | 1.07 | 1.07 |
| Lease liabilities | 33 | 19.59 | (5.65) | 8.48 | 1.87 | 24.29 |
| **Total** | | **152.21** | **(35.18)** | **8.48** | **2.94** | **128.45** |

* The same relates to amount charged in statement of profit and loss.

**Notes:**

1) The above standalone statement of cash flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

As per our report of even date attached

**For Deloitte Haskins & Sells**
Chartered Accountants

**Kartikeya Raval**
Partner

Place: Ahmedabad
Date: May 17, 2025

For and on behalf of the board of directors of **Arvind Fashions Limited**

**Sanjay S. Lalbhai**
Chairman & Director
DIN - 00008329
Place: Ahmedabad
Date: May 17, 2025

**Shailesh Chaturvedi**
Managing Director & CEO
DIN - 03023079
Place: Bengaluru
Date: May 17, 2025

**Girdhar Chitlangia**
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2025

**Lipi Jha**
Company Secretary
Place: Bengaluru
Date: May 17, 2025

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## 1. CORPORATE INFORMATION

Arvind Fashions Limited ("the Company") is a public limited company incorporated in India under the provisions of the Companies Act, 2013 and has its registered office at Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 having CIN L52399GJ2016PLC085595. The Company has its primary listings on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("the Stock Exchanges"). The Company is in the business of marketing and distribution of branded apparels and accessories.

The Company's Standalone Financial Statements have been approved by Board of Directors in the meeting held on May 17, 2025.

## 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

### 2.1 Basis of Preparation and Presentation and Statement of Compliance

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements comprising of Standalone Balance Sheet, Standalone Statement of Profit and Loss including other comprehensive income, Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows as at March 31, 2025 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III of the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to Standalone Financial Statement.

### 2.2 Historical Cost Convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

### 2.3 Rounding off

The Standalone Financials Statement have been prepared in Indian Rupees (INR) and all the values are rounded to nearest crores as per the requirement of Schedule III, except when otherwise indicated. Figures less than Rs 50,000 which are required to be shown separately, have been shown in actual brackets.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Company in preparing its Standalone Financial Statements consistently to all the periods presented:

### 3.1 Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

All other assets and liabilities are classified as noncurrent. For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

## 3.2 Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

## 3.3 Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

## 3.4 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

assets with specific useful life and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

### Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful life of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for following assets category as shown in Table below.

| Asset | Estimated Useful Life |
|---|---|
| Buildings | 30 Years |
| Plant & Machinery | 6 to 15 Years |
| Office Equipment | 6 to 8 Years |
| Furniture & Fixture | 6 to 9 Years |
| Motor Cars | 4 Years |
| Computers, Servers and Network | 3 Years |

However, Leasehold Improvements have been depreciated considering the lease term or useful life whichever is lower.

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful life for these assets are different from the useful life as prescribed under Part C of Schedule II to the Companies Act 2013. Any change in useful file are being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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

## 3.5 Leases

The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are fixed payments. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows.

## 3.6 Intangible Assets.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful life of intangible assets are assessed as finite.

Intangible assets with finite life are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite life is recognised in the Statement of Profit and Loss.

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

### Amortisation

Software and Website are amortized over management estimate of its useful life of 5 years on straight line basis.

Acquired Trademark are amortized over management estimate of its useful life of 2 years on straight line basis.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## 3.7 Inventories

Stock-in-trade are valued at the lower of cost and net realisable value.

- Stock in Trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

## 3.8 Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## 3.9 Revenue Recognition

The Company derives revenues primarily from sale of traded goods and related services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements.

### a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, i.e., generally on delivery of the goods and when the ownership of goods and control are transferred for a consideration. 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 accounts contractually defined terms of payment excluding taxes and duties collected on behalf of the government. In case of sales made through franchisee revenue is measured on gross basis net of taxes and consideration payable to franchisee is recognised as expenses.

**Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

# Notes to the Standalone Financial Statements

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### i. Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refundable liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

### ii. Discounts

Discounts are offset against amounts payable by the customer. To estimate the variable consideration for the expected future discounts, the Company applies the expected value method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

## b) Assets and liabilities arising from returns

### i. Returnable asset

Returnable asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decrease in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decrease in the value of the returned products.

### ii. Refundable liabilities

A refundable liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refundable liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

## c) Gift Vouchers

The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) when redeemed or to revenue (sale of services) on expiry.

## d) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

## e) Profit or loss on sale of Investments

Profit or Loss on sale of investments is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

## f) Dividend

Dividend income from investments in subsidiary is recognised when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

### 3.10 Financial instruments – initial recognition and subsequent measurement

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

#### a) Financial assets

#### (i) Initial recognition and measurement of financial assets

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or 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 (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### (ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- **Financial assets at amortised cost:**

  A financial asset is measured at amortised cost if:

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

  This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

#### (iii) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**(iv) Impairment of financial assets**

**a) Financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 109 and IND AS 115

The Company follows 'simplified 12 months approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and IND AS 115, if they do not contain a significant financing component

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and IND AS 115 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

- Right Of Use Assets resulting from transactions within the scope of Ind AS 116

The application of simplified 12 months approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head “Other expenses” in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and ROU Assets: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## b) Financial Liabilities

### (i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### (ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

  This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

  This category generally applies to borrowings.

### (iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 3.11 Investment in subsidiary Companies

The Company has elected to recognise its investments in subsidiary companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost includes cash consideration paid on initial recognition and adjusted for embedded derivative, if any.

Subsidiaries are all the entities over which Company has direct or indirect control. Control is achieved when:

- Has power over its investee,
- Is exposed to, or has rights to, variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns

The details of such investments are given in Note 7(a).

Impairment policy applicable on such investments is explained in Note 3.8 above.

## 3.12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 3.13 Taxes

Tax expense comprises of current income tax and deferred tax.

#### Current income tax

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

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

  Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

  The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

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

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

## 3.14 Employee Benefit

### a) Short Term Employee Benefit

All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

### b) Post-Employment Benefits

### (i) Defined contribution plan

The Company's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

### (ii) Defined benefit plan

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

### c) Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

### d) Termination Benefits:

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

## 3.15 Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## 3.16 Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## 3.17 Dividend

The Company recognises a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

### 3.18 Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Standalone Financial Statements.

Contingent assets are not recognised but disclosed in the Standalone Financial Statements when an inflow of economic benefits is probable.

### 3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 3.20 Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

### 3.21 Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATE AND ASSUMPTIONS

The preparation of the Standalone financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 4.1 Revenue recognition

The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Company has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Company has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

### 4.2 Provision for discount and sales return

a) The Company provides for sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario. Provision is created based on the management's assessment of market conditions.

b) At each balance sheet date, management estimates the adequacy of provision for discounts to be given to its customers on the sales made by the Company on the basis of historical trend, past experience and discount policies.

### 4.3 Allowance for expected credit loss on trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are calculated using simplified 12 months ECL approach based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is Grouped into homogeneous Groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. Refer Note 7 (b) for further details.

### 4.4 Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The expenses recognised for share-based payment transactions are disclosed in Note 32.

### 4.5 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax credits carried forward and unused losses carried forward.

Further details on taxes are disclosed in Note 24.

## 4.6 Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete / slow-moving inventory items.

## 4.7 Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company.

Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 25).

## 4.8 Control over subsidiaries

The Company evaluates its control over the entities where it holds significant voting rights and considers them as Subsidiaries where it exercises control (Refer note 7a).

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 5 : PROPERTY, PLANT AND EQUIPMENT

₹ In Crores

| Particulars | Buildings | Plant & machinery | Furniture & fixture | Vehicles | Leasehold improvements | Office equipment | Computers, Servers and Network | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Value** | | | | | | | | |
| **As at March 31, 2023** | **6.94** | **5.11** | **16.56** | **2.14** | **4.50** | **0.75** | **7.21** | **43.21** |
| Additions | - | 0.02 | 4.73 | - | 1.55 | 0.04 | 1.47 | 7.81 |
| Deductions | - | - | - | 0.18 | - | - | 0.01 | 0.19 |
| **As at March 31, 2024** | **6.94** | **5.13** | **21.29** | **1.96** | **6.05** | **0.79** | **8.67** | **50.83** |
| Additions | - | 0.64 | 7.16 | - | 3.75 | 0.74 | 0.87 | 13.16 |
| Deductions | - | - | - | - | 0.02 | - | 0.05 | 0.07 |
| **As at March 31, 2025** | **6.94** | **5.77** | **28.45** | **1.96** | **9.78** | **1.53** | **9.49** | **63.92** |
| **Accumulated Depreciation** | | | | | | | | |
| **As at March 31, 2023** | **0.90** | **4.99** | **10.38** | **0.56** | **2.84** | **0.63** | **6.68** | **26.98** |
| Depreciation for the year | 0.22 | 0.09 | 2.79 | 0.47 | 0.55 | 0.03 | 0.35 | 4.50 |
| Deductions | - | - | - | 0.09 | - | - | 0.01 | 0.10 |
| **As at March 31, 2024** | **1.12** | **5.08** | **13.17** | **0.94** | **3.39** | **0.66** | **7.02** | **31.38** |
| Depreciation for the year | 0.22 | 0.13 | 2.66 | 0.45 | 0.85 | 0.07 | 0.57 | 4.95 |
| Deductions | - | - | - | - | 0.01 | - | 0.04 | 0.05 |
| **As at March 31, 2025** | **1.34** | **5.21** | **15.83** | **1.39** | **4.23** | **0.73** | **7.55** | **36.28** |
| **Net Carrying Value** | | | | | | | | |
| **As at March 31, 2025** | **5.60** | **0.56** | **12.62** | **0.57** | **5.55** | **0.80** | **1.94** | **27.64** |
| **As at March 31, 2024** | **5.82** | **0.05** | **8.12** | **1.02** | **2.66** | **0.13** | **1.65** | **19.45** |

**Notes:**

1) For Properties pledge as security Refer Note 13 (a).

2) Refer Note 26 for disclosure of capital commitments for the acquisition of property,plant & equipment.

3) As on date of balance sheet, there are no capital work in progress whose completion is overdue or has exceeded the cost compared to its original plan.

4) There is no project which is temporarily suspended.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 6 : INTANGIBLE ASSETS

₹ In Crores

| Particulars | Computer Software | Trade Mark | Product Development | Website | Total Intangible Assets |
|---|---|---|---|---|---|
| **Gross Carrying Value** | | | | | |
| **As at March 31, 2023** | **11.29** | **-** | **8.09** | **2.46** | **21.84** |
| Additions | 0.21 | 47.40 | - | - | 47.61 |
| Deductions | - | - | - | - | - |
| **As at March 31, 2024** | **11.50** | **47.40** | **8.09** | **2.46** | **69.45** |
| Additions | 4.71 | - | - | - | 4.71 |
| Deductions | - | - | - | - | - |
| Adjustments* | 8.09 | | (8.09) | | - |
| **As at March 31, 2025** | **24.30** | **47.40** | **-** | **2.46** | **74.16** |
| **Amortisation** | | | | | |
| **As at March 31, 2023** | **8.23** | **-** | **4.61** | **2.46** | **15.30** |
| Amortisation for the Year | 2.41 | - | 1.20 | - | 3.61 |
| Deductions | - | - | - | - | - |
| **As at March 31, 2024** | **10.64** | **-** | **5.81** | **2.46** | **18.91** |
| Amortisation for the Year | 3.50 | 23.70 | - | - | 27.20 |
| Deductions | - | - | - | - | - |
| Adjustments* | 5.81 | - | (5.81) | - | - |
| **As at March 31, 2025** | **19.95** | **23.70** | **-** | **2.46** | **46.11** |
| **Net Carrying Value** | | | | | |
| **As at March 31, 2025** | **4.35** | **23.70** | **-** | **-** | **28.05** |
| **As at March 31, 2024** | **0.86** | **47.40** | **2.28** | **-** | **50.54** |

*Adjustments includes intra-head re-grouping.

**Notes:**

1) During the previous year, pursuant to a Deed of assignment of Trademark entered between wholly owned subsidiary of the Company i.e. Arvind Lifestyle Brands Limited (ALBL) and Arvind Fashions Limited (AFL). AFL has acquired all the rights, title and interest for the trademarks of Ruf & Tuf and Newport from the ALBL, for a total consideration of ₹ 47.40 crores detemined by the independent valuer, being the Fair value of the said trademarks on the date of the transfer.(Refer note 30)

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

### Note 6(a) : Intangible assets under development

₹ In Crores

| Intangible assets under development | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 years | Total Amount |
| **As on 31st March, 2025** | | | | | |
| Project in Progress | 0.15 | - | - | - | 0.15 |
| **As on 31st March, 2024** | | | | | |
| Project in Progress | 2.18 | 0.30 | - | - | 2.48 |

## NOTE 7 : FINANCIAL ASSETS

### 7 (a) Investments

₹ In Crores

| Particulars | Face Value per share in Rs. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Non-current investment** | | | |
| **Investment in equity shares (fully paid up)** | | | |
| **Subsidiaries - measured at cost (Unquoted)** | | | |
| Arvind Lifestyle Brands Limited (Refer Note 1, 2 ,3 and 6 below) | 10 | 1,724.60 | 1,721.60 |
| (31st March, 2025: 15,75,00,000, 31st March 2024: 15,75,00,000) | | | |
| PVH Arvind Fashion Private Limited (Refer Note 2 and 7 below) | 10 | 117.40 | 116.88 |
| (31st March, 2025: 25,01,589; 31st March 2024: 25,01,589) | | | |
| Arvind Youth Brands Private Limited (Refer Note 1, 2, 3 and 6 below) | 10 | 46.91 | 46.31 |
| (31st March, 2025:4,46,32,600 , 31st March 2024:4,46,32,600) | | | |
| **Total equity Investments** | | **1,888.91** | **1,884.79** |
| **Investment in Perpetual Non Convertible Debentures** | | | |
| 10,00,00,000 (Previous year: 10,00,00,000) 8% Unsecured Perpetual Non-Convertible Debentures of ₹ 10 Each of Arvind Lifestyle Brands Limited | | 100.00 | 100.00 |
| **Total Investments** | | **100.00** | **100.00** |
| **Total Investments** | | **1,988.91** | **1,984.79** |
| Aggregate amount of quoted investments | | - | - |
| Aggregate amount of unquoted investments | | 1,988.91 | 1,984.79 |
| Aggregate impairment in value of investment | | - | - |

**Note 1:** Increase in the cost of investment during the year includes recognition of cost of ESOPs issued to Employees of Subsidiaries. The same is detailed below:

₹ In Crores

| Subsidiaries | 2024-25 | 2023-24 |
|---|---|---|
| Arvind Lifestyle Brands Limited | 0.62 | 0.96 |
| Arvind Youth Brands Private Limited | 0.05 | 0.09 |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | - | 0.06 |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

**Note 2:** Increase in the Cost of investment during the year includes recognition of Notional Commission on Fair Valuation of Financial Guarantee provided for loan taken by subsidiary. The same is detailed below:

₹ In Crores

| Subsidiaries | 2024-25 | 2023-24 |
|---|---|---|
| Arvind Lifestyle Brands Limited | 2.38 | 2.66 |
| Arvind Youth Brands Private Limited | 0.55 | 0.42 |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | - | 0.10 |
| PVH Arvind Fashion Private Limited | 0.52 | 0.56 |

**Note 3:** The Company has pledged 4,63,51,265 equity shares of Arvind Lifestyle Brands Limited as a security against working capital loans availed by the Company and Arvind Lifestyle Brands Limited.

The Company has pledged 4,05,75,090 equity shares of Arvind Youth Brands Retail Private Limited as a security against working capital loans availed by the Company.(Refer Note 13(a)).

**Note 4:** The Company has complied with the requirement with respect to number of layers prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

**Note 5:** Investment in Perpetual Non Convertible Debentures / Perpetual Debt is redeemable / Payable at issuer's option and can be deferred indefinitely.

**Note 6 :**The carrying amounts of long-term investments in equity shares and perpetual debt of subsidiary companies viz. Arvind Lifestyle Brands Limited (“ALBL”) and Arvind Youth Brands Private Limited (“AYBPL”) aggregates to ₹ 1871.51 crore, indirect investment from ALBL in AYBPL by ₹ 68.16 crores as at March 31, 2025. The said individual subsidiary companies have erosion in net worth as compared to investment made by the Company as at March 31, 2025. The Company has determined the recoverable amounts to be higher of (i) value in use and (ii) fair value less cost to sell as applicable.

The value in use has been determined based on management’s best estimates, which require the application of significant judgment. These estimates involve forecasting future cash flows, primarily relating to revenue growth, profitability, terminal growth rate, and discount rates. Furthermore, the Company applies sensitivity analysis to key inputs to ensure the value in use reflects potential variability in future cash flows.

Fair value less cost to sell, wherever applicable, has been determined using the Comparable Companies Multiple (CCM) approach, as evaluated by the Company with the assistance of an external valuation expert. On evaluation of the aforesaid factors, the Company has concluded that no provision for impairment in respect of such investments are considered necessary at this stage.

**Note 7 :** Company has considered PVH Arvind Fashion Limited as a subsidiary even though the company has 50% ownership interest in the entity. Based upon the contractual agreement between the company and other investor, the company has power to appoint the chairman who has a voting right, of the board of directors and has the power to direct the relevant activities.Therefore,the directors of the company concluded that they have the practical ability to direct the power to affect the relevant activities and thus,criteria for effective control are fulfilled.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## 7 (b) Trade receivables - Current

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Unsecured, considered good | 438.59 | 425.97 |
| Credit impaired | 14.24 | 13.59 |
| Less : Allowance for doubtful debts | (14.24) | (13.59) |
| | **438.59** | **425.97** |
| Less : Refund liability - Refer Note 3 below | (183.12) | (199.71) |
| **Total Trade receivables** | **255.47** | **226.26** |

**Notes:**

1) No trade receivables are due from directors or other officers of the Company either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.

2) Trade receivables are given as security for borrowings as disclosed under Note 13(a).

3) Refund liability are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.

4) For amount due from Related Parties, refer note 30.

### Allowance for doubtful debts

The Company has provided allowance for doubtful debts based on the simplified 12 months ECL approach using provision matrix.

### Movement in allowance for doubtful debt :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | 13.59 | 13.46 |
| Add : Allowance for the year (Refer note 23) | 0.65 | 0.13 |
| Less : Provision for doubtful debts-Written Back | - | - |
| **Balance at the end of the year** | **14.24** | **13.59** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## Trade Receivables Ageing Schedule:

### As at March 31, 2025

₹ In Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 Months | 6 Months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables - Considered Good | 354.47 | 81.51 | 2.61 | - | - | - | 438.59 |
| Undisputed Trade receivables - credit impaired | - | - | 2.62 | 0.92 | 1.50 | 2.93 | 7.97 |
| Disputed Trade receivables - credit impaired | - | - | - | 3.01 | 0.22 | 3.04 | 6.27 |
| **Total** | **354.47** | **81.51** | **5.23** | **3.93** | **1.72** | **5.97** | **452.83** |
| Less: Allowance for doubtful debts | | | | | | | 14.24 |
| Less: Refundable Liability | | | | | | | 183.12 |
| **Net Trade Receivables** | | | | | | | **255.47** |

### As at March 31, 2024

₹ In Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 Months | 6 Months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables - Considered Good | 332.20 | 90.73 | 1.56 | 1.29 | 0.20 | 0.00* | 425.98 |
| Undisputed Trade receivables - credit impaired | - | - | 4.51 | 2.20 | 0.12 | 2.90 | 9.73 |
| Disputed Trade receivables - credit impaired | - | - | - | 0.81 | 0.02 | 3.02 | 3.85 |
| **Total** | **332.20** | **90.73** | **6.07** | **4.30** | **0.34** | **5.92** | **439.56** |
| Less: Allowance for doubtful debts | | | | | | | 13.59 |
| Less: Refundable Liability | | | | | | | 199.71 |
| **Net Trade Receivables** | | | | | | | **226.26** |

* Represents amount less than ₹ 50,000/-

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## 7 (c) Loans

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **(Unsecured, considered good unless otherwise stated)** | | |
| **Current** | | |
| Loans to related parties (Refer Note 30) | 100.00 | 127.85 |
| Loans to employees | 0.19 | 0.13 |
| | **100.19** | **127.98** |
| **Total Loans** | **100.19** | **127.98** |

**Notes:** 1) No loans are due from directors or promoters of the Company either severally or jointly with any person.

### Loans to related parties that are repayable on demand

₹ In Crores

| Type of Borrower | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Loan Outstanding | Loan Outstanding (%) | Loan Outstanding | Loan Outstanding (%) |
| Related Parties | 100.00 | 99.81% | 127.85 | 99.90% |

## 7 (d) Cash and cash equivalent

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Cash on hand | - | - |
| Balance with Bank | | |
| Current accounts and debit balance in cash credit accounts | 7.64 | 3.23 |
| **Total cash and cash equivalents** | **7.64** | **3.23** |

## 7 (e) Other bank balance

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **In Deposit Account** | | |
| Unpaid Fractional Shares and Rights Issue (Refer note 13(c)) | 1.04 | 1.04 |
| Unpaid Dividend account (Refer note 13(c)) | 0.10 | 0.04 |
| Held as Margin Money* | 0.15 | 0.13 |
| **Total other bank balances** | **1.29** | **1.21** |

* Under lien with bank as Secutity for Guarantee Facility & Margin on current account.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## 7 (f) Other financial assets

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **(Unsecured, considered good unless otherwise specified)** | | |
| **Non-current** | | |
| Security deposits | 3.39 | 1.13 |
| | **3.39** | **1.13** |
| **Current** | | |
| Security deposits * | 1.52 | 0.00 |
| Insurance claim receivable | 0.11 | 0.01 |
| Accrued Interest * | 0.00 | 0.00 |
| Other Receivables - Related Parties (Refer note 30) | 0.84 | - |
| Other Receivables | 0.27 | 0.06 |
| | **2.75** | **0.07** |
| **Total financial assets** | **6.14** | **1.20** |

*Represents amounts less than ₹ 50,000/-

**Notes:** 1) Other current financial assets are given as security for borrowings as disclosed under Note 13(a).

## 7 (g) Financial assets by category

₹ In Crores

| | Cost | FVTPL | FVOCI | Amortised Cost |
|---|---|---|---|---|
| **March 31, 2025** | | | | |
| Investments | | | | |
| - Equity shares | 1,888.91 | - | - | - |
| - Perpetual Debentures | 100.00 | - | - | - |
| Trade receivables | - | - | - | 255.47 |
| Loans | - | - | - | 100.19 |
| Cash & Bank Balances | - | - | - | 8.94 |
| Other Financial Assets | - | - | - | 6.14 |
| **Total Financial assets** | **1,988.91** | **-** | **-** | **370.74** |
| **March 31, 2024** | | | | |
| Investments | | | | |
| - Equity shares | 1,884.79 | - | - | - |
| - Perpetual Debentures | 100.00 | - | - | - |
| Trade receivables | - | - | - | 226.26 |
| Loans | - | - | - | 127.98 |
| Cash & Bank Balances | - | - | - | 4.44 |
| Other Financial Assets | - | - | - | 1.20 |
| **Total financial assets** | **1,984.79** | **-** | **-** | **359.88** |

**Notes :**

1. Financial instruments risk management objectives and policies, refer Note 37
2. Fair value disclosure for financial assets and liabilities, refer note 35 and fair value hierarchy disclosures refer note 36.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 8 : NON-CURRENT TAX ASSETS (NET)

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-Current Tax Assets (Net)** | | |
| Tax Paid in Advance (Net of Provision) | 15.79 | 14.95 |
| **Total** | **15.79** | **14.95** |

## NOTE 9: OTHER ASSETS

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **(Unsecured, considered good unless otherwise stated)** | | |
| **Non-current** | | |
| Prepaid expenses | 0.26 | - |
| Sales tax paid under protest (Deposit) | 0.35 | 4.24 |
| Less : Provision | 0.35 | 0.35 |
| Sales tax paid under protest (Net of Provision) | - | 3.89 |
| Capital advances* | 0.00 | 0.00 |
| | **0.26** | **3.89** |
| **Current** | | |
| Advance to suppliers | 1.16 | 1.07 |
| Advance to employee | 0.10 | 0.11 |
| Balance with Government Authorities (Refer Note 1 below) | 7.73 | 16.77 |
| GST paid under protest | 0.81 | 0.18 |
| Export incentive receivable | 0.10 | 0.46 |
| Returnable Asset (Refer Note 3 below) | 70.49 | 78.86 |
| Prepaid expenses | 4.18 | 1.25 |
| Other Current Asset (Refer Note 5 below) | 17.76 | 18.47 |
| | **102.33** | **117.17** |
| **Total** | **102.59** | **121.06** |

* Represents amount less than ₹ 50,000/-

**Notes :**

1. Balance with Government Authorities mainly consist of input tax credit availed.
2. Other current assets are given as security for borrowings as disclosed under Note 13(a).
3. Returnable Asset are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers and are accounted, considereing the nature of inventory, ageing and net realisable value. Accordingly ₹ 8.17 Crores (March 31, 2024 ₹ 9.58 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement of profit & loss.
4. No advances are due from directors or promoters of the Company either severally or jointly with any person.
5. Other current assets represents Goods and Service Tax paid on refund liability component.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 10 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Stock-in-trade (Branded Apparels and Accessories) | 94.42 | 59.95 |
| **Total** | **94.42** | **59.95** |

**Notes :**

1) Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for ₹ 17.28 Crores (Previous year ₹ 19.67 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss

2) Inventories are given as security for borrowings as disclosed under Note 13(a)

## NOTE 11 : EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2025 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | No. of shares | ₹ In Crores | No. of shares | ₹ In Crores |
| **Authorised share capital** | | | | |
| Equity shares of ₹ 4 each (March 31, 2024: ₹ 4 each) | 18,75,00,000 | 75.00 | 18,75,00,000 | 75.00 |
| **Issued and subscribed share capital** | | | | |
| Equity shares of ₹ 4 each (March 31, 2024: ₹ 4 each) | 13,33,00,510 | 53.32 | 13,29,84,460 | 53.19 |
| **Subscribed and fully paid up** | | | | |
| Equity shares of ₹ 4 each (March 31, 2024: ₹ 4 each) | 13,32,75,821 | 53.31 | 13,29,59,771 | 53.18 |
| **Subscribed and partly paid up** | | | | |
| Equity shares of ₹ 2 each (March 31, 2024: ₹ 2 each) | 24,689 | (₹ 49,378/-) | 24,689 | (₹ 49,378/-) |
| **Total** | **13,33,00,510** | **53.32** | **13,29,84,460** | **53.19** |

### 11.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

| Particulars | As at March 31, 2025 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | No. of shares | ₹ In Crores | No. of shares | ₹ In Crores |
| **Outstanding at the beginning of the period** | 13,29,84,460 | 53.19 | 13,28,25,660 | 53.13 |
| Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32) | 3,16,050 | 0.13 | 1,58,800 | 0.06 |
| **Outstanding at the end of the period** | **13,33,00,510** | **53.32** | **13,29,84,460.00** | **53.19** |

### 11.2. Rights, Preferences and Restrictions attached to the equity shares :

The Company has one class of shares referred to as equity shares having a par value of ₹ 4 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting (Refer Note-42). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.However no such preferential amount exists currently.The distribution will be in proportion to the number of equity shares held by shareholders.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

### 11.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

| Particulars | As at March 31, 2025 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | No. of shares | % of share holding | No. of shares | % of share holding |
| Aura Securities Private Limited | 4,16,18,605 | 31.22% | 4,36,18,605 | 32.80% |
| ICICI Prudential Mutual fund - Through its various mutual fund schemes | - | 0.00% | 74,40,594 | 5.60% |
| Plenty Private Equity Fund I Limited | - | 0.00% | 75,10,649 | 5.65% |
| Axis Mutual Fund Trustee Limited A/C Axis Various Mutual Funds | 72,10,785 | 5.41% | - | 0.00% |

### 11.4. Shareholding of Promoters

| Promoter Name | As at March 31, 2025 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|
| | No. Shares | % of total shares | % change during the year | No. Shares | % of total shares | % change during the year |
| Aura Securities Private Limited | 4,16,18,605 | 31.22% | -4.59% | 4,36,18,605 | 32.80% | 0.00% |
| Aura Merchandise Private Limited | 18,30,701 | 1.38% | 0.00% | 18,30,701 | 1.38% | 0.00% |
| Atul Limited | 15,96,105 | 1.20% | 0.00% | 15,96,105 | 1.20% | 0.00% |
| Aura Business Ventures LLP | 10,36,706 | 0.78% | 0.00% | 10,36,706 | 0.78% | 0.00% |
| Aagam Holdings Private Limited | 7,25,553 | 0.54% | 0.00% | 7,25,553 | 0.55% | 0.00% |
| Anusandhan Investments Limited | 44,470 | 0.03% | 0.00% | 44,470 | 0.03% | 0.00% |
| Aayojan Resources Private Limited | 35,190 | 0.03% | 0.00% | 35,190 | 0.03% | 0.00% |
| Adhinami Investment Private Limited | 7,153 | 0.01% | 0.00% | 7,153 | 0.01% | 0.00% |
| Swati S Lalbhai | 3,754 | 0.00% | 0.00% | 3,754 | 0.00% | 0.00% |
| Sunil Siddharth Lalbhai | 2,101 | 0.00% | 0.00% | 2,101 | 0.00% | 0.00% |
| Taral S Lalbhai | 1,573 | 0.00% | 0.00% | 1,573 | 0.00% | 0.00% |
| Punit S. Lalbhai | 1,544 | 0.00% | 0.00% | 1,544 | 0.00% | 0.00% |
| Swati Siddharth Lalbhai (trustee of Siddharth Family Trust) | 1,399 | 0.00% | 0.00% | 1,399 | 0.00% | 0.00% |
| Sanjaybhai Shrenikbhai Lalbhai (as representative trustee of discretionary trust) | 565 | 0.00% | 0.00% | 565 | 0.00% | 0.00% |
| Astha Lalbhai | 385 | 0.00% | 0.00% | 385 | 0.00% | 0.00% |
| Vimla S Lalbhai | 194 | 0.00% | 0.00% | 194 | 0.00% | -87.82% |
| Jayshreeben Sanjaybhai Lalbhai | 152 | 0.00% | 0.00% | 152 | 0.00% | 0.00% |
| Sanjaybhai Shrenikbhai Lalbhai | 76 | 0.00% | 0.00% | 76 | 0.00% | -88.14% |
| Akshita Holdings Private Limited | 51 | 0.00% | 0.00% | 51 | 0.00% | 0.00% |
| Aura Business Enterprise Private Limited | 38 | 0.00% | 0.00% | 38 | 0.00% | 0.00% |
| Aura Securities Private Limited | 38 | 0.00% | 0.00% | 38 | 0.00% | 0.00% |
| Kalpanaben Shripalbhai Morakhia | 3 | 0.00% | 0.00% | 3 | 0.00% | 0.00% |
| Sunil Siddharth HUF | 3 | 0.00% | 0.00% | 3 | 0.00% | 0.00% |
| Hansa Niranjanbhai | - | 0.00% | 0.00% | - | 0.00% | -100.00% |
| **Total** | **4,69,06,359** | **35.19%** | | **4,89,06,359** | **36.78%** | |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

### 11.5. Issue of Equity Shares on preferential basis

On August 21, 2021 the Board of Directors approved issuance of equity shares on a preferential basis to various investors. The Company received the approval of shareholders in the extra ordinary general meeting held on September 16, 2021. The Board of Directors approved allotment of 1,83,06,624 fully paid equity shares to various investors at ₹ 218.50 per equity share (of which ₹ 4/- is towards face value and ₹ 214.50/- towards premium) on receipt of consideration. There has been no deviation in the use of proceeds of the Preferential Issue, from the Objects stated in the Offer Letter.

### 11.6. Issue of Shares under Right Issue

On June 21, 2020, the Board of Directors of the Company had approved the revised size of Rights Issue of 3,99,79,347 shares of face value of ₹ 4 each (the "Rights Issue Shares") at a price of ₹ 100 per Rights Equity Shares (including premium of ₹ 96 per Rights Equity Share) in the ratio of 62:91, i.e. 62 Rights Equity Shares for every 91 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. March 18, 2020. On July 24, 2020, the Company has approved the allotment of 3,99,79,347 equity shares of face value ₹ 4/- each to the eligible equity shareholders as fully paid up.

On February 03, 2021, the Board of Directors of the Company and subsequently on February 18, 2021, the Committee of Directors had approved the Rights Issue of 1,48,02,856 equity shares of face value of ₹ 4 each (the "Rights Issue Shares") at a price of ₹ 135 per Rights Equity Shares (including premium of ₹ 131 per Rights Equity Share) in the ratio of 3:20, i.e. 3 Rights Equity Shares for every 20 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. February 24, 2021. On March 25, 2021, the Company has approved the allotment of 1,48,01,776 equity shares of face value ₹ 4/- each to the eligible equity shareholders as partly paid up for an amount of ₹ 70/- per Rights Issue Share received on application (of which ₹ 2/- was towards face value and ₹ 68/- towards premium). The allotment of 1,080 Rights Equity Shares has been kept in abeyance pending regulatory/other clearance. The third reminder to pay first and final call of ₹ 65/- was made in the month of August 2022 and the company has received ₹ 17,01,440/- against 26,176 equity shares (of which ₹ 2/- was towards face value and ₹ 63/- towards premium). As on date the First and Final call payment for 24,689 shares amounting to ₹ 0.16 Crores is yet to be received.

### 11.7. Shares reserved for issue under options and contracts :

Refer Note 32 for details of shares to be issued under Employee Stock Option Schemes (ESOPs)

### 11.8. Objective, policy and procedure of capital management:

Refer Note 38.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 12 : OTHER EQUITY

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Reserves & Surplus** | | |
| **Capital reserve** | | |
| At the beginning of the year | 39.89 | 39.89 |
| Balance at the end of the year | **39.89** | **39.89** |
| **Securities premium account** | | |
| At the beginning of the year | 2,155.62 | 2,152.45 |
| Addition during the year | 5.12 | 2.26 |
| Transfer from share based payment reserve | 2.27 | 0.91 |
| Balance at the end of the year | **2,163.01** | **2,155.62** |
| **Share based payment reserve (Refer Note 32)** | | |
| At the beginning of the year | 19.45 | 16.15 |
| Addition during the year | 1.89 | 4.21 |
| Transfer to Securities Premium | (2.27) | (0.91) |
| Balance at the end of the year | **19.07** | **19.45** |
| **Retained Earnings** | | |
| At the beginning of the year | 35.69 | 60.48 |
| Profit/ (Loss) for the year | 37.77 | (11.34) |
| OCI for the year | (0.06) | (0.17) |
| Appropriation from reserves on account of dividend payout | (16.65) | (13.28) |
| Balance at the end of the year | **56.75** | **35.69** |
| **Total reserves & surplus** | **2,278.72** | **2,250.65** |
| **Total Other equity** | **2,278.72** | **2,250.65** |

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

### a. Capital reserve

Capital reserve represents capital reserve on amalgamation/business combination. This reserve arose pursuant to scheme of arrangement and shall not be considered to be reserve created by the Company.

### b. Securities premium

Securities premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act.

### c. Share based payment reserve

This reserve relates to share options granted by the Company to its employees (including Subsidiary Companies) and erstwhile Holding Company's employee share option plan. Further information about share-based payments to employees is set out in Note 32.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## d. Retained Earnings

Retained earnings are the profit that the company has earned to date,less dividends,or other distributions paid to euity shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans,net of taxes, that will not be reclassified to the statement of Profit & Loss.

## NOTE 13 : FINANCIAL LIABILITIES

### 13 (a) Borrowings

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Long-term Borrowings (Refer Note 1(a) below)** | | |
| **Secured (at amortised cost)** | | |
| Term loan from Banks | - | 10.57 |
| **Total long-term borrowings** | **-** | **10.57** |
| **Short-term Borrowings (Refer Note 1(b) below)** | | |
| **Secured (at amortised cost)** | | |
| Current maturities of Long term borrowings | 8.68 | 13.52 |
| Working Capital Loans repayable on demand from Banks | 53.00 | 79.00 |
| **Total short-term borrowings** | **61.68** | **92.52** |
| **Total borrowings** | **61.68** | **103.09** |

### 1. Secured Borrowings

(a) Long term

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | Security | Terms of Repayment |
|---|---|---|---|---|---|
| | Rate of interest | ₹ In Crores | ₹ In Crores | | |
| Rupee Loans | 0.00% | - | 6.59 | Secured against first pari passu charge over the entire movable fixed assets of the Company both present and future, and second charge is created over the entire stock, receivables and other current assets of the Company both present and future. | Final repayment was made on March 25, 2025 henceforth the loan is closed. |
| Rupee Loans | 9.25% | 8.60 | 17.19 | 1. Guaranteed By National Credit Guarantee Trustee Company Ltd.<br>2. Second Charge on all current assets of borrower both present and future<br>3. Extension of second ranking charge over existing primary and collateral securities created in favour of the bank (including but not limited to hypothecation on present and future stock, book debts and movable fixed assets of the company and assets of the borrower created out of this Facility. | Repayable in 48 monthly installments beginning from April 2022 |
| Hire Purchase loans | 7.70% | 0.08 | 0.31 | Secured by hypothecation of related vehicles | Monthly payment of equated monthly installments beginning from the month subsequent to taking to loans. |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

(a) Short term

| Particulars | As at March 31, 2025 Rate of interest | As at March 31, 2025 ₹ In Crores | As at March 31, 2024 ₹ In Crores | Security | Pledge of Shares |
|---|---|---|---|---|---|
| Working Capital loans | 7.80% | 25.00 | 36.00 | First pari passu charge on entire Stock and Receivables of the Company both present and future. | Secured against Pledge of 175,82,539 shares of Arvind Youth Brands Private Limited (AYBPL) |
| Working Capital loans | 7.85% | 15.00 | 28.00 | First pari passu charge on entire Stock and Receivables of the Company both present and future. | Secured against Pledge of 148,77,533 shares of Arvind Youth Brands Private Limited (AYBPL) |
| Working Capital loans | 7.75% to 8.54% | 13.00 | 15.00 | First pari passu charge on entire Stock and Receivables of the Company both present and future. | Secured against Pledge of 81,15,018 shares of Arvind Youth Brands Private Limited (AYBPL). |

2. All necessary charges or satisfaction are registered with ROC within the statutory period.

3. The Company has Fund based and Non-fund based limits of working capital from Banks and Financial Institutions. For the said facility, the revised submissions made by the Company to its lead bankers based on closure of book of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

4. The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

### 13 (b) Trade payable - Current

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current** | | |
| Acceptances* | 102.39 | 72.13 |
| **Other Trade Payables (Refer Note below)** | | |
| Total outstanding dues of micro enterprises and small enterprises | 16.53 | 8.84 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 91.62 | 88.52 |
| | **210.54** | **169.49** |
| **Total** | **210.54** | **169.49** |

*Acceptances include arrangements where operational suppliers of goods & services are initially paid by banks/financial institutions while the company continues to recognize the liability till settlement with the banks/financial institutions.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## Trade Payables ageing schedule:

### As at March 31, 2025

₹ In Crores

| Particulars | Outstanding for following periods from due date of Payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro enterprises and small enterprises | 16.53 | - | - | - | - | 16.53 |
| Other | 162.62 | 2.97 | 0.26 | 0.68 | 1.40 | 167.93 |
| Unbilled Dues | 26.08 | - | - | - | - | 26.08 |
| **Total** | **205.23** | **2.97** | **0.26** | **0.68** | **1.40** | **210.54** |

### As at March 31, 2024

₹ In Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro enterprises and small enterprises | 8.84 | - | - | - | - | 8.84 |
| Other | 128.28 | 1.49 | 1.16 | 0.02 | 0.95 | 131.90 |
| Unbilled Dues | 28.75 | - | - | - | - | 28.75 |
| **Total** | **165.87** | **1.49** | **1.16** | **0.02** | **0.95** | **169.49** |

Based on the information available, the disclosures as required under section 22 of the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 are presented as follows :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year: | | |
| i) Principal | 14.69 | 7.13 |
| ii) Interest | 1.84 | 1.71 |
| (b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006; | 1.84 | 1.71 |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | 1.84 | 1.71 |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | 1.84 | 1.71 |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## 13 (c) Other financial liabilities

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---:|---:|
| **Non-current** | | |
| Security Deposit | 5.94 | 3.56 |
| | **5.94** | **3.56** |
| **Current** | | |
| Interest accrued but not due on borrowings | 0.67 | 1.07 |
| Payable to employees (Refer Note 23(b)) | 12.19 | 20.47 |
| Payable for capital goods | 0.75 | 0.74 |
| Other Payable - Related Parties (Refer Note 30) | 0.08 | 6.51 |
| Mark to market of derivative financial instruments | 0.24 | - |
| Financial Guarantee Contract (Refer Note-1 below) | 0.08 | 0.02 |
| Unclaimed Dividend Payable (Refer Note 7(e)) | 0.10 | 0.04 |
| Others* | 1.04 | 1.04 |
| | **15.15** | **29.89** |
| **Total** | **21.09** | **33.45** |

### Financial guarantee contract

1) The Company has given the financial guarantee to Banks on behalf of Subsidiary Company.

* This includes Unpaid Fractional Shares Amount of ₹1.04 Crores (previous year ₹1.04 Crores) and due for refund for the excess money received on Right Issue of ₹14,400 (previous year ₹14,400)

## 13 (d) : Financial liabilities by category

₹ In Crores

| | FVOCI | FVTPL | Amortised Cost |
|---|---:|---:|---:|
| **March 31, 2025** | | | |
| Borrowings | - | - | 61.68 |
| Trade payables | - | - | 210.54 |
| Lease liabilities | | - | 50.34 |
| Security Deposits | - | - | 5.94 |
| Payable to employees | - | - | 12.19 |
| Financial Guarantee Contract | - | 0.08 | - |
| Interest accrued but not due | - | - | 0.67 |
| Payable in respect of Capital goods | - | - | 0.75 |
| Mark to market of derivative financial instruments | - | 0.24 | - |
| Other Payable | - | - | 0.08 |
| Unclaimed Dividend Payable | - | - | 0.10 |
| Others | - | - | 1.04 |
| **Total Financial liabilities** | **-** | **0.32** | **343.33** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

₹ In Crores

| | FVOCI | FVTPL | Amortised Cost |
|---|---|---|---|
| **March 31, 2024** | | | |
| Borrowings | - | - | 103.09 |
| Trade payables | - | - | 169.49 |
| Lease liabilities | - | - | 24.29 |
| Security Deposits | - | - | 3.56 |
| Payable to employees | - | - | 20.47 |
| Financial Guarantee Contract | - | 0.02 | - |
| Interest accrued but not due | - | - | 1.07 |
| Payable in respect of Capital goods | - | - | 0.74 |
| Other Payable | - | - | 6.51 |
| Unclaimed Dividend Payable | - | - | 0.04 |
| Others | - | - | 1.04 |
| **Total Financial liabilities** | **-** | **0.02** | **330.31** |

1. Financial instruments risk management objectives and policies, refer Note 37.
2. Fair value disclosure for financial assets and liabilities, refer note 35 and fair value hierarchy disclosures refer note 36.

## NOTE 14: PROVISIONS

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Long-term** | | |
| **Provision for employee benefits (Refer Note 29)** | | |
| Provision for leave encashment | 1.78 | 1.43 |
| Provision for Gratuity | 4.02 | 3.31 |
| | **5.80** | **4.74** |
| **Short-term** | | |
| **Provision for employee benefits (Refer Note 29)** | | |
| Provision for leave encashment | 0.48 | 0.41 |
| Provision for Gratuity | 0.42 | 0.32 |
| | **0.90** | **0.73** |
| **Total** | **6.70** | **5.47** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 15 : OTHER CURRENT LIABILITIES

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current** | | |
| Advance from customers | 5.66 | 10.35 |
| Statutory dues including provident fund and tax deducted at source | 3.16 | 2.28 |
| Contract Liabilities | | |
| Deferred income of loyalty program reward points (Refer Note 16 (II) and Note (a) below) | 1.38 | 0.98 |
| Deferred Revenue (Refer Note 16 (II) and Note (b) below) | 0.40 | 0.18 |
| | **10.60** | **13.79** |
| **Total** | **10.60** | **13.79** |

### (a) Deferred income of Loyalty Program Reward Points

The Company has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below:

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance as per last financial statements | 0.98 | 0.80 |
| Provision made during the year( net ) (Refer Note 16) | 2.23 | 1.47 |
| Less: Redemption made during the year | 1.83 | 1.29 |
| **Balance at the end of the year** | **1.38** | **0.98** |

### (b) Deferred Revenue

The Company has deferred the revenue and movement in deferred revenue are given below:

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance as per last financial statements | 0.18 | 0.08 |
| Addition during the year | 0.22 | 0.10 |
| Deduction during the year | 0.18 | 0.08 |
| **Balance at the end of the year** | **0.40** | **0.18** |

## NOTE 16 : REVENUE FROM OPERATIONS

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Sale of products | 665.35 | 607.69 |
| **Operating income** | | |
| Export incentives | 0.44 | 0.26 |
| Foreign Exchange fluctuation on Vendors and Customers (Net) | 0.12 | 1.14 |
| | **0.56** | **1.40** |
| **Total** | **665.91** | **609.09** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## I. Disaggregation of revenue from contracts with customers

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **A. Revenue based on Geography** | | |
| i. Domestic | 644.48 | 592.74 |
| ii. Export | 21.43 | 16.35 |
| | **665.91** | **609.09** |
| **B. Revenue based on Business Segment** | | |
| Branded Apparels and accessories | **665.91** | **609.09** |

## II. Contract Balances

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Contract Assets** | | |
| Trade receivables (Refer note 7(b) | 255.47 | 226.26 |
| **Contract liabilities** | | |
| Advance from customers (Refer note 15) | 5.66 | 10.35 |
| Deferred Revenue (Refer Note 15) | 0.40 | 0.18 |
| Deferred income of loyalty program reward points (Refer Note 15) | 1.38 | 0.98 |

Note : Contract liabilities include transaction price of loyalty points not yet redeemed

## III. Reconciliation of Revenue from Operation with Contract Price

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Contract Price | 1,148.70 | 1,063.93 |
| Less: | | |
| | | |
| Sales Return | 305.21 | 290.81 |
| Schemes and Discounts | 175.35 | 162.56 |
| Customer Loyalty Program | 2.23 | 1.47 |
| **Total Revenue from Operations** | **665.91** | **609.09** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 17 : OTHER INCOME

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Interest income* (Refer Note 30) | 0.20 | 0.84 |
| Interest income on ICD (Refer Note 30) | 10.16 | 7.02 |
| Interest on Fair valuation of Securty Deposit | 0.25 | - |
| Dividend income (Refer Note 30) | 50.03 | 49.28 |
| Financial guarantee commission (Refer Note 1 below) | 3.39 | 3.85 |
| Profit on sale of Property, Plant & Equipment (Net) | 0.01 | - |
| Gain on Reassessment - Lease | 0.14 | - |
| Liability no longer required - written back | - | 1.00 |
| Profit on sale of Mutual Fund | - | 0.38 |
| Miscellaneous income | 0.06 | 0.01 |
| **Total** | **64.24** | **62.38** |

1. The Company has given financial guarantee to Banks on behalf of the subsidiary. Fair value of the financial guarantee has been accounted as liability and amortised over the period of loan as commission income.

*The amount includes interest on Perpetual debt of ₹ Nil (Previous year : 0.70 Crore)

## NOTE 18 : PURCHASES OF STOCK-IN-TRADE

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Branded Apparels and Accessories | 455.06 | 438.77 |
| **Total** | **455.06** | **438.77** |

## NOTE 19 : CHANGES IN INVENTORIES

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| **Stock at the end of the year** | | |
| Stock-in-trade | 94.42 | 59.95 |
| **Stock at the beginning of the year** | | |
| Stock-in-trade | 59.95 | 27.08 |
| **Increase/(Decrease) in Inventories** | **(34.47)** | **(32.87)** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 20 : EMPLOYEE BENEFITS EXPENSE

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 29) | 51.49 | 56.66 |
| Contribution to provident and other funds (Refer Note 29) | 2.36 | 2.16 |
| Welfare and training expenses | 1.75 | 2.88 |
| Share based payment to employees (Refer Note 32) | 1.23 | 3.10 |
| **Total** | **56.83** | **64.80** |

## NOTE 21 : FINANCE COSTS

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Interest expenses on | | |
| Loans | 8.50 | 8.95 |
| Lease liabilities (Refer Note 33) | 4.27 | 1.87 |
| Others - Interest expense | 0.46 | 1.89 |
| Other finance cost | 8.21 | 6.79 |
| **Total** | **21.44** | **19.50** |

## NOTE 22 : DEPRECIATION AND AMORTIZATION EXPENSE

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Depreciation of Property, Plant & Equipment (Refer Note 5) | 4.95 | 4.50 |
| Amortization of Intangible assets (Refer Note 6) | 27.20 | 3.61 |
| Depreciation of right-of-use-assets (Refer Note 33) | 10.63 | 4.65 |
| **Total** | **42.78** | **12.76** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 23 : OTHER EXPENSES

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Power and fuel | 0.33 | 0.14 |
| Insurance | 0.50 | 0.65 |
| Processing charges | 1.56 | 1.47 |
| Printing, stationery & communication | 1.18 | 1.19 |
| Rent Expenses (Refer Note 33) | 0.35 | 0.02 |
| Commission & Brokerage | 9.45 | 3.23 |
| Rates and taxes | 1.03 | 0.97 |
| Repairs : | | |
| To Building | 0.21 | 0.25 |
| To others | 1.16 | 0.17 |
| Royalty on Sales | 32.47 | 30.65 |
| Freight, insurance & clearing charge | 5.24 | 4.47 |
| Legal & Professional charges | 13.44 | 9.06 |
| Computer Expenses | 2.28 | 1.22 |
| Conveyance & Travelling expense | 5.55 | 5.04 |
| Advertisement and publicity | 17.48 | 28.34 |
| Outsource Services | 36.02 | 26.75 |
| Sampling and Testing Expenses | 3.30 | 4.88 |
| Director's sitting fees and Commission | 0.94 | 0.95 |
| Allowance for doubtful debts- PBD | 0.65 | 0.13 |
| Auditor's remuneration - (Refer note 23(a) below) | 1.17 | 1.03 |
| Business Conducting Fees | 0.02 | 1.05 |
| Bank charges | 0.52 | 0.19 |
| Warehouse Charges | 4.86 | 2.83 |
| Miscellaneous expenses | 2.45 | 1.22 |
| **Total** | **142.15** | **125.90** |

### Note 23(a): Breakup of Auditor's remuneration

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Payment to Auditors as** | | |
| Statutory Auditor Fees | 1.10 | 0.95 |
| Certification Fee | 0.01 | 0.02 |
| For reimbursement of expenses | 0.06 | 0.06 |
| **Total** | **1.17** | **1.03** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## Note 23(b): Exceptional items

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Loss On Sale Of Investment | - | 38.37 |
| Legal and Professional Fees | - | 3.09 |
| Salary Incentive | - | 10.00 |
| **Total** | **-** | **51.46** |

**Note :**

1) During the previous year ended March 31, 2024, the company had entered into Share Purchase Agreement (SPA) with Reliance Beauty & Personal Care Limited to sell and transfer entire equity stake held by the company in Arvind Beauty Brands Retail Limited (ABBRL) (now known as Reliance Luxe Beauty Limited), at an enterprise value of ₹ 212.79 Crores (based on adjustments based of closing period balances) towards sale of equity shares and repayment of loans.

   The company had made a provision of ₹ 1.69 crores towards the ongoing contingent matters related to ABBRL business prior to transfer date to be borne by the company as per SPA.The Company had made a provision of ₹ 10 crores as ex-gratia payment to employee who were involved in the sale process.The Company had presented loss on sale of equity investment and expenditure incurred as an exceptional item in the financial results.

   ABBRL ceased to be a subsidiary from November 03, 2023.

## NOTE 24 : INCOME TAX

The major component of income tax expense:

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Statement of Profit and Loss** | | |
| **Current tax** | | |
| Current income tax | 6.71 | 1.01 |
| **Deferred tax** | | |
| Deferred tax Charge/(Credit) | 1.88 | 1.48 |
| **Income tax expense reported in the statement of profit and loss** | **8.59** | **2.49** |

### OCI section

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Statement to Other comprehensive income (OCI)** | | |
| Deferred tax related to items recognised in OCI during the year | | |
| Net loss/(gain) on actuarial gains and losses | (0.03) | (0.09) |
| **Deferred tax charged to OCI** | **(0.03)** | **(0.09)** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

### Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate:

### A) Current tax

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Accounting profit/(loss) before tax** | 46.36 | (8.85) |
| **Tax Rate** | 34.944% | 34.944% |
| Current Tax Expenses on Profit before tax at the enacted income tax rate in India | 16.20 | (3.09) |
| **Adjustments** | | |
| Expenditure not deductible for Tax | - | 0.07 |
| Share based Payment Expense | - | (1.14) |
| Guarantee Commission Income | (1.18) | (1.34) |
| Non-recognition of deferred taxes due to absence of probable certainty of reversal in future | - | (4.86) |
| Loss on Sale of Investment | - | 13.41 |
| MAT Credit Utilisation | (4.96) | - |
| Other non deductible expense | (1.47) | (0.56) |
| **At the effective income tax** | **8.59** | **2.49** |
| **Effective Income Tax Rate %** | **18.53%** | **(28.11%)** |

### B) Deferred tax

₹ In Crores

| | Standalone Balance Sheet | Statement of Standalone Profit & Loss and Other Comprehensive Income | Standalone Balance Sheet | Statement of Standalone Profit & Loss and Other Comprehensive Income |
|---|---|---|---|---|
| | As at March 31, 2025 | Year ended March 31, 2025 | As at March 31, 2024 | Year ended March 31, 2024 |
| Accelerated depreciation for tax purposes | 7.57 | 0.18 | 7.75 | 0.04 |
| Expenditure allowable on payment basis over the period | 2.33 | (0.09) | 2.24 | (0.18) |
| Expenses on Employee Stock Option | - | 1.99 | 1.99 | 0.05 |
| Allowance for Doubtful Receivables/Advances | 5.10 | (5.09) | 0.01 | 0.30 |
| Unused tax credit available for offsetting against future taxable income (MAT credit entitlement) | - | 4.96 | 4.96 | 1.39 |
| Unabsorbed Depreciation and Business Loss | - | (0.67) | (0.67) | 0.09 |
| Impact of Ind AS 116 | 1.11 | 0.59 | 1.70 | (0.31) |
| Others | - | (0.02) | (0.02) | 0.01 |
| **Net deferred tax assets/(liabilities)** | **16.11** | **1.85** | **17.96** | **1.39** |

**Note :**

(i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

(ii) At the reporting date, the company has unused tax losses of ₹ 6.03 Crore (March 31, 2024: ₹ 19.31 Crore) available for offset against future profits. No deferred tax asset has been recognised in respect of such unused tax losses as it is not considered probable that there will be future taxable profits available against such losses. The said unrecognised tax losses will expire in FY 2028-29.

**Reconciliation of Deferred Tax Assets/(Liabilities), Net**

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| **Balance at the beginning of the year** | 17.96 | 19.35 |
| Deferred Tax income/(expense) during the period recognised in profit or loss | (1.88) | (1.48) |
| Deferred Tax income/(expense) during the period recognised in OCI | 0.03 | 0.09 |
| **Balance at the end of the year** | **16.11** | **17.96** |

## NOTE 25 : CONTINGENT LIABILITIES

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---:|---:|
| **Contingent liabilities not provided for** | | |
| Disputed demands in respect of (Refer Notes below) | | |
| VAT/CST | - | 3.57 |
| Income Tax | 6.17 | 7.52 |
| GST | 10.03 | 4.01 |

**Notes :**

(a) The Company has determined that it is not feasible to reliably estimate the timing of any cash outflows, if any, related to the aforementioned pending resolutions of legal proceedings.

(b) The Company does not expect any reimbursements in respect of the above Contingent liabilities.

(c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of the operations.

## NOTE 26 : CAPITAL COMMITMENT

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---:|---:|
| Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances) (Refer Note below) | 2.11 | 1.18 |

**Note :**

The Company has provided letters of financial support to one of its subsidiary company.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 27 : FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES

The Company has taken various derivatives to hedge its risk associated with foreign exchange fluctuations.These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets.Foreign exchange contracts (being derivative instruments),which are not intended for trading or speculative purposes but for hedge purpose are entered,which are available at the settlement date of certain payables and receivables.

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Amount (in Crores) | Amount (INR in Crores) | Amount (in Crores) | Amount (INR in Crores) |
| **Hedging of Trade Payables** | | | | |
| Forward Contracts | USD 0.40 | 34.56 | - | - |

### The Details of Foreign Currency exposures not hedged by derivative instruments are as under.

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Amount (in Crores) | Amount (INR in Crores) | Amount (in Crores) | Amount (INR in Crores) |
| Trade Receivables | USD 0.07 | 5.80 | USD 0.08 | 6.33 |
| Trade Payables | USD 0.08 | 6.77 | USD 0.27 | 22.43 |

## NOTE 28 : SEGMENT REPORTING

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

### Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Segment Revenue*** | | |
| a) In India | 644.48 | 592.74 |
| b) Rest of the world | 21.43 | 16.35 |
| **Total Sales** | **665.91** | **609.09** |
| **Carrying Cost of Segment Non Current Assets**** | | |
| a) In India | 108.09 | 99.85 |
| b) Rest of the world | - | - |
| **Total** | **108.09** | **99.85** |

* Based on location of Customers

** Excluding Investment,Deferred Tax Assets & Non-current tax asset

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

### Information about major customers (revenues from single external customer more than 10% of total revenue):

The Company has one customer contributing ₹ 197.10 Crores (March 31, 2024, two customer contributing ₹ 264.28 Crores) to the revenue of the Company

## NOTE 29 : DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

### A Defined Contribution Plans

The following amounts are recognised as expense and included in Note 20 "Employee benefit expenses"

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Contribution to Provident Fund | 2.18 | 2.01 |
| Contribution to National Pension Scheme | 0.17 | 0.15 |
| Contribution to ESI | (₹ 390/-) | (₹ 3,426/-) |
| Contribution to Labour Welfare Fund | (₹ 20,024/-) | (₹ 17,331/-) |
| **Total** | **2.35** | **2.16** |

**Note**

(a) Employees of the Company receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the company make monthly contributions to the provident fund plan equal to a specified percentage of the employees' salary.Amounts collected under the provident fund plan are deposited in a government administered provident fund.The remaining portion is contributed to the government-administered pension fund. Employees of the Company receive benefits from a government administered provident fund, which is a defined contribution plan. The Company has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

### B Defined Benefit Plans

The Company has following post employment benefits which are in the nature of defined benefit plans:

#### Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan administered by the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Life Insurance Coporation - Insurance product.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

### Changes in defined benefit obligation and plan assets as on March 31, 2025

₹ In Crores

| Particulars | Defined benefit obligation | Fair value of plan assets | Total |
|---|---|---|---|
| **Balance at the beginning of the year** | **(4.06)** | **0.43** | **(3.63)** |
| **Gratuity cost charged to statement of profit and loss** | | | |
| Current Service cost | (0.58) | - | (0.58) |
| Net interest (expense)/ income | (0.26) | 0.03 | (0.23) |
| **Sub-total (a) included in statement of profit and loss (Note 20)** | **(0.84)** | **0.03** | **(0.81)** |
| **Benefit paid** | **0.19** | **(0.19)** | **-** |
| **Remeasurement gains/(losses) in other comprehensive income** | | | |
| Return on plan assets (excluding amounts included in net interest expense/income)* | - | 0.00 | 0.00 |
| Actuarial changes arising from changes in demographic assumptions | (0.17) | - | (0.17) |
| Actuarial changes arising from changes in financial assumptions | 0.15 | - | 0.15 |
| Actuarial changes arising from changes in Experience adjustments | (0.07) | - | (0.07) |
| **Sub-total (b) included in OCI** | **(0.09)** | **0.00** | **(0.09)** |
| **Change on Account of Inter-company transfer** | **(0.11)** | **-** | **(0.11)** |
| **Contributions by employer** | **-** | **0.20** | **0.20** |
| **Total** | **(4.91)** | **0.47** | **(4.44)** |

* Represents amount less than ₹ 50,000/-

### Changes in defined benefit obligation and plan assets as on March 31, 2024

₹ In Crores

| Particulars | Defined benefit obligation | Fair value of plan assets | Total |
|---|---|---|---|
| **Balance at the beginning of the year** | **(3.49)** | **0.79** | **(2.70)** |
| **Gratuity cost charged to statement of profit and loss** | | | |
| Current Service cost | (0.53) | - | (0.53) |
| Net interest (expense)/ income | (0.23) | 0.06 | (0.17) |
| **Sub-total (a) included in statement of profit and loss (Note 20)** | **(0.76)** | **0.06** | **(0.70)** |
| **Benefit paid** | **0.41** | **(0.41)** | **-** |
| **Remeasurement gains/(losses) in other comprehensive income** | | | |
| Return on plan assets (excluding amounts included in net interest expense/income) | - | (0.01) | (0.01) |
| Actuarial changes arising from changes in demographic assumptions | (0.08) | - | (0.08) |
| Actuarial changes arising from changes in financial assumptions | (0.02) | - | (0.02) |
| Actuarial changes arising from changes in Experience adjustments | (0.15) | - | (0.15) |
| **Sub-total (b) included in OCI** | **(0.25)** | **(0.01)** | **(0.26)** |
| **Change on Account of Inter-company transfer** | **0.03** | **-** | **0.03** |
| **Contributions by employer** | **-** | **-** | **-** |
| **Total** | **(4.06)** | **0.43** | **(3.63)** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

### Expenses recognized in statement of profit/loss

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Net Interest Cost | 0.23 | 0.17 |
| Current Service Cost | 0.58 | 0.53 |
| Past Service Cost | - | - |
| **Sub-total (a) included in statement of profit and loss** | **0.81** | **0.70** |

### The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Others (Insurance company Products) | 100% | 100% |
| **(%) of total plan assets** | **100%** | **100%** |

### The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Discount rate | 6.50% | 7.20% |
| Future salary increase | 11.10% | 13.26% for Retail employees<br>12.77% for Corporate employees |
| Expected rate of return on plan assets | 6.50% | 7.20% |
| Attrition rate | 21.00% | 31.1% for Retail employees<br>23.7% for Corporate employees |
| Mortility rate during employment | Indian Assured Lives Mortality (2012-14) Ult. | Indian Assured Lives Mortality (2006-08) (modified) Ult |

### A Quantitative sensitivity analysis for significant assumptions is as shown below:

| Particulars | Sensitivity level | Increase / (Decrease) in defined benefit obligation (Impact) | |
|---|---|---|---|
| | | Year ended March 31, 2025 | Year ended March 31, 2024 |
| **Gratuity** | | | |
| Discount rate | 50 basis points increase | (0.10) | (0.07) |
| | 50 basis points decrease | 0.10 | 0.08 |
| Salary increase | 50 basis points increase | 0.08 | 0.06 |
| | 50 basis points decrease | (0.08) | (0.06) |
| Attrition rate | 50 basis points increase | (0.03) | (0.02) |
| | 50 basis points decrease | 0.03 | 0.02 |

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The company has a Gratuity plan as a part of its employee benefit program.This is a defined benefit scheme that exposes the company to various risks. Some of the common risks associated with similar schemes are as follows:

**Interest Rate Risk:** The defined benefit obligation represents the present value of future cash flows expected to be paid from the plan, calculated using prevailing interest rates.Although changes in interest rates do not impact the actual cash flows from the scheme, they do not affect the value of the liability (defined benefit obligation) , thereby impacting the Company's balance sheet and profit & loss statement.

**Investment Risk:** Plans funded with assets are exposed to market fluctuations in asset values.The company may experience these fluctuations impacting its balance sheet and profit & loss statement.

**Demographic Risk:** When determining the defined benefit scheme, it is assumed that employees will follow certain patterns of attrition or morality.If the actual trend differ from these assumptions.the company may incur costs different from those provisioned.

The following are the expected future benefit payments for the defined benefit plan :

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Gratuity** | | |
| Within the next 12 months (next annual reporting period) | 0.90 | 0.75 |
| Between 2 and 5 years | 3.77 | 3.73 |
| Beyond 5 years | 4.24 | 3.38 |
| **Total expected payments** | **8.91** | **7.86** |

### Weighted average duration of defined plan obligation (based on discounted cash flows)

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Gratuity | 4 years | 4 years |

### Asset Liability matching strategy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guranteed for a period of one year.The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiacy of funds under the policy).The policy, thus,mitigates the liquidity risk.However, being a cash accumulation plan,the duration of assets is shorter compared to the duration of liabilities.Thus , the company is exposed to movement in interest rates (in particular, the significant fall in interest rates ,which should result in a increase in liability without corresponding increase in the asset).

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## C Leave encashment

The Company has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### The company has recognised following as expense and included in Note No. 20 ''Employee benefit expense''

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Leave encashment | 0.59 | 0.59 |
| | **0.59** | **0.59** |

### Liability recognised in Balance Sheet

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| a. Long term provisions | 1.78 | 1.43 |
| b. Short term provisions | 0.48 | 0.41 |
| | **2.26** | **1.84** |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 30 : RELATED PARTY TRANSACTIONS

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the company are as follows :

| A | Name of Related Parties | Nature of Relationship |
|---|---|---|
| | Arvind Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Arvind Lifestyle Brand Limited | Subsidiary Company |
| | Reliance Luxe Beauty Limited (Previously known as Arvind Beauty Brands Retail Limited) | Subsidiary Company (Ceased to be a subsidiary from November 03, 2023) |
| | PVH Arvind Fashion Private Limited | Subsidiary Company |
| | Value Fashion Retail Limited | Subsidiary Company of Arvind Lifestyle Brands Limited |
| | Arvind Youth Brands Private Limited | Subsidiary Company of Arvind Lifestyle Brands Limited |
| | Arvind Premium Retail Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Arvind Smart Textile Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Arvind Envisol Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Retailers Association of India | Enterprise on which Non-Executive Director exercise significant influence |
| | India Retails & Hospitality Private Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Aura Securities Private Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Suresh Jayaraman | Non-executive director |
| | Shailesh Shyam Chaturvedi | Key Management Personnel, Managing Director & CEO |
| | Girdhar Kumar Chitlangia, Chief Financial Officer | Key Management Personnel |
| | Lipi Jha, Company Secretary | Key Management Personnel |
| | Sanjaybhai S. Lalbhai | Non Executive Director and Chairman |
| | Nithya Easwaran | Non Executive Director (upto September 23, 2024) |
| | Kulin S. Lalbhai | Non Executive Director and Vice-chairman |
| | Punit S. Lalbhai | Non Executive Director |
| | Nilesh D. Shah | Non Executive Director |
| | Vallabh R. Bhanshali | Non Executive Director (upto October 9, 2023) |
| | Nagesh D. Pinge | Non Executive Director |
| | Achal A. Bakeri | Non Executive Director |
| | Ananya Tripathi | Non Executive Director |
| | Manoj Nakra | Non Executive Director |
| | Govind Shrikhande | Non Executive Director, (w.e.f October 9, 2023) |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## B. Transactions with related parties for the year ended March 31, 2025 and year ended March 31, 2024.

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Purchase of Goods** | | |
| Arvind Limited | (0.01) | 3.28 |
| Arvind Smart Textile Ltd | 0.70 | - |
| **Purchase of Property, Plant & Equipment and Intangible Assets** | | |
| Arvind Lifestyle Brands Limited | 5.72 | 47.40 |
| **Sale of Goods** | | |
| Arvind Lifestyle Brands Limited | 197.10 | 198.84 |
| Arvind Limited | - | 0.14 |
| **Receiving of Services-Shared services** | | |
| Arvind Lifestyle Brands Limited | 6.24 | 0.86 |
| PVH Arvind Fashion Private Limited | 0.83 | 1.22 |
| Arvind Limited | 3.00 | 1.20 |
| Arvind Envisol Ltd | 0.03 | - |
| **Receiving of Services-Other services** | | |
| Retailers Association Of India | 0.00 | - |
| **Guarantee Commission Income** | | |
| Arvind Lifestyle Brands Limited | 2.33 | 2.77 |
| Arvind Youth Brands Private Limited | 0.54 | 0.42 |
| PVH Arvind Fashion Private Limited | 0.53 | 0.56 |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | - | 0.10 |
| **Rendering of Services-Shared service** | | |
| PVH Arvind Fashion Private Limited | 2.48 | 2.49 |
| Arvind Lifestyle Brands Limited | 8.91 | 6.45 |
| Arvind Youth Brands Private Limited | 2.15 | 2.40 |
| **Interest Income** | | |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | - | 2.86 |
| Arvind Lifestyle Brands Limited | 10.16 | 4.16 |
| **Remuneration** | 13.81 | 14.02 |
| **Directors' Commission and Sitting Fees** | 0.94 | 0.95 |
| **Dividend Paid** | | |
| Aura Securities Private Limited | 5.20 | 4.36 |
| Others** | 0.70 | 0.67 |
| **Loan Given** | | |
| Arvind Lifestyle Brands Limited | 30.00 | 125.00 |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | - | 24.17 |
| **Loan Repayment** | | |
| Arvind Lifestyle Brands Limited | 67.00 | 36.60 |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | - | 98.00 |
| **Investments made** | | |
| Arvind Lifestyle Brands Limited | 3.01 | 3.62 |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | - | 0.16 |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Arvind Youth Brands Private Limited | 0.59 | 0.51 |
| PVH Arvind Fashion Private Limited | 0.53 | 0.56 |
| **Redemption of NCD** | | |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | - | 15.00 |
| **Interest Income of NCD** | | |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | - | 0.70 |
| **Dividend Income from Investments** | | |
| PVH Arvind Fashion Private Limited | 50.03 | 49.28 |
| **(Liabilities)/Assets assumed on Inter-company transfer of employees (amount realisable)** | | |
| Arvind Lifestyle Brands Limited | 0.23 | (0.07) |
| PVH Arvind Fashion Private Limited | (0.01) | 0.07 |
| Arvind Youth Brands Private Limited | - | (0.03) |

* Represents amount less than ₹ 50,000/-

**Represents payment made to related parties which are less than 10% of overall dividend paid.

## C. Balances

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| **Investments** | | |
| Arvind Lifestyle Brands Limited | 1,724.60 | 1,721.59 |
| Arvind Lifestyle Brands Limited -Perpetual Non Convertible Debentures | 100.00 | 100.00 |
| PVH Arvind Fashion Private Limited | 117.40 | 116.88 |
| Arvind Youth Brands Private Limited | 46.91 | 46.32 |
| **Trade and Other Receivable** | | |
| Arvind Lifestyle Brands Limited | 153.66 | 149.15 |
| PVH Arvind Fashion Private Limited | 0.54 | 0.43 |
| Arvind Premium Retail Limited | - | 0.13 |
| **Trade and Other Payable** | | |
| Arvind Limited | - | 0.56 |
| Arvind Envisol Ltd | - | 0.02 |
| Arvind Smart Textile Ltd | 0.53 | - |
| Value Fashion Retail Ltd | 0.08 | 0.05 |
| Arvind Youth Brands Private Limited | 0.30 | 4.29 |
| **Receivable in respect of Loans** | | |
| Arvind Lifestyle Brands Limited | 100.00 | 127.85 |
| **Guarantee Given** | | |
| Arvind Lifestyle Brands Limited | 651.80 | 643.02 |
| Arvind Youth Brands Private Limited | 67.50 | 67.50 |
| PVH Arvind Fashion Private Limited | 49.50 | 139.00 |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## D. Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.

2) Loans given to related party carries interest rate of 8.50% (March 31, 2024 : 8.20% to 8.50%).

## E. Commitments with related parties

The Company has not provided any commitment to the related party (March 31, 2024: ₹ Nil).

## F. Transactions with key management personnel

Compensation of key management personnel of the company

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Short-term employee benefits | 12.21 | 13.03 |
| Termination benefits | - | - |
| Share based payments | 1.60 | 0.99 |
| **Total compensation paid to key management personnel** | **13.81** | **14.02** |

## G. Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186 (4) of the Companies Act, 2013

### Loans and Advances in the nature of loans

₹ In Crores

| Name of Related Party | Purpose | Balance as at March 31, 2025 | Balance as at March 31, 2024 | Maximum Outstanding during March 31, 2025 | Maximum Outstanding during March 31, 2024 |
|---|---|---:|---:|---:|---:|
| **Loans and Advances** | | | | | |
| Arvind Lifestyle Brands Limited | General Business | 100.00 | 127.85 | 152.85 | 127.85 |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | General Business | - | - | - | 74.87 |
| **Corporate Guarantee given on behalf of** | | | | | |
| Arvind Lifestyle Brands Limited* | Facilitate Trade Finance | 651.80 | 643.02 | 655.13 | 837.82 |
| Arvind Youth Brands Private Limited | Facilitate Trade Finance | 67.50 | 67.50 | 67.50 | 67.50 |
| Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) | Facilitate Trade Finance | - | - | - | 50.00 |
| PVH Arvind Fashion Private Limited | Facilitate Trade Finance | 49.50 | 139.00 | 139.00 | 139.00 |

* The Guarantee amount includes the back to back guarantee given by the company to its wholly owned subsidiary-Arvind Lifestyle Brands Limited

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 31 : EARNINGS PER SHARE - EPS (BASIC AND DILUTED)

₹ In Crores

| Particulars | | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---:|---:|
| Profit/(Loss) for the year | | 37.77 | (11.34) |
| Adjusted Profit for the year for EPS Calculation | | **37.77** | **(11.34)** |
| Total no. of equity shares at the end of the year | | 13,33,00,510 | 13,29,84,460 |
| **Weighted average number of equity shares** | | | |
| For basic EPS | No. | 13,32,24,513 | 13,28,88,315 |
| For diluted EPS | No. | 13,36,74,036 | 13,28,88,315 |
| Nominal value of equity shares | ₹ | 4 | 4 |
| Basic earnings per share | ₹ | 2.84 | (0.85) |
| Diluted earnings per share | ₹ | 2.83 | (0.85) |
| **Weighted average number of equity shares** | | | |
| Weighted average number of equity shares for basic EPS | | 13,32,24,513 | 13,28,88,315 |
| Effect of dilution: Share options | | 4,49,523 | - |
| Weighted average number of equity shares adjusted for the effect of dilution | | 13,36,74,036 | 13,28,88,315 |

[#]All numbers are ₹ in crore except weighted average number of equity shares, nominal value of Shares and Basic and Diluted EPS

## NOTE 32 : SHARE BASED PAYMENTS

The Company has instituted Employee Stock Option Scheme 2016 ("ESOP 2016") and Employee Stock Option Scheme 2022 ("ESOP 2022") pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016 and September 26, 2022 respectively. Up to March 31, 2025, the Company has granted 42,63,049 options under ESOP 2016 and 4,04,000 options under Employee Stock Option Scheme 2022 ("ESOP 2022") convertible into equal number of Equity Shares of face value of ₹ 4 each. The following table sets forth the particulars of the options granted during the year ended 31st March 2025 under ESOP 2022.

### The following table sets forth the particulars of ESOP 2022:

| Scheme | March 31, 2025 | | | March 31, 2024 | |
|---|---|---|---|---|---|
| | ESOP 2022 | | | ESOP 2022 | |
| Date of grant | 31-Jul-24 | 31-Jan-25 | 07-Feb-25 | 30-May-23 | 10-Aug-23 |
| Number of options granted | 60,000 | 20,000 | 10,000 | 50,000 | 1,49,000 |
| Exercise price per option (₹ ) | 505.65 | 481.55 | 476.10 | 265.85 | 335.30 |
| Vesting period | Up to 5 years from the date of grant | | | Up to 5 years from the date of grant | |
| Vesting requirements | Time based vesting | | | Time based vesting | |
| Exercise period | 3 Years from the date of vesting | | | 3 Years from the date of vesting | |
| Method of settlement | Equity | | | Equity | |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## The following table sets forth a summary of the activity of options:

₹ In Crores

| **Particulars** | **ESOP 2016** | | | |
|---|---|---|---|---|
| | **Year ended March 31, 2025** | **Weighted average exercise price per option (₹ )** | **Year ended March 31, 2024** | **Weighted average exercise price per option (₹ )** |
| **Options** | | | | |
| Outstanding at the beginning of the year | 14,82,404 | 358.76 | 17,46,727 | 333.3 |
| Vested but not exercised at the beginning of the year | - | - | - | - |
| Granted during the year | - | - | - | - |
| Forfeited during the year | (89,214) | 769.71 | (1,05,523) | 256.34 |
| Exercised during the year | (3,13,050) | 164.35 | (1,58,800) | 146.74 |
| Reduction in options due to consolidation of shares | - | - | - | - |
| Outstanding at the end of the year | 10,80,140 | 381.16 | 14,82,404 | 358.76 |
| Exercisable at the end of the year | 13,77,477 | 472.16 | 13,62,377 | 443.28 |

₹ In Crores

| **Particulars** | **ESOP 2022** | | | |
|---|---|---|---|---|
| | **Year ended March 31, 2025** | **Weighted average exercise price per option (₹ )** | **Year ended March 31, 2024** | **Weighted average exercise price per option (₹ )** |
| **Options** | | | | |
| Outstanding at the beginning of the year | 3,14,000 | 313.55 | 1,15,000 | 306.10 |
| Vested but not exercised at the beginning of the year | - | - | - | - |
| Granted during the year | 90,000 | 497.01 | 1,99,000 | 317.85 |
| Forfeited during the year | (33,000) | 265.85 | - | - |
| Exercised during the year | (3,000) | 335.30 | - | - |
| Outstanding at the end of the year | 3,68,000 | 362.52 | 3,14,000 | 313.55 |
| Exercisable at the end of the year | 1,35,666 | 312.39 | 33,000 | 306.10 |

## Share Options Exercised Year ending March 31, 2025

₹ In Crores

| **Option Series** | **No. of Options** | **Exercise Date** | **Exercise Price (₹ )** |
|---|---|---|---|
| ESOS 2016 | 43,750 | 23-04-24 | 137.32 |
| ESOS 2016 | 1,80,000 | 23-04-24 | 137.32 |
| ESOS 2016 | 12,000 | 05-06-24 | 137.32 |
| ESOS 2016 | 6,000 | 05-06-24 | 148.20 |
| ESOS 2016 | 5,000 | 29-07-24 | 148.20 |
| ESOS 2016 | 1,500 | 06-08-24 | 148.20 |
| ESOS 2016 | 9,000 | 04-09-24 | 286.70 |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

₹ In Crores

| Option Series | No. of Options | Exercise Date | Exercise Price (₹ ) |
|---|---|---|---|
| ESOS 2016 | 1,000 | 17-09-24 | 148.20 |
| ESOS 2016 | 3,000 | 23-10-24 | 148.20 |
| ESOS 2016 | 8,000 | 23-10-24 | 286.70 |
| ESOS 2016 | 10,000 | 23-10-24 | 293.50 |
| ESOS 2016 | 5,200 | 24-10-24 | 293.50 |
| ESOS 2016 | 5,000 | 06-11-24 | 293.50 |
| ESOS 2016 | 2,000 | 05-12-24 | 148.20 |
| ESOS 2016 | 5,000 | 05-12-24 | 148.20 |
| ESOS 2016 | 4,800 | 03-01-25 | 293.50 |
| ESOS 2016 | 2,800 | 27-12-24 | 286.70 |
| ESOS 2016 | 4,000 | 05-03-25 | 286.70 |
| ESOS 2016 | 5,000 | 05-03-25 | 286.70 |

## Share Options Exercised Year ending March 31, 2025

₹ In Crores

| Option Series | No. of Options | Exercise Date | Exercise Price (₹ ) |
|---|---|---|---|
| ESOP 2022 | 3,000 | 26-09-24 | 335.30 |

## Share Options Exercised Year ending March 31, 2024

₹ In Crores

| Option Series | No. of Options | Exercise Date | Exercise Price (₹ ) |
|---|---|---|---|
| ESOS 2016 | 2,500 | 07-06-23 | 148.20 |
| ESOS 2016 | 2,500 | 07-06-23 | 148.20 |
| ESOS 2016 | 44,000 | 05-07-23 | 153.17 |
| ESOS 2016 | 6,000 | 04-09-23 | 153.17 |
| ESOS 2016 | 9,000 | 04-09-23 | 137.32 |
| ESOS 2016 | 10,000 | 20-09-23 | 148.20 |
| ESOS 2016 | 43,750 | 06-11-23 | 136.02 |
| ESOS 2016 | 6,250 | 06-11-23 | 46.02 |
| ESOS 2016 | 1,100 | 22-11-23 | 148.20 |
| ESOS 2016 | 2,000 | 22-11-23 | 148.20 |
| ESOS 2016 | 2,200 | 22-11-23 | 128.93 |
| ESOS 2016 | 1,000 | 07-12-23 | 148.20 |
| ESOS 2016 | 1,000 | 07-12-23 | 148.20 |
| ESOS 2016 | 1,500 | 07-12-23 | 148.20 |
| ESOS 2016 | 1,500 | 18-12-23 | 148.20 |
| ESOS 2016 | 1,500 | 18-01-24 | 148.20 |
| ESOS 2016 | 500 | 16-02-24 | 148.20 |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

₹ In Crores

| Option Series | No. of Options | Exercise Date | Exercise Price (₹ ) |
|---|---|---|---|
| ESOS 2016 | 6,000 | 06-03-24 | 286.70 |
| ESOS 2016 | 4,000 | 12-03-24 | 148.20 |
| ESOS 2016 | 5,000 | 27-03-24 | 148.20 |
| ESOS 2016 | 7,500 | 27-03-24 | 148.20 |

The share options outstanding at the end of the year under ESOP 2016 have a weighted average remaining contractual life of 3.99 years (March 31, 2024: 4.99 years). The range of exercise price is from ₹ 39.29 to ₹ 1,320.37

The share options outstanding at the end of the year under ESOP 2022 have a weighted average remaining contractual life of 4.38 years (March 31, 2024: 5.15 years). The exercise price is from ₹ 265.85 to ₹ 505.65

₹ In Crores

| Particulars | ESOP 2016 | ESOP 2022 | | |
|---|---|---|---|---|
| Share price as at measurement date | No grants made during the period | ₹ 505.65 | ₹ 481.55 | ₹ 476.10 |
| Expected volatility | | 38.25% | 35.14% | 35.14% |
| Expected life (years) | | 2.00 years | 1.50 years | 1.50 years |
| Dividend yield | | 0.20% | 0.26% | 0.27% |
| Risk-free interest rate (%) | | 6.84% | 6.55% | 6.55% |

### Expense arising from share- based payment transactions

Total expenses arising from share- based payment transactions recognised in profit or loss as part of employee benefit expense were as follows :

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Employee option plan | 1.23 | 3.10 |
| **Total employee share based payment expense** | **1.23** | **3.10** |

## NOTE 33 : LEASES

**A.** The Company has adopted modified retrospective approach as per para C8 (C) (i) of Ind-AS 116 "Leases" to its leases.

**B.** The Company has taken Showrooms, office building and warehouse on lease period of 1 to 11 years with option of renewal. Disclosures as per Ind AS 116 - Leases are as follows:

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## C. Changes in the carrying value of right of use assets

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Balance at the beginning of the year | 22.36 | 18.54 |
| Recognition of ROU Asset on Deposits | 2.67 | - |
| Additions | 36.46 | 8.47 |
| Deletions | (2.26) | - |
| Depreciation (charged to statement of profit and loss) | (10.63) | (4.65) |
| **Balance at the end of the year** | **48.60** | **22.36** |

## D. Movement in lease liabilities

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Balance at the beginning of the year | 24.29 | 19.59 |
| Additions | 36.46 | 8.48 |
| Deletions | (2.41) | - |
| Finance cost accrued during the year (charged to statement of profit and loss) | 4.27 | 1.87 |
| Payment of lease labilities | (12.27) | (5.65) |
| **Balance at the end of the year** | **50.34** | **24.29** |

## E. Contractual maturities of lease liabilities

The undiscounted Maturity analysis of lease liability over the remaining lease term

₹ In Crores

| As at March 31, 2025 | Undiscounted Lease Payment | Interest Expense | Discount Lease Payments |
|---|---|---|---|
| Less than one year | 15.31 | 4.87 | 10.44 |
| One to five years | 43.73 | 8.98 | 34.75 |
| More than five years | 6.99 | 1.83 | 5.15 |
| **Total** | **66.03** | **15.69** | **50.34** |

₹ In Crores

| As at March 31, 2024 | Undiscounted Lease Payment | Interest Expense | Discount Lease Payments |
|---|---|---|---|
| Less than one year | 7.82 | 2.40 | 5.40 |
| One to five years | 20.74 | 4.04 | 16.70 |
| More than five years | 3.71 | 1.52 | 2.19 |
| **Total** | **32.27** | **7.96** | **24.29** |

**F.** The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

### G. The amount recognised in the statement of profit or loss are as follows:

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Rent expense - short-term lease and leases of low value assets | 0.35 | 0.02 |
| Depreciation of Right-of-Use assets | 10.63 | 4.65 |
| Interest expense on Lease Liabilities | 4.27 | 1.87 |
| Gain on Reassessment/Cancellation of Lease | 0.14 | - |

## NOTE 34 : CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

As per Section 135 of the Companies Act, 2013 read with rules thereunder, the Company is not liable to incur CSR expense as per requirement of Section 135 of Companies Act, 2013 in views of Average Net losses for past three Financial years.

## NOTE 35 : FAIR VALUE DISCLOSURES FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Financial assets** | | |
| Investment in Perpetual Non Convertible Debentures measured at Cost | | |
| Carrying Amount | 100.00 | 100.00 |
| Fair Value | 100.00 | 100.00 |
| **Financial liabilities** | | |
| Borrowings | | |
| Carrying Amount | 61.68 | 103.09 |
| Fair Value | 61.68 | 103.09 |

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 36 : FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the company's assets and liabilities.

₹ In Crores

| Particulars | Date of valuation | Fair value measurement using | | | |
|---|---|---|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Liabilities measured at Fair Value** | | | | | |
| Financial Guarantee Contract | March 31, 2025 | 0.08 | - | - | 0.08 |
| | March 31, 2024 | 0.02 | - | - | 0.02 |
| Mark to market of derivative financial instruments | March 31, 2025 | 0.24 | - | 0.24 | - |
| | March 31, 2024 | - | - | - | - |

### Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Company’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## NOTE 37 : FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company’s principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company’s operations and to support its operations. The Company’s principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at respective year end including the effect of hedge accounting.

### Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31,2025, approximately 0.14 % of the Company's Borrowings are at fixed rate of interest (March 31, 2024: 0.3%)

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ In Crores

| Particulars | Effect on profit before tax |
|---|---|
| **March 31, 2025** | |
| Increase in 50 basis points | (0.31) |
| Decrease in 50 basis points | 0.31 |
| **March 31, 2024** | |
| Increase in 50 basis points | (0.51) |
| Decrease in 50 basis points | 0.51 |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

**Exclusion from this analysis are as follows:**

- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis
- The effect of interest rate changes on future cash flows is excluded from this analysis.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. The Company may use forward contracts or foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate.

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Company given in Note 27.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates to the functional currency of entity, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

₹ In Crores

| Particulars | Change in USD rate | Effect on profit before tax |
|---|---|---|
| **March 31, 2025** | | |
| | +2% | (0.12) |
| | -2% | 0.12 |
| **March 31, 2024** | | |
| | +2% | (0.29) |
| | -2% | 0.29 |

Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

## (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Group periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

### Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7(b). The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 37.

## (c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

₹ In Crores

| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|
| **March 31, 2025** | | | | |
| Interest bearing borrowings | 62.12 | - | - | 62.12 |
| Trade payables | 210.54 | - | - | 210.54 |
| Other financial liabilities# | 15.15 | 5.94 | - | 21.09 |
| Lease liability | 15.31 | 43.73 | 6.99 | 66.03 |
| | **303.12** | **49.67** | **6.99** | **359.78** |
| **March 31, 2024** | | | | |
| Interest bearing borrowings | 94.34 | 11.08 | - | 105.42 |
| Trade payables | 169.49 | - | - | 169.49 |
| Other financial liabilities# | 29.89 | 3.56 | - | 33.45 |
| Lease liability | 7.82 | 20.74 | 3.71 | 32.27 |
| | **301.54** | **35.38** | **3.71** | **340.63** |

# Other financial liabilities includes interest accrued but not due of ₹ 0.67 Crores (March 31, 2024 : ₹ 1.07 Crores)

### Excessive risk concentration

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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

## NOTE 38 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company is not subject to any externally imposed capital requirements.

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Interest-bearing loans and borrowings (Note 13) | 61.68 | 103.09 |
| Lease Laibility (Note-33) | 50.34 | 24.29 |
| Less: Cash and Bank Balances (including other bank balance) (Note 7(b) and 7(d)) | (8.94) | (4.44) |
| **Net debt** | **103.08** | **122.95** |
| Equity share capital (Note 11) | 53.32 | 53.19 |
| Other equity (Note 12) | 2,278.72 | 2,250.65 |
| Total capital | **2,332.04** | **2,303.84** |
| **Capital and net debt** | **2,435.12** | **2,426.79** |
| Gearing ratio | **4.23%** | **5.07%** |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest. There have been no breaches in the financial covenants of any long-term borrowing in the current period as of March 31, 2025. Accordingly, the management has not created provision for penal interest.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

### Note 39 (a): Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013

(i) The Company does not have any benami property held in their name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) Utilisation of borrowed funds and share premium

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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

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

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as mentioned below.

(v) The Company has not invested or traded in Crypto Currency or Virtual Currency during the year.

(vi) The Company has no income surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(vii) The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

### Note 39(b) : Audit Trail

The Ministry of Corporate Affairs(MCA) has issued a notification(Companies(Accounts) Amendments Rules,2021) which is effective from April 01,2023, State that every Company which uses accounting software for maintaining its books of account shall use only such accounting software which has a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

Further no instance of audit trail feature being tampered with was noted and the audit trail has been preserved by the company as per the statuatory requirements for record retention for accounting software used by company during the year.

## NOTE 40 : RATIO ANALYSIS

| Sr. No | Particulars | Numerator | Denominator | For the Year ended March 31, 2025 | For the Year ended March 31, 2024 | % Variance | Reason for Variance |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (In times) | Current Assets | Current Liabilities | 1.82 | 1.72 | 6% | Not Applicable |
| 2 | Debt-Equity Ratio (In times) | Total Debt | Total Equity | 0.03 | 0.04 | -41% | Note (a) below |
| 3 | Debt Service Coverage Ratio (In times) | Earnings available for Debt service | Debt Service | 2.20 | 0.44 | 399% | Note (b) below |
| 4 | Return on Equity Ratio (%) | Net Profit after Tax | Average Shareholder's Equity | 1.63% | -0.49% | -431% | Note (c) below |
| 5 | Inventory turnover Ratio (In times) | Revenue from Operations | Average Inventories | 8.63 | 13.97 | -38% | Note (d) below |
| 6 | Trade Receivables turnover Ratio (In times) | Revenue from Operations | Average Trade Receivables | 2.76 | 2.59 | 6% | Not Applicable |
| 7 | Trade Payables turnover Ratio (In times) | Purchase of Goods | Average Trade Payables | 2.39 | 2.41 | -1% | Not Applicable |
| 8 | Net capital turnover Ratio (In times) | Revenue from Operations | Working Capital | 2.61 | 2.71 | -4% | Not Applicable |
| 9 | Net profit Ratio (%) | Net Profit after Tax | Revenue from Operations | 5.68% | -1.87% | 404% | Note (c) below |
| 10 | Return on Capital employed (%) | Profit before Interest, Exceptional Items and Tax | Total Capital Employed | 2.85% | 0.45% | 540% | Note (e) below |
| 11 | Return on investment (%) | Refer (f) below | | -17.48% | 62.11% | -128% | Note (g) below |

# Notes to the Standalone Financial Statements

For the year ended March 31, 2025

**Notes :**

(a) Decrease in Debt for the year compared to previous year.

(b) Increase in earnings available for debt service.

(c) Increase in Net profit after tax for the year compared to previous year.

(d) Decrease in average inventory compared to previous year.

(e) Increase in profit before Interest, Exceptional Items and Tax.

(f) Return on Investment compared to previous year

$$\frac{(MV(T1)-MV(T0)-Sum[C(t)])}{(MV(T0)+Sum[W(t)*C(t)])}$$

Where,

T1 = End of time period
T0 = Beginning of time period
t = Specific date falling between T1 and T0
MV(T1) = Market Value at T1
MV(T0) = Market Value at T0
C(t) = Cash inflow, cash outflow on specific date
W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as (T1-t)/T1

(g) The impact is due to market dynamics and price movements.

## NOTE 41 : CODE OF SOCIAL SECURITY, 2020

The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contribution by the Company towards Provident Fund, Gratuity and ESIC. The Code have been published in the Gazette of India. However effective date has yet not been notified. The Company will assess the impact of the Code and will record related impact in the period it becomes effective.

## NOTE 42 : EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. The Board of Directors recommended a final dividend of ₹ 1.60 per equity share of face value of ₹ 4 each, for the financial year ended March 31, 2025, subject to the approval of shareholders in the ensuing Annual General Meeting.

For and on behalf of the board of directors of
**Arvind Fashions Limited**

| | | | |
|---|---|---|---|
| **Sanjay S. Lalbhai**<br>Chairman & Director<br>DIN - 00008329 | **Shailesh Chaturvedi**<br>Managing Director & CEO<br>DIN - 03023079 | **Girdhar Chitlangia**<br>Chief Financial Officer | **Lipi Jha**<br>Company Secretary |
| Place: Bengaluru<br>Date: May 17, 2025 | Place: Bengaluru<br>Date: May 17, 2025 | Place: Bengaluru<br>Date: May 17, 2025 | Place: Bengaluru<br>Date: May 17, 2025 |

# Independent Auditor’s Report

To The Members of
Arvind Fashions Limited

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated financial statements of Arvind Fashions Limited (the “Parent”) and its subsidiaries, (the Parent and its subsidiaries together referred to as the “Group”), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (“SA”s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated financial statements for the financial year ended March 31, 2025. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

| Key Audit Matter | How the key Audit Matter Was Addressed in the Audit |
|---|---|
| **Revenue Recognition (Wholesale Business): [Assertion- Cut off] and provision for sales return**<br>Revenue recognition involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point of time and provision for sales return.<br>Cut-off is the key assertion in so far as revenue recognition is concerned.<br>There is a risk that revenue is recognized on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".<br>Additionally, Group has contracts with customers which entitles them to right of return. At year end, amount of expected returns that have not yet been settled with the customers are estimated and accrued.<br>Estimating the amount of such accrual at year end is considered a key audit matter due to assumptions and judgments required to be made by management. | **Principal Audit Procedures Performed:**<br>The details of audit procedure performed by us and Component auditors are as follows:<br>• Evaluated the Parent's accounting policies with respect to revenue recognition and provision for sales return in accordance with Ind As 115 "Revenue from Contracts with customer".<br>• We obtained an understanding of process and evaluated the design and operating effectiveness of key controls, over timing of revenue recognition, and calculating, reviewing and approving sales returns.<br>• Selected a sample and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.<br>• Selected samples and performed the following procedures:<br>- Read, analyzed and identified the distinct performance obligations in these contracts and compared these performance obligations with that identified and recorded by the Group.<br>- For the selected samples, tested with the performance obligations specified in the underlying contracts.<br>- Performed analytical procedures for reasonableness of revenues with comparative period.<br>- Analyzed historical trends for returns and held discussions with management to understand changes in provisioning norms/additional provisions made based on management's assessment of market conditions and based on that, we have tested the estimates of returns related accruals with underlying documentation such as management approved norms, customer agreements, sales data and customer reconciliations, as applicable.<br>• At the year-end on selected samples, we have performed early and late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales. |
| **Recoverability of deferred tax assets**<br>Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. In Arvind Lifestyle Brands Limited, as on March 31, 2025 recognised deferred tax asset is Rs. 199.67 crores.<br>The Component's ability to recover recognised deferred tax asset as well as previously un-recognised deferred tax assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the applicable tax laws.<br>The recognition and measurement of deferred tax assets is a key audit matter as its recoverability within the allowed time frame involves estimate of financial projections, availability of sufficient taxable income in the future and judgments in the interpretation of tax regulations and tax positions adopted by the Group.<br>Refer notes 3.14" Taxes" for material accounting policies, 4.8 on "Significant accounting judgement" related to taxes and note 25(B)" Income tax" for disclosures related to taxes in the consolidated financial statements. | **Principal Audit Procedures Performed:**<br>Audit procedures performed by us, are as follows:<br>• Evaluated the Group accounting policy with respect to recognition of deferred taxes in accordance with Ind AS 12 "Income Taxes".<br>• We evaluated the design and tested the operating effectiveness of internal controls related to the assessment of recoverability of DTA on carry forward tax losses and deductible temporary differences.<br>• Analyzed the performance of the component and assessed the reasonableness of assumptions used in forecast of future taxable profits, examined the consistency of projections used for assessing DTA and component's expected utilization of the unabsorbed business losses and unabsorbed depreciation, including understanding of management's estimate of business impact based on current market and economic conditions.<br>• Evaluated the appropriateness of disclosures in material accounting policies, significant accounting judgement and disclosure in notes 3.14, 4.8 and Note 25 (B) respectively of the Consolidated financial statements. |

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the other information included in the Director's report including annexures thereof, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTERS

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 859.08 crores as at March 31, 2025, total revenues of Rs. 1,424.00 crores and net cash outflows amounting to Rs. 7.88 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 subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group including relevant records so far as it appears from our examination of those books, and the reports of the other auditors, except in relation to compliance with the requirements of audit trail, refer paragraph (i)(vi) below.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Parent as on March 31, 2025 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

    g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 26 to the consolidated financial statements;

   ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies.

   iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 41(iv)(I) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other 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 Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 41(iv)(II) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 48 to the consolidated financial statements, the Board of Directors of the Parent and one of its subsidiary company which is company incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and its subsidiary company at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Parent and its subsidiary companies have used an accounting software for maintaining their respective books of account for the year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

In respect of one subsidiary, the audit trail feature was not enabled in one accounting software for certain changes made, if any, using privileged/ administrative access rights, as reported by the other auditor.

Further, during the course of our audit, we and the respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating.

Additionally, audit trail that was enabled and operated for the year ended March 31, 2025, has been preserved by the Parent and above referred subsidiaries as per the statutory requirements for record retention, as stated in Note 45 to the consolidated financial statements.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

| Name of the company | CIN | Nature of relationship | Clause Number of CARO report with qualification or adverse remark |
|---|---|---|---|
| Arvind Youth Brands Private Limited | U52100GJ2020PTC112995 | Subsidiary | Clause (xvii) |
| | | | Clause (xix) |
| Value Fashion Retail Limited | U52609DL2020PLC362661 | Subsidiary | Clause (xvii) |

**For Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

**Kartikeya Raval**
(Partner)
(Membership No. 106189)
(UDIN: 25106189BMNRJH1413)

Place: Ahmedabad
Date: May 17, 2025

# Annexure "A" to the Independent Auditor's Report

**(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Parent as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Arvind Fashions Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India as of that date.

## MANAGEMENT'S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies which are companies incorporated in India.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

## OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 2 subsidiary companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India

Our opinion is not modified in respect of the above matter.

**For Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

**Kartikeya Raval**
(Partner)
(Membership No. 106189)
(UDIN: 25106189BMNRJH1413)

Place: Ahmedabad
Date: May 17, 2025

# Consolidated Balance Sheet

As at March 31, 2025

₹ In Crores

| Particulars | Notes | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **I. Non-current assets** | | | |
| (a) Property, plant and equipment | 5 | 167.91 | 124.10 |
| (b) Capital work-in-progress | 5 (a) | 1.13 | 1.46 |
| (c) Right-of-Use Asset | 34 | 692.00 | 625.17 |
| (d) Goodwill on consolidation | 6 | 111.23 | 111.23 |
| (e) Other Intangible assets | 6 | 37.13 | 35.45 |
| (f) Intangible assets under development | 6 (a) | 1.69 | 2.48 |
| (g) Financial assets | | | |
| (i) Loans | 7 (b) | 0.01 | 0.02 |
| (ii) Other financial assets | 7 (e) | 64.62 | 56.07 |
| (h) Deferred tax assets (net) | 25 | 260.55 | 389.23 |
| (i) Non-Current tax assets (net) | 10 | 38.89 | 59.03 |
| (j) Other non-current assets | 8 | 4.75 | 15.52 |
| **Total Non-current Assets** | | **1,379.91** | **1,419.76** |
| **II. Current assets** | | | |
| (a) Inventories | 9 | 1,080.05 | 909.44 |
| (b) Financial assets | | | |
| (i) Trade receivables | 7 (a) | 729.42 | 646.78 |
| (ii) Cash and cash equivalents | 7 (c) | 150.88 | 152.60 |
| (iii) Bank balances other than (ii) above | 7 (d) | 13.85 | 15.38 |
| (iv) Loans | 7 (b) | 1.57 | 1.15 |
| (v) Others financial assets | 7 (e) | 48.85 | 48.43 |
| (c) Other current assets | 8 | 404.65 | 411.80 |
| (d) Assets Held for Sale | 42 | - | 1.63 |
| **Total Current Assets** | | **2,429.27** | **2,187.21** |
| **Total Assets** | | **3,809.18** | **3,606.97** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 11 | 53.32 | 53.19 |
| (b) Other equity | 12 | 903.80 | 950.10 |
| **Equity attributable to Equity holders of the Parent** | | **957.12** | **1,003.29** |
| **Non-Controlling Interest** | | **207.38** | **189.13** |
| **LIABILITIES** | | | |
| **I. Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 (a) | 8.33 | 10.58 |
| (ii) Lease Liabilities | 34 | 601.04 | 536.52 |
| (iii) Other financial liabilities | 13 (c) | 121.52 | 131.64 |
| (b) Provisions | 14 | 19.38 | 15.51 |
| (c) Other non current liabilities | 15 | 0.75 | 0.80 |
| **Total Non-current Liabilities** | | **751.02** | **695.05** |
| **II. Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 (a) | 381.24 | 455.51 |
| (ii) Lease Liabilities | 34 | 166.18 | 145.31 |
| (iii) Trade payables | 13 (b) | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 151.67 | 60.32 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,020.31 | 875.99 |
| (iv) Other financial liabilities | 13 (c) | 78.12 | 51.29 |
| (b) Other current liabilities | 15 | 62.67 | 84.59 |
| (c) Provisions | 14 | 7.77 | 7.45 |
| (d) Current tax liabilities (net) | 15 (b) | 3.50 | 6.20 |
| (e) Liabilities directly associated with Assets classified as held for sale | 42 | 22.20 | 32.84 |
| **Total Current Liabilities** | | **1,893.66** | **1,719.50** |
| **Total Equity and Liabilities** | | **3,809.18** | **3,606.97** |
| Material Accounting Policies | 3 | | |

The accompanying notes are an integral part of these Consolidated Financial Statements.
As per our report of even date attached

**For Deloitte Haskins & Sells**
Chartered Accountants

**Kartikeya Raval**
Partner

Place: Ahmedabad
Date: May 17, 2025

For and on behalf of the board of directors of **Arvind Fashions Limited**

**Sanjay S. Lalbhai**
Chairman & Director
DIN - 00008329
Place: Ahmedabad
Date: May 17, 2025

**Shailesh Chaturvedi**
Managing Director & CEO
DIN - 03023079
Place: Bengaluru
Date: May 17, 2025

**Girdhar Chitlangia**
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2025

**Lipi Jha**
Company Secretary
Place: Bengaluru
Date: May 17, 2025

# Consolidated Statement of Profit and Loss

For the year ended March 31, 2025

(₹ in Crores except per share data)

| Particulars | Notes | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| **I. Income** | | | |
| Revenue from operations | | | |
| Sale of Products | 16 | 4,562.95 | 4,201.41 |
| Sale of Services | 16 | 54.66 | 50.14 |
| Operating Income | 16 | 2.23 | 7.57 |
| **Revenue from operations** | | **4,619.84** | **4,259.12** |
| Other income | 17 | 34.64 | 33.74 |
| **Total income (I)** | | **4,654.48** | **4,292.86** |
| **II. Expenses** | | | |
| Purchases of stock-in-trade | 18 | 2,320.15 | 2,074.41 |
| Changes in inventories of stock-in-trade | 19 | (170.61) | (37.31) |
| Employee benefit expense | 20 | 268.65 | 260.07 |
| Finance costs | 21 | 155.80 | 144.18 |
| Depreciation and amortisation expense | 22 | 255.72 | 230.08 |
| Other expenses | 23 | 1,599.65 | 1,451.42 |
| **Total expenses (II)** | | **4,429.36** | **4,122.85** |
| **III. Profit/(Loss) before exceptional items and tax (I-II)** | | **225.12** | **170.01** |
| IV. Exceptional items | 24 | - | (6.17) |
| **V. Profit/(Loss) before tax (III+IV)** | | **225.12** | **163.84** |
| **VI. Tax expense** | 25 | | |
| Current tax | | 61.41 | 50.52 |
| Deferred Tax charge / (credit) | | 129.31 | 6.73 |
| **Total tax expense** | | **190.72** | **57.25** |
| **VII. Profit/(Loss) for the year from Continuing Operations (V-VI)** | | **34.40** | **106.59** |
| **Discontinued Operations** | | | |
| A. Profit/(Loss) before tax for the year from Discontinued Operations | 42 | (1.42) | 30.73 |
| B. Tax expense/(Credit) on Discontinued Operations | | - | 0.21 |
| **VIII. Profit/(Loss) for the year from Discontinued Operations (A-B)** | | **(1.42)** | **30.52** |
| **IX. Profit/(Loss) for the year from Continuing and Discontinued Operations (VII+VIII)** | | **32.98** | **137.11** |
| **X. Other comprehensive income (Net of tax)** | | | |
| **A. Items that will not to be reclassified to profit or loss:** | | | |
| Re-measurement gains / (losses) on defined benefit plans | 30 | (1.74) | (2.06) |
| Income tax effect on above | 25 | 0.57 | 0.66 |
| **Net other comprehensive income/(loss) not to be reclassified to profit or loss (A)** | | **(1.17)** | **(1.40)** |
| **B. Items that will be reclassified to profit or loss:** | | | |
| Net gains / (loss) on hedging instruments in a cash flow hedge | | (0.25) | (1.30) |
| Income tax effect on above | | 0.06 | 0.33 |
| **Net other comprehensive income/(loss) that will be reclassified to profit or loss (B)** | | **(0.19)** | **(0.97)** |
| **Total Other Comprehensive Income/(Loss) for the year (Net of tax) (A+B)** | | **(1.36)** | **(2.37)** |
| **XI. Total Comprehensive Income for the year (IX+X)** | | **31.62** | **134.74** |

# Consolidated Statement of Profit and Loss

For the year ended March 31, 2025

(₹ in Crores except per share data)

| Particulars | Notes | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| **Profit / (Loss) for the year attributable to:** | | | |
| Equity holders of the parent | | (35.57) | 80.64 |
| Non-controlling interest | | 68.55 | 56.47 |
| | | **32.98** | **137.11** |
| **Other Comprehensive Income/(Loss) for the year attributable to:** | | | |
| Equity holders of the parent | | (1.10) | (1.71) |
| Non-controlling interest | | (0.26) | (0.66) |
| | | **(1.36)** | **(2.37)** |
| **XII. Total Comprehensive Income/(Loss) attributable to:** | | | |
| Equity holders of the parent | | (36.67) | 78.93 |
| Non-controlling interest | | 68.29 | 55.81 |
| | | **31.62** | **134.74** |
| **XIII. Earnings per equity share** | 32 | | |
| **Continuing Operations** | | | |
| - Basic Rs. | | (2.56) | 3.77 |
| - Diluted Rs | | (2.56) | 3.76 |
| **Discontinued Operations** | | | |
| - Basic Rs. | | (0.11) | 2.30 |
| - Diluted Rs | | (0.11) | 2.29 |
| **Continuing and Discontinued Operations** | | | |
| - Basic Rs. | | (2.67) | 6.07 |
| - Diluted Rs | | (2.67) | 6.05 |
| Material Accounting Policies | 3 | | |

The accompanying notes are an integral part of these Consolidated Financial Statements.
As per our report of even date attached

**For Deloitte Haskins & Sells**
Chartered Accountants

**Kartikeya Raval**
Partner

Place: Ahmedabad
Date: May 17, 2025

For and on behalf of the board of directors of **Arvind Fashions Limited**

**Sanjay S. Lalbhai**
Chairman & Director
DIN - 00008329
Place: Ahmedabad
Date: May 17, 2025

**Shailesh Chaturvedi**
Managing Director & CEO
DIN - 03023079
Place: Bengaluru
Date: May 17, 2025

**Girdhar Chitlangia**
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2025

**Lipi Jha**
Company Secretary
Place: Bengaluru
Date: May 17, 2025

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2025

## A. EQUITY SHARE CAPITAL

₹ In Crores

| Balance | Amount |
|---|---|
| **As at March 31, 2023** | **53.13** |
| Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 33) | 0.06 |
| **As at March 31, 2024** | **53.19** |
| Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 33) | 0.13 |
| **As at March 31, 2025** | **53.32** |

## B. OTHER EQUITY

₹ In Crores

| Particulars | Reserves and Surplus | | | | Items of Other Comprehensive income | | | Total Other Equity (A) | Non-controlling interest (B) | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share Based Payment Reserve | Securities premium | Retained Earnings | Capital Reserve | Capital Reserve on Consolidation | Cash Flow Hedge Reserve | Net Gain/ (Loss) on FVOCI Equity Instruments | | | |
| | Note 12 | Note 12 | Note 12 | Note 12 | Note 12 | Note 12 | Note 12 | | | |
| **Balance as at April 1, 2023** | **16.13** | **2,147.45** | **(1,200.21)** | **39.89** | **(237.08)** | **0.17** | **90.16** | **856.51** | **182.59** | **1,039.10** |
| Profit/ (Loss) for the year | - | - | 80.64 | - | - | - | - | 80.64 | 56.47 | 137.11 |
| Other comprehensive income for the year | - | - | (1.24) | - | - | - | - | (1.24) | (0.66) | (1.90) |
| **Total Comprehensive income for the year** | **-** | **-** | **79.40** | **-** | **-** | **-** | **-** | **79.40** | **55.81** | **135.21** |
| Share issued during the year | - | 2.26 | - | - | - | (0.97) | - | 1.29 | - | 1.29 |
| Addition during the year | | | | | 21.47 | | | 21.47 | | 21.47 |
| Share based payment expense | 4.22 | - | - | - | - | - | - | 4.22 | - | 4.22 |
| Dividend paid for the year | - | - | (13.28) | | - | - | - | (13.28) | | (13.28) |
| Dividend paid to Non Controlling Interest by Subsidiary | - | - | - | - | - | - | - | - | (49.27) | (49.27) |
| Share of Non Controlling Interest | - | - | - | - | - | 0.49 | - | 0.49 | - | 0.49 |
| Transfer to securities premium | (0.91) | - | - | - | - | - | - | (0.91) | - | (0.91) |
| Transfer from share based payment reserve | - | 0.91 | - | - | - | - | - | 0.91 | - | 0.91 |
| **Balance as at March 31, 2024** | **19.44** | **2,150.62** | **(1,134.09)** | **39.89** | **(215.61)** | **(0.31)** | **90.16** | **950.10** | **189.13** | **1,139.23** |

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2025

₹ In Crores

| Particulars | Reserves and Surplus | | | | Items of Other Comprehensive income | | | Total Other Equity (A) | Non-controlling interest (B) | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share Based Payment Reserve | Securities premium | Retained Earnings | Capital Reserve | Capital Reserve on Consolidation | Cash Flow Hedge Reserve | Net Gain/ (Loss) on FVOCI Equity Instruments | | | |
| | Note 12 | Note 12 | Note 12 | Note 12 | Note 12 | Note 12 | Note 12 | | | |
| **Balance as at April 1, 2024** | **19.44** | **2,150.62** | **(1,134.09)** | **39.89** | **(215.61)** | **(0.31)** | **90.16** | **950.10** | **189.13** | **1,139.23** |
| Profit/ (Loss) for the year | - | - | (35.57) | - | - | - | - | (35.57) | 68.55 | 32.98 |
| Other comprehensive income for the year | - | - | (1.00) | - | - | - | - | (1.00) | (0.26) | (1.26) |
| **Total Comprehensive income for the year** | **-** | **-** | **(36.57)** | **-** | **-** | **-** | **-** | **(36.57)** | **68.29** | **31.72** |
| Share issued during the year | - | 5.12 | - | - | - | (0.19) | - | 4.93 | - | 4.93 |
| Share based payment expense | 1.90 | - | - | - | - | - | - | 1.90 | - | 1.90 |
| Dividend paid for the year | - | - | (16.65) | | - | - | - | (16.65) | | (16.65) |
| Dividend paid to Non Controlling Interest by Subsidiary | - | - | - | - | - | - | - | - | (50.03) | (50.03) |
| Share of Non Controlling Interest | - | - | - | - | - | 0.09 | - | 0.09 | - | 0.09 |
| Transfer to securities premium | (2.27) | - | - | - | - | - | - | (2.27) | - | (2.27) |
| Transfer from share based payment reserve | - | 2.27 | - | - | - | - | - | 2.27 | - | 2.27 |
| **Balance as at March 31, 2025** | **19.07** | **2,158.01** | **(1,187.31)** | **39.89** | **(215.61)** | **(0.41)** | **90.16** | **903.80** | **207.38** | **1,111.18** |

The accompanying notes are an integral part of these Consolidated Financial Statements.
As per our report of even date attached

**For Deloitte Haskins & Sells**
Chartered Accountants

**Kartikeya Raval**
Partner

Place: Ahmedabad
Date: May 17, 2025

For and on behalf of the board of directors of **Arvind Fashions Limited**

**Sanjay S. Lalbhai**
Chairman & Director
DIN - 00008329
Place: Ahmedabad
Date: May 17, 2025

**Shailesh Chaturvedi**
Managing Director & CEO
DIN - 03023079
Place: Bengaluru
Date: May 17, 2025

**Girdhar Chitlangia**
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2025

**Lipi Jha**
Company Secretary
Place: Bengaluru
Date: May 17, 2025

# Consolidated Statement of Cash Flows

For the year ended March 31, 2025

(₹ in Crores except per share data)

| | Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| **A** | **Cash flow from Operating activities** | | |
| | **Profit/(Loss) before tax** | | |
| | Continuing Operations | 225.12 | 163.84 |
| | Discontinued Operations | (1.42) | 30.73 |
| | **Profit/(Loss) before taxation for the period from Continuing Operations and Discontinued Operations** | **223.70** | **194.57** |
| | **Adjustments to reconcile profit before tax to net cash flows:** | | |
| | Depreciation and Amortisation expense | 255.72 | 249.21 |
| | Interest Income | (21.45) | (16.30) |
| | Finance Cost | 155.80 | 151.92 |
| | Profit from Sale of Subsidiary | - | (107.37) |
| | Allowance of doubtful debts | 9.71 | 7.13 |
| | Provisions of doubtful debts written back | - | (0.85) |
| | Provision no longer required | (0.87) | (4.15) |
| | Other Assets written off / written back | - | 15.48 |
| | Gain on reassessment of lease and Lease Concessions | (5.08) | (8.24) |
| | (Profit)/Loss on Sale of Property, Plant & Equipment (Net) | (0.30) | 3.58 |
| | Share based payment expense | 1.90 | 4.15 |
| | Provision for Non-moving Inventory and Returnable assets | 14.94 | 11.13 |
| | Net unrealised foreign exchange loss | (0.61) | - |
| | Loss/(Gain) of mark to market of derivatives financial instruments | 1.02 | - |
| | Income from Sale of Mutual Funds | - | (0.38) |
| | Fair value (gain)/ loss on financial instruments recycled from OCI (net) | (0.29) | 0.06 |
| | **Operating Profit before Working Capital Changes** | **634.19** | **499.94** |
| | **Adjustment for Changes in Working Capital :** | | |
| | (Increase) / Decrease in Inventories | (189.32) | 69.59 |
| | (Increase) / Decrease in Trade receivables | (92.37) | (93.54) |
| | (Increase) / Decrease in Other assets | 22.21 | 88.38 |
| | (Increase) / Decrease in Other financial assets | (22.64) | (15.26) |
| | Increase / (Decrease) in Trade payables | 233.57 | (58.68) |
| | Increase / (Decrease) in Other liabilities | (21.97) | (17.30) |
| | Increase / (Decrease) in Other financial liabilities | 6.73 | 20.90 |
| | Increase / (Decrease) in Provisions | 2.46 | 2.81 |
| | **Net Changes in Working Capital** | **(61.33)** | **(3.10)** |
| | **Cash Generated from Operations** | **572.86** | **496.84** |
| | Income Taxes paid (Net of Income Tax refund) | (43.34) | (62.66) |
| | **Net Cash flow from / (used in) Operating Activities (A)** | **529.52** | **434.18** |
| **B** | **Cash Flow from Investing Activities** | | |
| | Purchase of Property, Plant & Equipment and Intangible assets | (95.82) | (82.27) |
| | Proceeds from Sales of Subsidiary | - | 94.54 |
| | Proceeds from disposal of Property, Plant & Equipment | 4.58 | 2.15 |
| | Changes in other bank balances not considered as cash and cash equivalents | 1.52 | 7.22 |
| | Purchase of Mutual Funds | - | (70.00) |
| | Proceeds from Sale of Mutual Funds | - | 70.38 |
| | Loan (given)/received back (net) | (0.41) | 0.60 |
| | Interest Received | 14.91 | 9.25 |
| | **Net Cash flow from / (used in) Investing Activities (B)** | **(75.22)** | **31.87** |

# Consolidated Statement of Cash Flows

For the year ended March 31, 2025

(₹ in Crores except per share data)

| | Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| **C** | **Cash Flow from Financing Activities** | | |
| | Proceeds from issue of equity share capital | 5.25 | 2.33 |
| | Repayment of long term borrowings | (26.69) | (41.00) |
| | Proceeds from long term borrowings | 20.00 | - |
| | Proceeds / (Repayment) of short term borrowings (net) | (69.83) | (90.56) |
| | (Repayment) towards lease liabilities | (161.45) | (152.12) |
| | (Repayment) of Interest amount of Lease Liabilities | (79.35) | (69.45) |
| | Dividend Paid to Equity holders of the Parent | (16.65) | (13.28) |
| | Dividend Paid to Non Controlling Interest | (50.03) | (49.28) |
| | Finance Cost Paid | (77.27) | (77.86) |
| | **Net Cash flow from / (used in) Financing Activities (C)** | **(456.02)** | **(491.22)** |
| | **Net Increase/(Decrease) in cash & cash equivalents (A) +(B)+(C)** | **(1.72)** | **(25.17)** |
| | Cash & Cash equivalent at the beginning of the year | 152.60 | 177.77 |
| | Cash & Cash equivalent at the end of the year | 150.88 | 152.60 |

Figures in brackets indicate outflows.

## Reconciliation of Cash & Cash Equivalents

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Cash and cash equivalents comprise of:** | | |
| Cash on Hand | 1.28 | 0.97 |
| Balances with Banks | 149.60 | 151.63 |
| **Cash and cash equivalents as per Balance Sheet (Note 7c)** | **150.88** | **152.60** |

The accompanying notes are an integral part of these Consolidated Financial Statements.

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

₹ In Crores

| Particulars of liabilities arising from financing activity | Note No. | As at April 1, 2024 | Net cash flows | Non Cash Changes | | As at March 31, 2025 |
|---|---|---|---|---|---|---|
| | | | | Impact of Ind AS 116 | Other Changes* | |
| **Borrowings:** | | | | | | |
| Long term borrowings | 13 (a) | 30.36 | (6.69) | - | - | 23.67 |
| Short term borrowings | 13 (a) | 435.73 | (69.83) | - | - | 365.90 |
| Lease Liability | 34 | 681.83 | (240.80) | 246.84 | 79.35 | 767.22 |
| Interest accrued on borrowings | 13 (c) | 12.46 | (12.46) | - | 11.43 | 11.43 |
| **Total** | | **1,160.38** | **(329.78)** | **246.84** | **90.78** | **1,168.22** |

# Consolidated Statement of Cash Flows

For the year ended March 31, 2025

₹ In Crores

| Particulars of liabilities arising from financing activity | Note No. | As at April 1, 2023 | Net cash flows | Non Cash Changes | | As at March 31, 2024 |
|---|---|---|---|---|---|---|
| | | | | Impact of Ind AS 116 | Other Changes* | |
| **Borrowings:** | | | | | | |
| Long term borrowings | 13 (a) | 71.36 | (41.00) | - | - | 30.36 |
| Short term borrowings | 13 (a) | 526.29 | (90.56) | - | - | 435.73 |
| Lease Liability | 34 | 667.38 | (221.57) | 166.57 | 69.45 | 681.83 |
| Interest accrued on borrowings | 13 (c) | 8.05 | (8.05) | - | 12.46 | 12.46 |
| **Total** | | **1,273.08** | **(361.18)** | **166.57** | **81.91** | **1,160.38** |

* The same relates to amount charged in statement of profit and loss.

**Notes:**

1) The above consolidated statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS 7) "Statement of cash flows".

As per our report of even date attached

**For Deloitte Haskins & Sells**
Chartered Accountants

**Kartikeya Raval**
Partner

Place: Ahmedabad
Date: May 17, 2025

For and on behalf of the board of directors of **Arvind Fashions Limited**

**Sanjay S. Lalbhai**
Chairman & Director
DIN - 00008329
Place: Ahmedabad
Date: May 17, 2025

**Shailesh Chaturvedi**
Managing Director & CEO
DIN - 03023079
Place: Bengaluru
Date: May 17, 2025

**Girdhar Chitlangia**
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2025

**Lipi Jha**
Company Secretary
Place: Bengaluru
Date: May 17, 2025

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## 1. CORPORATE INFORMATION

Arvind Fashions Limited ("the Company" or "the Parent Company") is a public limited company incorporated in India under the provisions of the Companies Act, 2013 and has its registered office at Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 having CIN L52399GJ2016PLC085595. The Company has its primary listings on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("the Stock Exchanges").

Arvind Fashions Limited together with its consolidated Subsidiaries is herein referred to as "the Group".

The Group is operating in branded apparels, beauty and accessories. The Group is having a portfolio of owned and licensed international brands including US Polo, Arrow, Flying Machine, Tommy Hilfiger, Calvin Klein and others.

The Group has diversified business by brands (power, emerging and specialty retail), gender (menswear, womenswear and kidswear), categories (denims, topwear, trousers, innerwear, footwear, beauty etc.) and sales channels (retail, distribution, departmental stores and online).

The Group's Consolidated Financial Statements have been approved by Board of Directors in the meeting held on May 17, 2025.

## 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

### 2.1 Basis of Preparation and Presentation and Statement of Compliance

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated Financial Statements comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows as at March 31, 2025 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III of the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to Consolidated Financial Statement.

### 2.2 Historical Cost Convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Defined benefit plans – plan assets measured at fair value;

### 2.3 Rounding off

The Consolidated Financials Statement are prepared in Indian Rupees (INR) and all the values are rounded to nearest crores as per the requirement of Schedule III, except when otherwise indicated. Figures less than Rs.50,000 which are required to be shown separately, have been shown in actual brackets.

### 2.4 Principles of Consolidation of Subsidiaries

The Group consolidates entities which it owns or controls. The Consolidated Financial Statement comprise the financial statements of the Group and

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

  Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount at which the non- controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Group.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Group in preparing its Consolidated

Financial Statements consistently to all the periods presented:

### 3.1 Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. For the purpose of current/non-current classification of assets, the Group has ascertained its normal operating cycle as twelve months.

### 3.2 Non-Current Assets classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts are recoverable principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

#### Discontinued operation

A discontinued operation is a business of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

### 3.3 Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

### 3.4 Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Group after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

## 3.5 Foreign currencies

The Group's financial statements are presented in INR, which is also the Group's functional and presentation currency.

### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

## 3.6 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

### Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for following assets category as shown in Table below.

| Asset | Estimated Useful Life |
|---|---|
| Buildings | 30 Years |
| Plant & Machinery | 6 to 15 Years |
| Office Equipment | 6 to 8 Years |
| Furniture & Fixture | 6 to 9 Years |
| Motor Cars | 4 Years |
| Computers, Servers and Network | 3 Years |

However, Leasehold Improvements have been depreciated considering the lease term or useful life whichever is lower.

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013. Any change in useful life are being applied prospectively in accordance with Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors".

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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

## 3.7 Leases

The Group's lease asset classes primarily consist of leases for buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently

# Notes to the Consolidated Financial Statements

measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are fixed payments. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 3.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

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

Intangible assets under development comprises cost of development cost and other operating cost incurred during development phase and ready for their intended use at the balance sheet date.

### Amortisation

Software and Website are amortized over management estimate of its useful life of 3-5 years on Straight Line basis.

License rights are amortized over the remaining term of license period or 15 years whichever is less.

## 3.9 Inventories

Stock-in-trade are valued at the lower of cost and net realisable value.

- Stock in Trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

## 3.10 Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## 3.11 Revenue Recognition

The Group derives revenues primarily from sale of traded goods and related services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements except for the agency services because it typically controls the goods before transferring them to the customer and sales under sale or return basis arrangements.

### a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, i.e., generally on delivery of the goods and when the property in goods and control are transferred for a price and no effective ownership control is retained. 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 accounts contractually defined terms of payment excluding taxes and duties collected on behalf of the government. In case of sales made through franchisee revenue is measured on gross basis and consideration payable to franchisee is recognised as expenses.

#### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

#### i. Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refundable liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

#### ii. Discounts

Discounts are offset against amounts payable by the customer. To estimate the variable consideration for the expected future discounts, the Group applies the expected value method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

### b) Assets and liabilities arising from returns

#### i. Returnable Asset

Returnable asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decrease in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### ii. Refundable liabilities

A refundable liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refundable liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

### c) Rendering of services

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted/ displayed. Facility management fees are recognised pro-rata over the period of the contract.

Revenue from other services are recognised based on the services rendered in accordance with the terms of contacts on the basis of work performed.

### d) Gift Vouchers

The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) when redeemed or to revenue (sale of services) on expiry

### e) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider

# Notes to the Consolidated Financial Statements

the expected credit losses. Interest income is included in other income in the statement of profit or loss.

### f) Profit or loss on sale of Investments

Profit or Loss on sale of investments is recorded on transfer of title from the Group and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

## 3.12 Financial instruments – initial recognition and subsequent measurement

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

### a) Financial assets

#### (i) Initial recognition and measurement of financial assets

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or 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 (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### (ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- **Financial assets at amortised cost:**

  A financial asset is measured at amortised cost if:

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

  This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Financial assets at fair value through other comprehensive income**

  A financial asset is measured at fair value through other comprehensive income if:

  - the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

- **Financial assets at fair value through profit or loss**

  FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

  After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

- **Equity instruments**

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

  If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L

**(iii) Derecognition of financial assets**

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

  (a) the Group has transferred substantially all the risks and rewards of the asset, or

  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### (iv) Impairment of financial assets

### a) Financial Assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 109 and Ind AS 115.

The Group follows 'simplified 12 months approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and Ind AS 115, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and Ind AS 115 that contain a significant financing component, if the Group applies practical expedient to ignore separation of time value of money, and
- Right Of Use Assets resulting from transactions within the scope of Ind AS 116

The application of simplified 12 months approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and ROU Assets: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

  For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

  The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

**b) Financial Liabilities**

**(i) Initial recognition and measurement of financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**(ii) Subsequent measurement of financial liabilities**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

  This is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

### (iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### c) Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

### (i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

### (ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

### d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 3.13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## 3.14 Taxes

Tax expense comprises of current income tax and deferred tax.

### Current income tax

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

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

The Group recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## 3.15 Employee Benefit

### a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

### b) Post-Employment Benefits

**(i) Defined contribution plan**

The Group's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Group has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

**(ii) Defined benefit plan**

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

### c) Other long term employment benefits:

The employee's long term compensated absences are Group's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

### d) Termination Benefits:

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

## 3.16 Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/ or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### 3.17 Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### 3.18 Dividend

The Group recognises a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

### 3.19 Provisions and Contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

Contingent assets are not recognised but disclosed in the Consolidated Financial Statements when an inflow of economic benefits is probable.

### 3.20 Non-current assets held for sale/ distribution to owners and discontinued operations

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts are recoverable principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in Consolidated Statement of Profit and Loss.

### 3.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 3.22 Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

### 3.23 Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the most significant effect on the amount recognised in the financial statements and / or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 4.1 Revenue recognition

The Group assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Group has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Group has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### 4.2 Provision for discount and sales return

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

b) At each balance sheet date, group estimates the adequacy of provision for discounts to be given to its customers on the sales made by the Group on the basis of historical trend, past experience and discount policies.

### 4.3 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.

### 4.4 Allowance for expected credit loss on trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is Grouped into homogeneous Groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. Refer Note 7 (a) for further details.

### 4.5 Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The expenses recognised for share-based payment transactions are disclosed in Note 33.

### 4.6 Taxes

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

The Group has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Group has determined

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

that it can recognise deferred tax assets on the tax credits carried forward and unused losses carried forward. Further details on taxes are disclosed in Note 25.

## 4.7 Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete / slow-moving inventory items.

## 4.8 Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Group has capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group.

Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 14 and 26).

## 4.9 Control Over Subsidiaries

The Parent evaluates its control over the entities where it holds significant voting rights and considers them as Subsidiaries where it exercises control (Refer note 43 (A) ).

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## NOTE 5 : PROPERTY, PLANT AND EQUIPMENT

₹ In Crores

| Particulars | Buildings | Plant & machinery | Furniture & fixture | Vehicles | Leasehold improvements | Office equipment | Computers, Servers and Network | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Value** | | | | | | | | |
| **As at April 1, 2023** | **6.94** | **30.27** | **157.69** | **4.35** | **176.15** | **16.10** | **32.65** | **424.16** |
| Additions | - | 3.96 | 29.49 | 0.08 | 34.96 | 2.98 | 7.51 | 78.98 |
| Deductions due to Discontinued Operation (Refer Note 42) | - | 6.65 | 34.27 | - | 28.33 | 5.77 | 1.13 | 76.15 |
| Deductions | - | 2.29 | 4.25 | 1.12 | 13.91 | 0.61 | 0.69 | 22.87 |
| **As at March 31, 2024** | **6.94** | **25.29** | **148.66** | **3.31** | **168.87** | **12.70** | **38.34** | **404.12** |
| Additions | - | 9.65 | 32.92 | - | 35.56 | 3.70 | 9.08 | 90.91 |
| Deductions | - | 0.44 | 1.40 | 0.09 | 3.09 | 0.29 | 6.87 | 12.18 |
| **As at March 31, 2025** | **6.94** | **34.50** | **180.18** | **3.22** | **201.33** | **16.12** | **40.55** | **482.85** |
| **Accumulated Depreciation** | | | | | | | | |
| **As at April 1, 2023** | **0.90** | **25.78** | **121.60** | **2.01** | **133.85** | **12.92** | **22.06** | **319.12** |
| Depreciation for the year | 0.22 | 2.03 | 12.54 | 0.68 | 17.88 | 0.98 | 5.31 | 39.64 |
| Depreciation for Discontinued Operation (Refer Note 42) | - | 0.22 | 1.96 | - | 0.59 | 0.16 | 0.10 | 3.03 |
| Deductions | - | 1.89 | 3.41 | 0.70 | 11.13 | 0.50 | 0.66 | 18.29 |
| Deductions due to Discontinued Operation (Refer Note 42) | - | 5.64 | 27.70 | - | 24.51 | 4.72 | 0.91 | 63.48 |
| **As at March 31, 2024** | **1.12** | **20.50** | **104.99** | **1.99** | **116.68** | **8.84** | **25.90** | **280.02** |
| Depreciation for the year | 0.22 | 2.51 | 13.48 | 0.59 | 18.08 | 1.30 | 6.04 | 42.22 |
| Deductions | - | 0.38 | 1.20 | 0.06 | 2.80 | 0.21 | 2.65 | 7.30 |
| **As at March 31, 2025** | **1.34** | **22.63** | **117.27** | **2.52** | **131.96** | **9.93** | **29.29** | **314.94** |
| **Net Carrying Value** | | | | | | | | |
| **As at March 31, 2025** | **5.60** | **11.87** | **62.91** | **0.70** | **69.37** | **6.19** | **11.26** | **167.91** |
| **As at March 31, 2024** | **5.82** | **4.80** | **43.67** | **1.32** | **52.19** | **3.86** | **12.44** | **124.10** |

**Notes:**

1) No Borrowing costs are capitalised on property plant and equipment during the year.

2) For Properties pledge as security Refer Note 13(a).

3) Refer Note 27 for disclosure of Capital commitments for the acquisition of property, plant and equipment.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## Note 5 (a) : Capital work-in-progress ageing schedule:

### As at March 31, 2025

₹ In Crores

| Capital work-in-progress | Amount in Capital work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 1.13 | - | - | - | 1.13 |
| **Total** | **1.13** | **-** | **-** | **-** | **1.13** |

### As at March 31, 2024

₹ In Crores

| Capital work-in-progress | Amount in Capital work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 1.46 | - | - | - | 1.46 |
| **Total** | **1.46** | **-** | **-** | **-** | **1.46** |

**Notes:**

1. As on date of balance sheet, there is no capital work in progress whose completion is overdue or has exceeded the cost compared to its original plan.
2. There is no project which is temporarily suspended.

## NOTE 6 : INTANGIBLE ASSETS

₹ In Crores

| Particulars | Computer Software | Technical Process development | Product Development | Trademark License Fee | Total Intangible Assets | Goodwill on Consolidation |
|---|---|---|---|---|---|---|
| **Gross Carrying Value** | | | | | | |
| **As at April 1, 2023** | **51.41** | **34.53** | **9.58** | **36.89** | **155.62** | **111.23** |
| Additions | 7.10 | 3.47 | - | - | 10.57 | - |
| Deductions | 0.06 | 0.04 | - | - | 0.10 | - |
| Deductions due to Discontinued Brand (Refer Note 42) | 0.93 | - | - | - | 4.16 | - |
| **As at March 31, 2024** | **57.52** | **37.96** | **9.58** | **36.89** | **161.93** | **111.23** |
| Additions | 16.90 | - | - | - | 16.90 | - |
| Deductions | - | - | - | - | - | - |
| Adjustments* | 47.54 | (37.96) | (9.58) | - | - | - |
| **As at March 31, 2025** | **121.96** | **-** | **-** | **36.89** | **178.83** | **111.23** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

₹ In Crores

| Particulars | Computer Software | Technical Process development | Product Development | Trademark License Fee | Total Intangible Assets | Goodwill on Consolidation |
|---|---|---|---|---|---|---|
| **Amortisation** | | | | | | |
| **As at April 1, 2023** | **32.44** | **29.86** | **6.26** | **23.22** | **114.99** | **-** |
| Amortisation for the Year | 9.73 | 1.76 | 1.04 | 3.09 | 15.62 | - |
| Deductions | 0.01 | - | - | - | 0.01 | - |
| Deductions due to Discontinued Brand (Refer Note 42) | 0.87 | - | - | - | 4.10 | - |
| **As at March 31, 2024** | **41.29** | **31.62** | **7.30** | **26.30** | **126.49** | **-** |
| Amortisation for the Year | 12.13 | - | - | 3.08 | 15.21 | - |
| Deductions | - | - | - | - | - | - |
| Adjustments* | 38.92 | (31.62) | (7.30) | - | - | - |
| **As at March 31, 2025** | **92.34** | **-** | **-** | **29.38** | **141.70** | **-** |
| **Net Carrying Value** | | | | | | |
| **As at March 31, 2025** | **29.62** | **-** | **-** | **7.51** | **37.13** | **111.23** |
| **As at March 31, 2024** | **16.24** | **6.34** | **2.28** | **10.59** | **35.45** | **111.23** |

*Adjustments includes intra-head re-grouping.

## Notes:

1) On March 23, 2018, one of the Group Company has entered into an addendum to the license agreements dated December 1, 2015 and March 19, 2014 with Calvin Klein Inc., to add certain product categories to licensed products for a consideration of ₹ 7.14 Crores (equivalent to USD 1.1 Million), which has been capitalised as an intangible asset, in accordance with Ind AS 38, "Intangible Assets". The license agreement is to grant the Company a license to use approved form of trademarks in connection with the manufacture, sale, distribution and promotion of the Calvin Klein licensed products in India.

   During the previous year, that company has renewed the license till December 31, 2028. Also, the same can be renewed for a further period of 5 years without any additional consideration, subject to compliance with certain terms and conditions under the aforesaid agreement. Management has determined that it is virtually certain that the Company would renew the license agreement for a further period of 5 years. Accordingly, the Company is amortising the trademark license rights over the term of the license agreement (including renewal period) till December 31, 2033.

2) On September 7, 2011, one of the Group Company has entered into a License Agreement with Tommy Hilfiger Europe BV and obtained an exclusive and assignable license to use the Trademark Tommy Hilfiger, in connection with the manufacture, import, distribution, promotion, advertising and sale of Tommy Hilfiger products in India for a consideration of ₹ 37.80 Crores (equivalent to USD 7.5 Million), which has been capitalised as an intangible asset, in accordance with Ind AS 38, "Intangible Assets". The ownership of aforesaid Trademark rests with Tommy Hilfiger Europe BV.

   Under the aforesaid agreement, that Company must achieve certain minimum sales level with respect to the licensed products and pay royalty on higher of the actual and minimum sales value of license products. As per the agreements entered by the Company with sub-franchisees, certain minimum sales level with respect to the licensed products must be achieved by the sub-franchisees and royalty is earned on the higher of the actual and minimum sales value of the licensed products.

3) Product Developments, Computer Software and Intangible Assets under development includes development cost being internally generated intangible assets.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## Note 6 (a) : Intangible assets under development ageing schedule:

### As at March 31, 2025

₹ In Crores

| Capital work-in-progress | Amount in Capital work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 1.69 | - | - | - | 1.69 |
| **Total** | **1.69** | **-** | **-** | **-** | **1.69** |

### As at March 31, 2024

| Capital work-in-progress | Amount in Capital work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 2.18 | 0.30 | - | - | 2.48 |
| **Total** | **2.18** | **0.30** | **-** | **-** | **2.48** |

## NOTE 7 : FINANCIAL ASSETS

### 7 (a) Trade receivables - Current

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Unsecured, considered good** | 1,199.37 | 1,088.07 |
| Credit Impaired | 71.08 | 61.37 |
| Less : Allowance for doubtful debts | (71.08) | (61.37) |
| | **1,199.37** | **1,088.07** |
| Less: Refundable Liability - (Refer Note 3 below) | (469.95) | (441.29) |
| **Total Trade receivables** | **729.42** | **646.78** |

**Note :**

1) No trade receivables are due from directors or other officers of the Group either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.

2) Trade receivables are given as security for borrowings as disclosed under Note 13(a).

3) Refundable Liability are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.

4) For amount due from Related Parties refer Note 31.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### Allowance for doubtful debts

The Group has provided allowance for doubtful debts based on simplified 12 months ECL approach using provision matrix.

Movement in allowance for doubtful debts :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | 61.37 | 62.85 |
| Add : Allowance for the year (Refer Note 23) | 9.71 | 1.77 |
| Less : Utilised during the year | - | (2.40) |
| Less : Provision for doubtful debts written back (Refer Note 17) | - | (0.85) |
| **Balance at the end of the year** | **71.08** | **61.37** |

### Trade Receivables Ageing Schedule:

**As at March 31, 2025**

₹ In Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 Months | 6 Months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables - Considered Good | 803.09 | 386.63 | 9.65 | - | - | - | **1,199.37** |
| Undisputed Trade receivables - Credit impaired | - | 2.08 | 5.48 | 4.52 | 23.55 | 12.33 | **47.96** |
| Disputed Trade receivables - Credit impaired | - | - | - | 9.10 | 5.72 | 8.30 | **23.12** |
| **Gross Trade Receivables** | **803.09** | **388.71** | **15.13** | **13.62** | **29.27** | **20.63** | **1,270.45** |
| Less: Allowance for doubtful debts | | | | | | | (71.08) |
| Less: Refundable Liability | | | | | | | (469.95) |
| **Net Trade Receivables** | | | | | | | **729.42** |

**As at March 31, 2024**

₹ In Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 Months | 6 Months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables - Considered Good | 710.20 | 373.35 | 2.89 | 1.28 | 0.35 | - | **1,088.07** |
| Undisputed Trade receivables - Credit impaired | - | 1.59 | 6.24 | 30.63 | 2.31 | 11.48 | **52.25** |
| Disputed Trade receivables - Credit impaired | - | - | - | 0.82 | 0.78 | 7.52 | **9.12** |
| **Gross Trade Receivables** | **710.20** | **374.94** | **9.13** | **32.73** | **3.44** | **19.00** | **1,149.44** |
| Less: Allowance for doubtful debts | | | | | | | (61.37) |
| Less: Refundable Liability | | | | | | | (441.29) |
| **Net Trade Receivables** | | | | | | | **646.78** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## 7 (b) Loans

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (Unsecured, considered good unless otherwise stated) | | |
| **Non-current** | | |
| Loans to employees | 0.01 | 0.02 |
| | **0.01** | **0.02** |
| **Current** | | |
| Loans to employees | 1.57 | 1.15 |
| | **1.57** | **1.15** |
| **Total Loans** | **1.58** | **1.17** |

**Note :** 1) No loans are due from directors or promotors of the Group either severally or jointly with any person.

## 7 (c) Cash and cash equivalent

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Cash on hand | 1.28 | 0.97 |
| Balances with Bank | | |
| In Current accounts and debit balance in cash credit accounts | 22.60 | 19.63 |
| In Fixed Deposits - with maturity of less than 3 months # | 127.00 | 132.00 |
| **Total cash and cash equivalents** | **150.88** | **152.60** |

# Deposits with banks earn interest at fixed bank deposit rates. Short-term deposits are made for a period of 90 days (previous year 90 days) depending on the immediate cash requirement of the Company, and earn interest at the respective short-term deposit rates.

## 7 (d) Other bank balance

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **In Deposit Account** | | |
| Held as Margin Money* | 11.69 | 13.75 |
| Deposits with original maturity of more than three months but less than 12 months | 1.02 | 0.55 |
| Unpaid Fractional Shares and Rights Issue (Refer note 13(c)) | 1.04 | 1.04 |
| Unpaid Dividend account (Refer note 13(c)) | 0.10 | 0.04 |
| **Total other bank balances** | **13.85** | **15.38** |

* Under lien with bank as Security for Guarantee Facility & Margin on current account.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## 7 (e) Other financial assets

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (Unsecured, considered good unless otherwise stated) | | |
| **Non-current** | | |
| Security deposits | 62.98 | 55.50 |
| Bank deposits with maturity of more than 12 months | 1.64 | 0.57 |
| | **64.62** | **56.07** |
| **Current** | | |
| Security deposits- Current | 34.84 | 31.61 |
| Security deposits - considered doubtful | 2.13 | 2.16 |
| Less: Allowance for doubtful deposits | (2.13) | (2.16) |
| | **34.84** | **31.61** |
| Income receivable | | |
| Accrued Interest | 1.27 | 1.79 |
| Insurance claim receivable | 2.38 | 0.25 |
| Other Receivables | | |
| - Considered Good | 10.36 | 14.78 |
| - Considered Doubtful | 0.17 | 0.17 |
| Less : Allowance for Doubtful receivables | (0.17) | (0.17) |
| | **48.85** | **48.43** |
| **Total other financial assets** | **113.47** | **104.50** |

### Allowance for doubtful deposits

Movement in allowance for doubtful advances :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | 2.16 | 2.78 |
| Add : Allowance for the year (Refer note 23) | - | - |
| Less : Amount realised during the year | (0.03) | (0.62) |
| **Balance at the end of the year** | **2.13** | **2.16** |

### Allowance for Doubtful Other Receivables

Movement in allowance for doubtful Other Receivables :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | 0.17 | 0.60 |
| Add : Allowance for the year (Refer note 23) | - | 0.06 |
| Less : Write off during the year | - | (0.27) |
| Less : Amount realised during the year | - | (0.22) |
| **Balance at the end of the year** | **0.17** | **0.17** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### 7 (f) Financial assets by category

₹ In Crores

| | FVTPL | FVOCI | Amortised Cost |
|---|---|---|---|
| **March 31, 2025** | | | |
| Trade Receivables | - | - | 729.42 |
| Loans | - | - | 1.58 |
| Cash & Bank balance | - | - | 164.73 |
| Other financial assets | - | - | 113.47 |
| **Total Financial Assets** | **-** | **-** | **1,009.20** |
| **March 31, 2024** | | | |
| Trade Receivables | - | - | 646.78 |
| Loans | - | - | 1.17 |
| Cash & Bank balance | - | - | 167.98 |
| Other financial assets | - | - | 104.50 |
| **Total financial assets** | **-** | **-** | **920.43** |

**Notes :**

1) Financial instruments risk management objectives and policies, refer Note 38.
2) Fair value disclosure for financial assets and liabilities, refer note 36 and for fair value hierarchy disclosures refer note 37.

## NOTE 8: OTHER ASSETS

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (Unsecured, considered good unless otherwise stated) | | |
| **Non-current** | | |
| Capital advances | 0.11 | 1.23 |
| | | |
| GST/Sales tax / VAT / service tax receivable (net) | 2.87 | 2.33 |
| Doubtful Balance with GST/Sales tax/VAT/Service tax receivable | 0.16 | 0.15 |
| Less: Provision for Doubtful Balance with GST/Sales tax/VAT/Service tax receivable | (0.16) | (0.15) |
| | 2.87 | 2.33 |
| Advances to vendors | | |
| Doubtful Advances to vendors | 0.10 | 0.10 |
| Less: Provision for Doubtful Advances to vendors | (0.10) | (0.10) |
| | **-** | - |
| Sales tax paid under protest | - | 11.46 |
| Prepaid expenses | 1.77 | 0.50 |
| | **4.75** | **15.52** |
| **Current** | | |
| Advance to suppliers | | |
| Considered good | 17.29 | 16.67 |
| Considered doubtful | 1.54 | 1.54 |
| Less : Provision for doubtful advances | (1.54) | (1.54) |
| | 17.29 | 16.67 |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance with Government Authorities (Refer Note 1 below) | 131.13 | 172.19 |
| GST Paid under Protest | 2.03 | - |
| Export incentive receivable | 0.15 | 0.48 |
| Returnable Asset (Refer Note 3 below) | 179.19 | 158.93 |
| Prepaid expenses | 21.08 | 12.89 |
| Advance to employee | 1.30 | 1.12 |
| Other Current Assets (Refer Note 5 below) | 52.48 | 49.52 |
| | **404.65** | **411.80** |
| | | |
| **Total** | **409.40** | **427.32** |

**Notes :**

1. Balance with Government Authorities mainly consist of input tax credit availed.
2. Other current assets are given as security for borrowings as disclosed under Note 13(a).
3. Returnable Asset are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers and are accounted, considering the nature of inventory expected to be received, ageing and net realisable value and ₹ 12.17 Crores (March 31, 2024 ₹ 20.38 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement of Profit and loss.
4. No advances are due from directors or promoters of the Company either severally or jointly with any person.
5. Other current assets includes Goods and Service Tax paid on primary sales / stock transfer of traded goods amounting ₹ 52.48 Crores (March 31, 2024 ₹ 49.45 crores) on "Sale or Return basis" and tax on refund liability component. Balance outstanding as at year end will be adjusted against secondary sale of traded goods and actual credit note issued for sales returns.

## Provision for Doubtful Advances

Movement in provision for doubtful advances:

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | 1.64 | 2.79 |
| Add: Provision Made during the year (Refer Note 23) | - | - |
| Less : Write off of doubtful advances | - | (1.15) |
| **Balance at the end of the year** | **1.64** | **1.64** |

## Provision for doubtful Capital advances

Movement in Provision for doubtful Capital advances :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | - | 0.33 |
| Add: Provision Made during the year (Refer Note 23) | - | - |
| Less : Write off of doubtful advances | | (0.33) |
| **Balance at the end of the year** | **-** | **-** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### Provision for Doubtful GST/Sales tax Receivable

Movement in Provision for Doubtful GST/Sales tax Receivable :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance at the beginning of the year** | 0.15 | 0.15 |
| Add: Increase during the year | 0.01 | - |
| Less : Write off of doubtful advances | - | - |
| **Balance at the end of the year** | **0.16** | **0.15** |

## NOTE 9 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Stock-in-trade (Branded Apparels and Accessories) | 1,080.05 | 909.44 |
| **Total** | **1,080.05** | **909.44** |

**Notes :**

1) Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for ₹ 156.75 Crores (March 31, 2024 ₹ 133.60 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss.

2) Inventories are given as security for borrowings as disclosed under Note 13(a).

## NOTE 10 : NON - CURRENT TAX ASSETS (NET)

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Tax Paid in Advance (Net of Provision) | 38.89 | 59.03 |
| **Total** | **38.89** | **59.03** |

## NOTE 11 : EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2025 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | No. of shares | ₹ In Crores | No. of shares | ₹ In Crores |
| **Authorised share capital** | | | | |
| Equity shares of ₹ 4 each (March 31, 2024: ₹ 4 each) | 18,75,00,000 | 75.00 | 18,75,00,000 | 75.00 |
| **Issued and subscribed share capital** | | | | |
| Equity shares of ₹ 4 each (March 31, 2024: ₹ 4 each) | 13,33,00,510 | 53.32 | 13,29,84,460 | 53.19 |
| **Subscribed and fully paid up** | | | | |
| Equity shares of ₹ 4 each (March 31, 2024: ₹ 4 each) | 13,32,75,821 | 53.31 | 13,29,59,771 | 53.18 |
| **Subscribed and partly paid up** | | | | |
| Equity shares of ₹ 2 each (March 31, 2024: ₹ 2 each) | 24,689 | (Rs.49,378/-) | 24,689 | (Rs.49,378/-) |
| **Total** | **13,33,00,510** | **53.32** | **13,29,84,460** | **53.19** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### 11.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

| Particulars | As at March 31, 2025 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | No. of shares | ₹ In Crores | No. of shares | ₹ In Crores |
| **Outstanding at the beginning of the period** | **13,29,84,460** | **53.19** | **13,28,25,660** | **53.13** |
| Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 33) | 3,16,050 | 0.13 | 1,58,800 | 0.06 |
| **Outstanding at the end of the year** | **13,33,00,510** | **53.32** | **13,29,84,460** | **53.19** |

### 11.2. Rights, Preferences and Restrictions attached to the equity shares :

The Company has one class of shares referred to as equity shares having a par value of ₹ 4 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting (Refer Note-47). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.However no such preferential amount exists currently.The distribution will be in proportion to the number of equity shares held by shareholders.

### 11.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

| Particulars | As at March 31, 2025 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | No. of shares | % of share holding | No. of shares | % of share holding |
| Aura Securities Private Limited | 4,16,18,605 | 31.22% | 4,36,18,605 | 32.80% |
| ICICI Prudential Mutual fund - Through its various mutual fund schemes | - | 0.00% | 74,40,594 | 5.60% |
| Plenty Private Equity Fund I Limited | - | 0.00% | 75,10,649 | 5.65% |
| Axis Mutual Fund Trustee Limited - Through its various mutual funds schemes | 72,10,785 | 5.41% | - | - |

### 11.4. Shareholding of Promoters

| Promoter Name | As at March 31, 2025 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|
| | No. Shares | % of total shares | % change during the year | No. Shares | % of total shares | % change during the year |
| Aura Securities Private Limited | 4,16,18,605 | 31.22% | -4.59% | 4,36,18,605 | 32.80% | 0.00% |
| Aura Merchandise Private Limited | 18,30,701 | 1.38% | 0.00% | 18,30,701 | 1.38% | 0.00% |
| Atul Limited | 15,96,105 | 1.20% | 0.00% | 15,96,105 | 1.20% | 0.00% |
| Aura Business Ventures LLP | 10,36,706 | 0.78% | 0.00% | 10,36,706 | 0.78% | 0.00% |
| Aagam Holdings Private Limited | 7,25,553 | 0.54% | 0.00% | 7,25,553 | 0.55% | 0.00% |
| Anusandhan Investments Limited | 44,470 | 0.03% | 0.00% | 44,470 | 0.03% | 0.00% |
| Aayojan Resources Private Limited | 35,190 | 0.03% | 0.00% | 35,190 | 0.03% | 0.00% |
| Adhinami Investment Private Limited | 7,153 | 0.01% | 0.00% | 7,153 | 0.01% | 0.00% |
| Swati S Lalbhai | 3,754 | 0.00% | 0.00% | 3,754 | 0.00% | 0.00% |
| Sunil Siddharth Lalbhai | 2,101 | 0.00% | 0.00% | 2,101 | 0.00% | 0.00% |
| Taral S Lalbhai | 1,573 | 0.00% | 0.00% | 1,573 | 0.00% | 0.00% |
| Punit Sanjaybhai | 1,544 | 0.00% | 0.00% | 1,544 | 0.00% | 0.00% |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

| Promoter Name | As at March 31, 2025 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|
| | No. Shares | % of total shares | % change during the year | No. Shares | % of total shares | % change during the year |
| Swati Siddharth Lalbhai (trustee of Siddharth Family Trust) | 1,399 | 0.00% | 0.00% | 1,399 | 0.00% | 0.00% |
| Sanjaybhai Shrenikbhai Lalbhai (as representative trustee of discretionary trust) | 565 | 0.00% | 0.00% | 565 | 0.00% | 0.00% |
| Astha Lalbhai | 385 | 0.00% | 0.00% | 385 | 0.00% | 0.00% |
| Vimla S Lalbhai | 194 | 0.00% | 0.00% | 194 | 0.00% | -87.82% |
| Jayshreeben Sanjaybhai Lalbhai | 152 | 0.00% | 0.00% | 152 | 0.00% | 0.00% |
| Sanjaybhai Shrenikbhai Lalbhai | 76 | 0.00% | 0.00% | 76 | 0.00% | -88.14% |
| Akshita Holdings Private Limited | 51 | 0.00% | 0.00% | 51 | 0.00% | 0.00% |
| Aura Business Enterprise Private Limited | 38 | 0.00% | 0.00% | 38 | 0.00% | 0.00% |
| Aura Securities Private Limited | 38 | 0.00% | 0.00% | 38 | 0.00% | 0.00% |
| Kalpanaben Shripalbhai Morakhia | 3 | 0.00% | 0.00% | 3 | 0.00% | 0.00% |
| Sunil Siddharth HUF | 3 | 0.00% | 0.00% | 3 | 0.00% | 0.00% |
| Hansa Niranjanbhai | - | 0.00% | 0.00% | - | 0.00% | -100.00% |
| **Total** | **4,69,06,359** | **35.19%** | | **4,89,06,359** | **36.78%** | |

### 11.5. Issue of Equity Shares on preferential basis

On August 21, 2021, the Board of Directors approved issuance of equity shares on a preferential basis to various investors. The Company received the approval of shareholders in the extra ordinary general meeting held on September 16, 2021. The Board of Directors approved allotment of 1,83,06,624 fully paid equity shares to various investors at ₹ 218.50 per equity share (of which ₹ 4/- is towards face value and ₹ 214.50 towards premium) on receipt of consideration. There has been no deviation in the use of proceeds of the Preferential Issue, from the Objects stated in the Offer Letter.

### 11.6. Issue of Shares under Right Issue

On June 21, 2020, the Board of Directors of the Company had approved the revised size of Rights Issue of 3,99,79,347 shares of face value of ₹ 4 each (the "Rights Issue Shares") at a price of ₹ 100 per Rights Equity Shares (including premium of ₹ 96 per Rights Equity Share) in the ratio of 62:91, i.e. 62 Rights Equity Shares for every 91 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. March 18, 2020. On July 24, 2020, the Company has approved the allotment of 3,99,79,347 equity shares of face value ₹ 4/- each to the eligible equity shareholders as fully paid up.

On February 03, 2021, the Board of Directors of the Company and subsequently on February 18, 2021, the Committee of Directors had approved the Rights Issue of 1,48,02,856 equity shares of face value of ₹ 4 each (the "Rights Issue Shares") at a price of ₹ 135 per Rights Equity Shares (including premium of ₹ 131 per Rights Equity Share) in the ratio of 3:20, i.e. 3 Rights Equity Shares for every 20 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. February 24, 2021. On March 25, 2021, the Company has approved the allotment of 1,48,01,776 equity shares of face value ₹ 4/- each to the eligible equity shareholders as partly paid up for an amount of ₹ 70/- per Rights Issue Share received on application (of which ₹ 2/- was towards face value and ₹ 68/- towards premium). The allotment of 1,080 Rights Equity Shares has been kept in abeyance pending regulatory/other clearance. The third reminder to pay first and final call of ₹ 65/- was made in the month of August 2022 and the company has received ₹ 17,01,440/- against 26,176 equity shares (of which ₹ 2/- was towards face value and ₹ 63/- towards premium). As on date the First and Final call payment for 24,689 shares amounting to ₹ 0.16 Crores is yet to be received.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### 11.7. Shares reserved for issue under options and contracts :

Refer Note 33 for details of shares to be issued under Employee Stock Option Schemes (ESOPs).

### 11.8. Objective, policy and procedure of capital management:

Refer Note 39.

## NOTE 12 : OTHER EQUITY

### Note 12.1 Reserves & Surplus

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Capital reserve on Consolidation** | | |
| Balance at the beginning of the year | (215.61) | (237.08) |
| Changes during the year | - | 21.47 |
| Balance at the end of the year | **(215.61)** | **(215.61)** |
| **Capital reserve** | | |
| Balance at the beginning of the year | 39.89 | 39.89 |
| Changes during the year | - | - |
| Balance at the end of the year | **39.89** | **39.89** |
| **Securities premium** | | |
| Balance at the beginning of the year | 2,150.62 | 2,147.45 |
| Addition during the year | 5.12 | 2.26 |
| Transfer from share based payment reserve | 2.27 | 0.91 |
| Balance at the end of the year | **2,158.01** | **2,150.62** |
| **Share based payment reserve (Refer Note 33)** | | |
| Balance at the beginning of the year | 19.44 | 16.13 |
| Addition during the year | 1.90 | 4.22 |
| Transfer to Securities Premium Account | (2.27) | (0.91) |
| Balance at the end of the year | **19.07** | **19.44** |
| **Retained Earnings** | | |
| Balance at the beginning of the year | (1,134.09) | (1,200.21) |
| (Loss) / Profit for the year | (35.57) | 80.64 |
| Dividend for the year | (16.65) | (13.28) |
| OCI for the year | (1.00) | (1.24) |
| Balance at the end of the year | **(1,187.31)** | **(1,134.09)** |
| **Total reserves & surplus** | **814.05** | **860.25** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## Note 12.2 Other comprehensive income

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Net Gain/(Loss) on FVOCI Equity Instruments** | | |
| Balance at the beginning of the year | 90.16 | 90.16 |
| Changes during the year | - | - |
| Balance at the end of the year | **90.16** | **90.16** |
| **Cash Flow Hedge reserve** | | |
| Balance at the beginning of the year | (0.31) | 0.17 |
| (Loss) for the year | (0.25) | (1.30) |
| Tax impact | 0.06 | 0.33 |
| Share of Non Controlling Interest | 0.09 | 0.49 |
| Balance at the end of the year | **(0.41)** | **(0.31)** |
| **Total Other comprehensive income** | **89.75** | **89.85** |
| **Total Other equity** | **903.80** | **950.10** |

**Note :**

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

### a. Capital reserve on consolidation

Gain on purchase, i.e. excess of fair value of net assets acquired over the fair value of consideration in a business combination or on acquisition of interest in subsidiary is recognised as capital reserve on Consolidation.

### b. Capital reserve

Capital reserve represents capital reserve on amalgamation/business combination. This reserve arose pursuant to scheme of arrangement and shall not be considered to be reserve created by the Group.

### c. Securities premium

Securities premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies, Act.

### d. Share based payment reserve

This reserve relates to share options granted by the Group to its and erstwhile Holding Company's employee share option plan. Further information about share-based payments to employees is set out in Note 33.

### e. Net Gain/(Loss) on FVOCI Equity Instruments

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

### f. Cash Flow Hedge Reserve

The hedge reserve represents the cumulative effect portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when he hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### g. Retained Earnings

Retained earnings are the profit that the group has earned to date, less dividends or other distributions paid to euity shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans,net of taxes, that will not be reclassified to the statement of Profit & Loss.

## NOTE 13 : FINANCIAL LIABILITIES

### 13 (a) Borrowings

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Long-term Borrowings (Refer Note 1(a) below)** | | |
| **Secured (at amortised cost)** | | |
| Term loan from Banks | 8.33 | 10.58 |
| **Total long-term borrowings** | **8.33** | **10.58** |
| **Short-term Borrowings (Refer Note 1(b) below)** | | |
| **Secured (at amortised cost)** | | |
| Current maturities of Long-Term borrowings | 15.34 | 19.78 |
| Working Capital Loans repayable on demand from Banks Under Buyer's Credit Arrangement | 365.90 | 435.73 |
| **Total short-term borrowings** | **381.24** | **455.51** |
| **Total borrowings** | **389.57** | **466.09** |

**Note :**

### 1. Secured Borrowings

(a) Long term

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | Security | Terms of Repayment |
|---|---|---|---|---|---|
| | Rate of interest | ₹ In Crores | ₹ In Crores | | |
| Rupee Loans | 0.00% | - | 6.59 | Secured against first pari passu charge over the entire movable fixed assets of the Company both present and future, and second charge is created over the entire stock, receivables and other current assets of the Company both present and future. | Final repayment was made on March 25, 2025 henceforth the loan is closed. |
| Rupee Loans | 9.25% | 8.60 | 17.19 | 1. Guaranteed By National Credit Guarantee Trustee Company Ltd<br>2. Second Charge on all current assets of borrower both present and future<br>3. Extension of second ranking charge over existing primary and collateral securities created in favour of the bank ( including but not limited to hypothecation on present and future stock, book debts and movable fixed assets of the company and assets of the borrower created out of this Facility). | Repayable in 48 Monthly instalments beginning from April 2022. |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | Security | Terms of Repayment |
|---|---|---|---|---|---|
| | Rate of interest | ₹ In Crores | ₹ In Crores | | |
| Rupee Loans | 8.52% | 14.99 | - | 1. First charge over the entire movable fixed assets of the Company both present and future and second charge is created over the entire stock & receivables of the Company. | Repayable in 12 instalments in 3 years, starting from August 2024. |
| Rupee Loans | 0.00% | - | 6.16 | 2. Corporate Guarantee given by Arvind Fashions Limited | Final repayment was made on 30th September, 2024 henceforth the loan is closed |
| Hire Purchase loans | 7.70% | 0.08 | 0.42 | Secured by hypothecation of related vehicles | Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans. |

(b) Short term

| Particulars | Rate of interest | As at March 31, 2025 | As at March 31, 2024 | Security | |
|---|---|---|---|---|---|
| Working Capital loans | 7.80% | 25.00 | 36.00 | First pari passu charge on entire Stock and Receivables of the Company both present and future. | Secured against Pledge 175,82,539 shares of Arvind Youth Brands Private Limited owned by Holding Company. |
| Working Capital loans | 7.85% | 15.00 | 28.00 | First pari passu charge on entire Stock and Receivables of the Company both present and future. | Secured against Pledge of 148,77,533 shares of Arvind Youth Brands Private Limited owned by Holding Company |
| Working Capital loans | 7.75% to 8.54% | 13.00 | 15.00 | First pari passu charge on entire Stock and Receivables of the Company both present and future. | Secured against Pledge of 81,15,018 shares of Arvind Youth Brands Private Limited owned by Holding Company |
| Working Capital loans | 8.05% to 10.20% | 78.14 | 76.74 | 1. First and pari passu charge by way of Hypothecation of current assets of the Company (Present and Future) including inventory and book debts.<br>2. First pari-passu charge over entire property plant and equipment of the company (present and future) comprising furniture & fixture, Office equipment, plant and equipments, other leasehold Improvement etc. located at retail stores / showrooms and other places etc on pari passu basis.<br>3. Joint Corporate Guarantee given by Holding company and one of its subsidiary upto the extent of total sanction limits of ₹ 13,500 Lakhs (Previous year ₹ 10,500 lakhs). | No equity shares pledged |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

| Particulars | Rate of interest | As at March 31, 2025 | As at March 31, 2024 | Security | |
|---|---|---|---|---|---|
| Working Capital loans | 7.90% | 80.00 | 90.00 | 1. First charge over entire stocks, receivables and other current assets (present and future) and second charge over entire fixed assets of the Company both present and future<br>2. Corporate Guarantee given by Holding Company | Secured against Pledge of 1,09,60,183 equity shares of AYBPL owned by the Borrowing Company. |
| Working Capital loans | 7.84% to 7.92% | 154.76 | 155.75 | | 1) Secured against pledge of 3,25,57,884 equity shares of Arvind Youth Brands Private Limited owned by Borrowing Company.<br>2) Secured against pledge of 4,63,51,265 equity shares of Arvind Lifestyle Brands Limited owned by Holding Company. |
| Working Capital loans | 0.00% | - | 15.00 | | Secured against pledge of 43,84,074 equity shares of Arvind Youth Brands Private Limited owned by Borrowing Company. |
| Working Capital loans | 0.00% | - | - | | Secured against Pledge of 61,37,703 equity shares of AYBPL owned by the Borrowing Company. |
| Working Capital loans | 0.00% | - | 9.24 | | Secured against Pledge of 1,09,60,183 equity shares of AYBPL owned by the Borrowing Company. |
| Working Capital loans | 0.00% | - | 10.00 | Corporate Guarantee given by Holding Company. | No equity shares pledged |

2. All necessary charges or satisfaction are registered with ROC within the statutory period.

3. The Group has Fund based and Non-fund based limits of working capital from Banks and Financial Institutions. For the said facility, the revised submissions made by the Group to its lead bankers based on closure of book of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Group with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

4. The group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

### 13 (b) Trade payable - Current

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current** | | |
| Acceptances * | 339.32 | 284.62 |
| **Other Trade Payables** | | |
| - Total outstanding dues of micro enterprises and small enterprises (Refer Note below) | 151.67 | 60.32 |
| - Total outstanding dues other than micro enterprises and small enterprises | 680.99 | 591.37 |
| **Total** | **1,171.98** | **936.31** |

*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks/financial institutions while the company continues to recognize the liability till settlement with the banks/financial institutions.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2025. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year: | | |
| i) Principal | 138.07 | 47.36 |
| ii) Interest | 13.60 | 12.96 |
| (b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| (c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006; | 13.60 | 12.96 |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | 13.60 | 12.96 |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 | 13.60 | 12.96 |

## Trade Payables ageing schedule:

### As at March 31, 2025

₹ In Crores

| Particulars | Outstanding for following periods from due date of Payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro enterprises and small enterprises | 151.67 | - | - | - | - | 151.67 |
| Other | 697.63 | 56.12 | 3.60 | 4.03 | 10.82 | 772.20 |
| Unbilled Dues | 248.11 | - | - | - | - | 248.11 |
| **Total** | **1,097.41** | **56.12** | **3.60** | **4.03** | **10.82** | **1,171.98** |

### As at March 31, 2024

₹ In Crores

| Particulars | Outstanding for following periods from due date of Payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro enterprises and small enterprises | 60.30 | 0.02 | - | - | - | 60.32 |
| Other | 560.17 | 47.73 | 5.32 | 2.51 | 10.51 | 626.24 |
| Unbilled Dues | 249.75 | - | - | - | - | 249.75 |
| **Total** | **870.22** | **47.75** | **5.32** | **2.51** | **10.51** | **936.31** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### 13 (c) Other financial liabilities

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-current** | | |
| Payable to employees | - | 14.00 |
| Security Deposit | 121.52 | 117.64 |
| | **121.52** | **131.64** |
| **Current** | | |
| Security Deposit | 0.10 | 0.60 |
| Interest accrued and due on others | 2.41 | 2.20 |
| Interest accrued but not due on borrowings | 11.43 | 12.46 |
| Payable to employees | 42.63 | 21.11 |
| Payable for capital goods | 14.07 | 11.63 |
| Deposits from customers and others | 0.71 | 0.71 |
| Mark to market of derivative financial instruments | 1.42 | 0.51 |
| Other Financial Liabilities | 4.21 | 0.99 |
| Unclaimed Dividend Payable (Refer Note 7(d)) | 0.10 | 0.04 |
| Others (Refer Note 7(d))* | 1.04 | 1.04 |
| | **78.12** | **51.29** |
| **Total** | **199.64** | **182.93** |

Note 1: There is no amount due and outstanding to be transfer to the Investor Education and Protection Fund (IEPF).

Note 2: * This includes Unpaid Fractional Shares Amount of ₹ 1.04 Crores (March 31, 2024 ₹ 1.04 Crores) and due for refund for the excess money received on Right Issue of Rs.14,400 (March 31, 2024 Rs.14,400)

### 13 (d) : Financial liabilities by category

₹ In Crores

| | FVOCI | FVTPL | Amortised Cost |
|---|---|---|---|
| **March 31, 2025** | | | |
| Borrowings | - | - | 389.57 |
| Trade payables | - | - | 1,171.98 |
| Mark to market of derivative financial instruments | 0.40 | 1.02 | - |
| Security Deposits | - | - | 121.62 |
| Payable to employees | - | - | 42.63 |
| Interest accrued but not due | - | - | 11.43 |
| Interest accrued and due | - | - | 2.41 |
| Payable in respect of Capital goods | - | - | 14.07 |
| Lease Liabilities | - | - | 767.22 |
| Deposits from customers and others | - | - | 0.71 |
| Others | - | - | 5.35 |
| **Total Financial liabilities** | **0.40** | **1.02** | **2,526.99** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

₹ In Crores

| | FVOCI | FVTPL | Amortised Cost |
|---|---|---|---|
| **March 31, 2024** | | | |
| Borrowings | - | - | 466.09 |
| Trade payables | - | - | 936.31 |
| Mark to market of derivative financial instruments | 0.51 | - | - |
| Security Deposits | - | - | 118.24 |
| Payable to employees | - | - | 35.11 |
| Interest accrued but not due | - | - | 12.46 |
| Interest accrued and due | - | - | 2.20 |
| Payable in respect of Capital goods | - | - | 11.63 |
| Lease Liabilities | - | - | 681.83 |
| Deposits from customers and others | - | - | 0.71 |
| Others | - | - | 2.07 |
| **Total Financial liabilities** | **-** | **-** | **2,266.65** |

1) Financial instruments risk management objectives and policies, refer Note 38.

2) Fair value disclosure for financial assets and liabilities, refer note 36 and for fair value hierarchy disclosures refer note 37.

## NOTE 14: PROVISIONS

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Long-term** | | |
| **Provision for employee benefits (Refer Note 30)** | | |
| Provision for leave encashment | 6.26 | 5.21 |
| Provision for Gratuity | 13.12 | 10.30 |
| | **19.38** | **15.51** |
| **Short-term** | | |
| **Provision for employee benefits (Refer Note 30)** | | |
| Provision for leave encashment | 4.88 | 4.43 |
| Provision for Gratuity | 1.14 | 1.27 |
| **Others** | | |
| Short term provision for litigation/disputed matters (Refer Note a below) | 1.75 | 1.75 |
| | **7.77** | **7.45** |
| **Total** | **27.15** | **22.96** |

### (a) Provision for litigation/ disputed matters

The group has made provisions for pending disputed matters in respect of Indirect taxes like GST, Sales tax, Excise duty and Customs duty, the liability which may arise in the future, the quantum whereof will be determined as and when the matters are disposed off.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

The movement in the provision account is as under :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balance as per last financial statements** | 1.75 | 2.06 |
| Add / (Less): Adjusted during the year | - | (0.31) |
| **Balance as at the end of the year** | **1.75** | **1.75** |

## NOTE 15 : OTHER CURRENT LIABILITIES

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Non-Current** | | |
| Fair valuation of security deposits from customers | 0.75 | 0.80 |
| | **0.75** | **0.80** |
| **Current** | | |
| Advance from customers | 33.74 | 61.36 |
| Statutory dues including provident fund and tax deducted at source etc | 17.09 | 14.15 |
| Fair valuation of security deposits from customers | 0.44 | 0.36 |
| Deferred Revenue (Refer note 16 (II) and note (c) below) | 6.76 | 4.20 |
| Deferred income on Gift voucher issued (Refer note 16 (II) and note (b) below) | 2.38 | 3.14 |
| Deferred income of loyalty program reward points (Refer note 16 (II) and note (a) below) | 2.26 | 1.38 |
| | **62.67** | **84.59** |
| **Total** | **63.42** | **85.39** |

### (a) Deferred income of Loyalty Program Reward Points

The Group has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance as per last financial statements | 1.38 | 4.65 |
| Add : Provision Made during the year (Net of expiry) (Refer Note 16) | 6.60 | 3.76 |
| Less : Deferment/Redeemed during the year (Net) | (5.72) | (3.46) |
| Less : Provision related to Discontinued Brands (Refer Note 42) | - | (3.57) |
| **Balance at the end of the year** | **2.26** | **1.38** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### (b) Deferred income of Gift vouchers issued

The Group has deferred the revenue related to the gift voucher issued. The movement in deferred revenue for those gift vouchers are given below :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance as per last financial statements | 3.14 | 2.73 |
| Add : Provision Made during the year (Net of expiry and redemption) (Refer Note 16) | 45.79 | 22.11 |
| Less : Redemption made during the year (Net) | (46.55) | (21.70) |
| **Balance at the end of the year** | **2.38** | **3.14** |

### (c) Deferred Revenue

The Group has deferred the revenue and the movement in deferred revenue is given below :

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance as per last financial statements | 4.20 | 3.37 |
| Add : Provision Made during the year (Refer Note 16) | 6.76 | 4.20 |
| Less: Reversals made during the years | (4.20) | (3.37) |
| **Balance at the end of the year** | **6.76** | **4.20** |

## NOTE 15 (b) : CURRENT TAX LIABILITIES

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current** | | |
| Provision For Income Tax | 3.50 | 6.20 |
| **Total** | **3.50** | **6.20** |

## NOTE 16 : REVENUE FROM OPERATIONS

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Sale of products | **4,562.95** | 4,201.41 |
| Sale of services | **54.66** | 50.14 |
| | **4,617.61** | **4,251.55** |
| **Operating income** | | |
| Export incentives | 0.66 | 0.39 |
| Foreign Exchange fluctuation on Vendors and Customers (Net) | 0.61 | 6.40 |
| Miscellaneous receipts | 0.96 | 0.78 |
| | **2.23** | **7.57** |
| **Total** | **4,619.84** | **4,259.12** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## I. Disaggregation of revenue from contracts with customers

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **A. Revenue based on Geography** | | |
| i. Domestic | 4,580.75 | 4,227.02 |
| ii. Export | 39.09 | 32.10 |
| | **4,619.84** | **4,259.12** |
| **B. Revenue based on Business Segment** | | |
| Branded Apparels and accessories | **4,619.84** | **4,259.12** |

## II. Contract Balances

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Contract Assets** | | |
| Trade receivables (Refer note 7(a) | 729.42 | 646.78 |
| **Contract liabilities** | | |
| Advance from customers (Refer note 15) | 33.74 | 61.36 |
| Deferred Revenue (Refer Note 15) | 6.76 | 4.20 |
| Deferred income on gift vouchers issued (Refer Note 15(b)) | 2.38 | 3.14 |
| Deferred income of loyalty program reward points (Refer Note 15(a)) | 2.26 | 1.38 |

Note : Contract liabilities include transaction price of loyalty points and gift vouchers not yet redeemed.

## III. Reconciliation of Revenue from Operation with Contract Price

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Contract Price | 5,859.00 | 5,152.14 |
| Less: | | |
| Sales Return | 857.28 | 545.00 |
| Schemes and Discounts | 375.28 | 344.26 |
| Customer Loyalty Program (Refer Note 15) | 6.60 | 3.76 |
| **Total Revenue from Operations** | **4,619.84** | **4,259.12** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## NOTE 17 : OTHER INCOME

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Interest income on financial assets recognised at amortised cost | 14.38 | 9.31 |
| Interest Income on fair value of security deposit | 7.07 | 6.01 |
| Gain on Reassessment of Lease (Refer Note 34) | 5.08 | 7.61 |
| Income due to Rent Waivers (Refer Note 34) | - | 0.63 |
| Profit on sale of Property, Plant & Equipment (Net) | 0.30 | - |
| Gain on Foreign Exchange Fluctuation | - | 0.04 |
| Miscellaneous income | 6.94 | 5.94 |
| Provision for doubtful debts written back | - | 0.85 |
| Provision no longer required | 0.87 | 3.35 |
| **Total** | **34.64** | **33.74** |

## NOTE 18 : PURCHASES OF STOCK-IN-TRADE

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Branded Apparels and Accessories | 2,320.15 | 2,074.41 |
| **Total** | **2,320.15** | **2,074.41** |

## NOTE 19 : CHANGES IN INVENTORIES

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| **Stock at the end of the year** | | |
| Stock-in-trade | 1,080.05 | 909.44 |
| **Stock at the beginning of the year** | | |
| Stock-in-trade | 909.44 | 872.13 |
| **(Decrease) in Inventories** | **(170.61)** | **(37.31)** |

## NOTE 20 : EMPLOYEE BENEFITS EXPENSE

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 30) | 238.68 | 227.33 |
| Contribution to provident and other funds (Refer Note 30) | 11.75 | 10.28 |
| Welfare and training expenses | 16.32 | 18.31 |
| Share based payment to employees (Refer Note 33) | 1.90 | 4.15 |
| **Total** | **268.65** | **260.07** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## NOTE 21 : FINANCE COSTS

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Interest Expenses on financial liabilities measured at amortised cost | | |
| Loans | 13.05 | 15.38 |
| Lease liabilities (Refer Note 34) | 79.35 | 63.86 |
| Others - Interest expense | 33.46 | 41.04 |
| Other finance cost | 29.94 | 23.90 |
| **Total** | **155.80** | **144.18** |

## NOTE 22 : DEPRECIATION AND AMORTIZATION EXPENSE

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Depreciation on Property, Plant & Equipment (Refer Note 5) | 42.22 | 39.64 |
| Amortization on Intangible assets (Refer Note 6) | 15.21 | 15.62 |
| Depreciation on Right-of-use Assets (Refer Note 34) | 198.29 | 174.82 |
| **Total** | **255.72** | **230.08** |

## NOTE 23 : OTHER EXPENSES

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Power and fuel | 10.17 | 8.72 |
| Insurance | 4.27 | 4.57 |
| Processing charges | 4.55 | 5.28 |
| Printing, stationery & communication | 8.48 | 8.92 |
| Rent : | | |
| Short Term leases and leases of low-value assets (Refer Note 34) | 16.88 | 16.35 |
| Commission & Brokerage | 609.03 | 556.52 |
| Rates and taxes | 6.58 | 8.39 |
| Repairs : | | |
| To Building | 14.72 | 11.89 |
| To Others | 26.56 | 23.96 |
| Royalty on Sales | 189.07 | 178.70 |
| Freight, insurance & clearing charge | 86.57 | 89.93 |
| Legal & Professional charges | 36.21 | 31.32 |
| Housekeeping Charges | 3.08 | 2.61 |
| Security Charges | 2.79 | 2.48 |
| Computer Expenses | 27.69 | 18.30 |
| Conveyance & Travelling expense | 33.12 | 26.94 |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Advertisement and Publicity | 178.57 | 171.23 |
| Packing Materials Expenses | 14.99 | 11.22 |
| Outsourced Services | 236.49 | 200.22 |
| Allowance for doubtful debts (Refer Note 7a) | 9.71 | 1.77 |
| Other written off / written back | - | 2.25 |
| Sampling and Testing Expenses | 9.66 | 10.78 |
| Director's sitting fees | 0.94 | 0.95 |
| Auditor's remuneration (Refer Note a below) | 2.24 | 1.68 |
| Business Conducting Fees | 3.77 | 2.72 |
| Bank charges | 13.91 | 11.87 |
| Warehouse Charges | 36.67 | 35.71 |
| Spend on CSR activities (Refer Note 35) | 2.49 | 1.00 |
| Property, Plant & Equipment written off | - | 2.35 |
| Miscellaneous expenses | 10.44 | 2.79 |
| **Total** | **1,599.65** | **1,451.42** |

## a. Breakup of Auditor's remuneration

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| **Payment to Auditors as** | | |
| Statutory Auditor Fees | 2.15 | 1.60 |
| Certification Fee | 0.02 | 0.02 |
| For reimbursement of expenses | 0.07 | 0.06 |
| **Total** | **2.24** | **1.68** |

## NOTE 24 : EXCEPTIONAL ITEMS

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Allowance for Settlement of old VAT and CST Cases * | - | 6.17 |
| **Total** | **-** | **6.17** |

* During the previous year, one of the subsidiary company has closed cases under Karamsandha Scheme, 2023 related to pre GST litigations for KVAT in Karnataka .

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## NOTE 25 : INCOME TAX

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Income Tax Expenses recognised in Statement of Profit & Loss from Continuing Operation** | | |
| **Current Tax** | | |
| Current Tax | 61.41 | 50.52 |
| (Excess)/ Short provision related to earlier years | - | - |
| **Deferred Tax** | - | |
| Deferred Tax Charge/(Credit) | 129.31 | 6.73 |
| **Income Tax Expenses recognised in Statement of Profit & Loss from Discontinued Operation** | | |
| **Current Tax** | | |
| (Excess)/ Short provision related to earlier years | - | 0.18 |
| **Deferred Tax** | | |
| Deferred Tax Charge/(Credit) | - | 0.03 |
| **Income tax expense reported in the statement of consolidated profit & loss** | **190.72** | **57.46** |

### OCI Section

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Statement to Other comprehensive income (OCI)** | | |
| Deferred tax Charge/(Credit) | (0.63) | (0.99) |
| **Deferred tax charged to OCI** | **(0.63)** | **(0.99)** |

### Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate:

### A) Current tax

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Accounting profit/(loss) before tax from Continuing and discontinued operations** | 223.70 | 194.57 |
| **Tax Rate** | 34.944% | 34.944% |
| Current Tax Expenses on Profit before tax at the enacted income tax rate in India | 78.17 | 67.99 |
| **Adjustments** | | |
| Difference in Tax Rates for certain entities of the Group | (21.40) | (14.34) |
| Expenditure not deductible for Tax | (0.20) | (7.92) |
| Deferred tax assets not recognised as realisation is not probable | 4.35 | 14.97 |
| MAT credit Reversal / (Utilisation) | 1.37 | - |
| Difference on account of moving to new tax regime as per section 115BAA of Income Tax Act, 1961(Refer Note below) | 98.40 | - |
| Others | 30.03 | (3.24) |
| **At the effective income tax** | **190.72** | **57.46** |
| **Effective Income Tax Rate %** | **85.26%** | **29.53%** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## B) Deferred tax

₹ In Crores

| Particulars | Consolidated Balance Sheet | Statement of Consolidated Profit & Loss and Other Comprehensive Income | Consolidated Balance Sheet | Statement of Consolidated Profit & Loss and Other Comprehensive Income |
|---|---|---|---|---|
| | As at March 31, 2025 | Year ended March 31, 2025 | As at March 31, 2024 | Year ended March 31, 2024 |
| Accelerated depreciation for tax purposes | 89.44 | (31.63) | 121.07 | (13.45) |
| Expenditure allowable on payment basis/ over the period | 31.14 | 8.47 | 22.67 | 11.26 |
| Expenses on Employee Stock Option | - | (1.99) | 1.99 | (0.05) |
| Unused losses available for offsetting against future taxable income | 72.51 | (101.46) | 173.97 | (2.20) |
| Allowance for Doubtful Receivables/Advances | 25.22 | 24.19 | 1.03 | (1.28) |
| Unused tax credit available for offsetting against future taxable income (MAT credit entitlement) | - | (11.29) | 11.29 | (1.39) |
| Deferred Tax on unrealised profit | 12.67 | (1.74) | 14.41 | (12.49) |
| Impact on adoption of Ind AS 116 | 28.89 | (6.39) | 35.28 | 4.76 |
| Others | 0.68 | (6.84) | 7.52 | (7.93) |
| Adjustment on account of sale of Subsidiary | - | - | - | 17.00 |
| **Net deferred tax assets/(liabilities)** | **260.55** | **(128.68)** | **389.23** | **(5.77)** |

**Note :**

(i) Some of the group companies have stopped recognizing additional deferred tax asset until it becomes probable that sufficient taxable profits will be available.

ii) At the reporting date, the company has unused tax losses of ₹ 1,145.59 Crores (March 31, 2024: ₹ 1,387.92 crores) available for offset against future profits. A deferred tax asset has been recognised in respect of ₹ 288.10 Crores (March 31, 2024 ₹ 505.68 crores). No deferred tax asset has been recognised in respect of remaining ₹ 857.49 Crores losses as it is not considered probable that there will be future taxable profits available against such losses. Included in unrecognised tax losses are losses of ₹ 684.91 Crores (March 31, 2024: Rs.670.10 Crores) that will expire in FY 2027-28 to FY 2032-33. Other losses may be carried forward indefinitely.

iii) One of the subsidiary of the group has opted to exercise the option under Section 115BAA of the Income Tax Act, 1961. As a result, the subsidiary has remeasured its deferred tax assets and liabilities according to the tax rate specified in the section, leading to a deferred tax charge of ₹ 88.32 crores. Additionally, the subsidiary has written off Minimum Alternate Tax (MAT) credit of ₹ 6.33 crores.

Consequent to the above change in the prescribed tax rate, a deferred tax charge of ₹ 10.08 crores has been recognised, resulting from the remeasurement of deferred tax on unrealised profits from such transactions with the subsidiary company upon consolidation.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

iv) Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries has not been recognized. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Balance at Beginning of the year** | 389.23 | 412.00 |
| Adjustment on Consolidation | (7.33) | (6.92) |
| Adjustment on account of sale of Subsidiary | - | (17.00) |
| Deferred Tax income/(expense) during the period recognised in profit or loss for Continuing Operations | (121.98) | 0.16 |
| Deferred Tax income/(expense) during the period recognised in OCI | 0.63 | 0.99 |
| **Balance at End of the year** | **260.55** | **389.23** |

## NOTE 26 : CONTINGENT LIABILITIES

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Contingent liabilities not provided for** | | |
| a. Claims against the Group not acknowledged as debts | 4.26 | 6.04 |
| b. Disputed demands in respect of | | |
| Excise/Customs duty (Refer Note d below) | 49.20 | 38.98 |
| Sales tax/ GST (Refer Note e below) | 45.52 | 34.86 |
| Income tax (Refer Note f below) | 15.58 | 39.77 |
| Labour regulation | - | 0.22 |
| c. Guarantee given by bank on behalf of the group | - | 0.03 |

**Notes :**

(a) It is not practical for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Group does not expect any reimbursements in respect of the above Contingent liabilities.

(c) The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect on is considered necessary for the same.

(d) Two of the Group companies had received demand cum show cause notice under section 28(4) read with section 124 of the Customs Act, 1962 from the Directorate of Revenue Intelligence ('DRI'), for short payment of duty due to non-inclusion of certain payments to vendors for determining assessable value for payment of Custom Duty. The Group is confident that it's position will likely be upheld in the appellate process against the above demand.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(e) Disputed demand for Sales Tax and VAT includes demand raised mainly due to non-submission of various statutory forms to appropriate authority. Subsequent to the demand, the company has collected forms covering substantial amount of demand. The company is in the process of collecting balance forms and hence no provision is considered necessary for the same.

(f) On of the Subsidiary has opted for the concessional tax regime under Section 115BAA of the Income-tax Act, 1961. In line with Ind AS 37, contingent liabilities are disclosed based on the best estimate of potential outflows as at the reporting date.

Accordingly, contingent liabilities relating to income-tax matters have been reassessed using the revised tax rate under Section 115BAA, replacing the earlier applicable rate.This affects only the estimated exposure, not the nature of the contingencies

## NOTE 27 : CAPITAL COMMITMENT AND OTHER COMMITMENTS

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Capital commitments** | | |
| Estimated amount of Contracts remaining to be executed on capital account and not provided for | 16.77 | 10.04 |

## NOTE 28 : FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES

The Company has taken various derivatives to hedge its risk associated with foreign exchange fluctuations.These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets.Foreign exchange contracts (being derivative instruments),which are not intended for trading or speculative purposes but for hedge purpose are entered,which are available at the settlement date of certain payables and receivables.

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Amount (in Crores) | Amount (INR in Crores) | Amount (in Crores) | Amount (INR in Crores) |
| **Hedging of Trade Payables** | | | | |
| Forward Contracts | USD 86.54 | 318.34 | USD 83.34 | 192.52 |

### The Details of Foreign Currency exposures not hedged by derivative instruments are as under.

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Amount (in Crores) | Amount (INR in Crores) | Amount (in Crores) | Amount (INR in Crores) |
| Trade Receivables | USD 0.11 | 9.55 | USD 0.94 | 78.55 |
| Trade Payables | USD 0.37 | 32.18 | USD 0.83 | 69.52 |
| | EUR 0.08 | 7.55 | EUR 0.08 | 7.57 |
| | SEK 0.00 | 0.04 | SEK 0.00 | 0.04 |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## NOTE 29 : SEGMENT REPORTING

Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"), Managing Director of the Group.

The Group's business activity falls within a single operating business segment of Branded Apparels and Accessories through Retail and Departmental Store facilities.

### Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| **Segment Revenue from continuing operation*** | | |
| a) In India | 4,580.75 | 4,227.02 |
| b) Rest of the world | 39.09 | 32.10 |
| **Total Sales** | **4,619.84** | **4,259.12** |
| **Segment Revenue from discontinued operation*** | | |
| a) In India | 1.59 | 216.45 |
| b) Rest of the world | - | - |
| **Total Sales** | **1.59** | **216.45** |
| **Carrying Cost of Segment Non Current Assets from continuing operation**@** | | |
| a) In India | 1,119.36 | 1,030.53 |
| b) Rest of the world | - | - |
| **Total** | **1,119.36** | **1,030.53** |

* Based on location of Customers

**@ Excluding Deferred Tax Assets

### Information about major customers (revenues from single external customer more than 10% of total revenue):

Considering the nature of business of the Group in which it operates, the group deals with various customers including multiple geographics. Consequently, none of the customer contribute materially to the revenue of the group

## NOTE 30 : DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

### A Defined Contribution Plans

The following amounts are recognised as expense and included in Note 20 "Employee benefit expenses"

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Contribution to Provident Fund | 10.72 | 9.89 |
| Contribution to National Pension Scheme | 0.45 | 0.36 |
| Contribution to ESI | (₹ 35,900/-) | 0.02 |
| Contribution to Labour Welfare Fund | 0.02 | 0.01 |
| **Total** | **11.19** | **10.28** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

**Note**

(a) Employees of the Group receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Group receive benefits from a government administered provident fund, which is a defined contribution plan. The Group has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

## B Defined Benefit Plans

The Group has following post employment benefits which are in the nature of defined benefit plans:

### Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Group make annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

Changes in defined benefit obligation and plan assets as on March 31, 2025

₹ In Crores

| Particulars | Defined benefit obligation | Fair value of plan assets | Total |
|---|---|---|---|
| **Balance at the beginning of the year** | (18.45) | 6.88 | (11.57) |
| **Gratuity cost charged to statement of profit and loss** | | | |
| Current Service cost | (2.43) | - | (2.43) |
| Net interest (expense)/ income | (1.11) | 0.45 | (0.67) |
| **Sub-total (a) included in statement of profit and loss (Note 20)** | **(3.54)** | **0.45** | **(3.10)** |
| **Benefit paid** | **3.19** | **(3.19)** | **-** |
| **Remeasurement gains/(losses) in other comprehensive income** | | | |
| Return on plan assets (excluding amounts included in net interest expense/income) | - | (0.07) | (0.07) |
| Actuarial changes arising from changes in demographic assumptions | (1.00) | - | (1.00) |
| Actuarial changes arising from changes in financial assumptions | 0.2 | - | 0.2 |
| Actuarial changes arising from changes in Experience adjustments | (0.88) | - | (0.88) |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

₹ In Crores

| Particulars | Defined benefit obligation | Fair value of plan assets | Total |
|---|---|---|---|
| **Sub-total (b) included in OCI** | **(1.67)** | **(0.07)** | **(1.74)** |
| **Change on Account of Inter-company transfer** | 0.00 | - | 0.00 |
| **Contributions by employer** | - | 2.15 | 2.15 |
| **Total** | **(20.48)** | **6.22** | **(14.26)** |

Changes in defined benefit obligation and plan assets as on March 31, 2024

₹ In Crores

| Particulars | Defined benefit obligation | Fair value of plan assets | Total |
|---|---|---|---|
| **Balance at the beginning of the year** | (16.13) | 4.64 | (11.49) |
| **Gratuity cost charged to statement of profit and loss** | | | |
| Current Service cost | (1.99) | 0.06 | (1.93) |
| Net interest (expense)/ income | (0.96) | 0.30 | (0.65) |
| **Sub-total (a) included in statement of profit and loss (Note 20)** | **(2.95)** | **0.36** | **(2.58)** |
| **Benefit paid** | **2.18** | **(2.18)** | **-** |
| **Remeasurement gains/(losses) in other comprehensive income** | | | |
| Return on plan assets (excluding amounts included in net interest expense/income) | - | (0.03) | (0.03) |
| Actuarial changes arising from changes in demographic assumptions | (0.48) | - | (0.48) |
| Actuarial changes arising from changes in financial assumptions | 0.07 | - | 0.07 |
| Actuarial changes arising from changes in Experience adjustments | (1.55) | (0.06) | (1.61) |
| **Sub-total (b) included in OCI** | **(1.97)** | **(0.09)** | **(2.06)** |
| **Change on Account of Inter-company transfer** | 0.41 | - | 0.41 |
| **Contributions by employer** | - | 4.15 | 4.15 |
| **Total** | **(18.45)** | **6.88** | **(11.57)** |

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Others (Insurance company Products) | 100% | 100% |
| **(%) of total plan assets** | **100%** | **100%** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

The principal assumptions used in determining above defined benefit obligations for the Group's plans are shown below:

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Discount rate | 6.50% | 7.20% |
| Future salary increase | 11.10% | 13.26% to 12.77% |
| Expected rate of return on plan assets | 6.50% | 7.20% |
| Attrition rate | 21.00% | 23.7% to 31.1% |
| Morality rate during employment | Indian Assured Lives Mortality (2012-14) Ult. | Indian assured lives Mortality (2006-08) |

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

A Quantitative sensitivity analysis for significant assumptions is as shown below:

| Particulars | Sensitivity level | Increase / (Decrease) in defined benefit obligation (Impact) | |
|---|---|---|---|
| | | Year ended March 31, 2025 | Year ended March 31, 2024 |
| **Gratuity** | | | |
| Discount rate | 50 basis points increase | (0.42) | (0.30) |
| | 50 basis points decrease | 0.45 | 0.32 |
| Salary increase | 50 basis points increase | 0.32 | 0.23 |
| | 50 basis points decrease | (0.33) | (0.23) |
| Attrition rate | 50 basis points increase | (0.11) | (0.08) |
| | 50 basis points decrease | 0.11 | 0.07 |

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The group has a Gratuity plan as a part of its employee benefit program.This is a defined benefit scheme that exposes the company to various risks.Some of the common risks associated with similar schemes are as follows:

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

**Interest Rate Risk:** The defined benefit obligation represents the present value of future cash flows expected to be paid from the plan, calculated using prevailing interest rates.Although changes in interest rates do not impact the actual cash flows from the scheme, they do not affect the value of the liability (defined benefit obligation) , thereby impacting the Company's balance sheet and profit & loss statement.

**Investment Risk:** Plans funded with assets are exposed to market fluctuations in asset values.The company may experience these fluctuations impacting its balance sheet and profit & loss statement.

**Demographic Risk:** When determining the defined benefit scheme, it is assumed that employees will follow certain patterns of attrition or morality.If the actual trend differ from these assumptions.the company may incur costs different from those provisioned.

The following are the expected future benefit payments for the defined benefit plan :

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Gratuity** | | |
| Within the next 12 months (next annual reporting period) | 3.43 | 3.87 |
| Between 2 and 5 years | 14.80 | 15.10 |
| Beyond 5 years | 19.64 | 14.79 |
| **Total expected payments** | **37.87** | **33.76** |

## Weighted average duration of defined plan obligation (based on discounted cash flows)

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Gratuity** | 3 years to 4 years | 3 years to 4 years |

## Expenses recognized in statement of profit/loss

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **Gratuity** | | |
| Net Interest Cost | 2.43 | 1.93 |
| Current Service Cost | 0.67 | 0.65 |
| Past Service Cost | - | - |
| **Total** | **3.10** | **2.58** |

## Asset Liability matching strategy

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guranteed for a period of one year.The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiacy of funds under the policy).The policy, thus,mitigates the liquidity risk.However, being a cash accumulation plan,the duration of assets is shorter compared to the duration of liabilities.Thus , the company is exposed to movement in interest rates (in particular, the significant fall in interest rates ,which should result in a increase in liability without corresponding increase in the asset).

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## C Leave encashment

The Group has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. The liability of leave encashment is funded through Life Insurance Corporation.

### The Group has recognised following as expense and included in Note No. 20 "Employee benefit Expenses"

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Leave encashment | 3.78 | 3.38 |
| | **3.78** | **3.38** |

### Liability recognised in Balance Sheet

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| a. Long term provisions | 6.26 | 5.21 |
| b. Short term provisions | 4.88 | 4.43 |
| | **11.14** | **9.64** |

## NOTE 31 : RELATED PARTY TRANSACTIONS

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the company are as follows :

| A | Name of Related Parties | Nature of Relationship |
|---|---|---|
| | Arvind Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Arvind Sports Fashion Private Limited (Earlier known as Arvind Ruf & Tuf Private Limited) | Enterprise on which Non-Executive Director exercise significant influence |
| | Arvind Premium Retail Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Arvind Suit Manufacturing Private Limited (Previously known as Arvind Goodhill Suit Manufacturing Private Limited) | Enterprise on which Non-Executive Director exercise significant influence |
| | Arvind Smart Textile Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Arvind Envisol Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Retailers Association of India | Enterprise on which Non-Executive Director exercise significant influence |
| | India Retails & Hospitality Private Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | Aura Securities Private Limited | Enterprise on which Non-Executive Director exercise significant influence |
| | J Suresh Consults | Enterprise on which Non-Executive Director exercise significant influence |
| | Suresh Jayaraman | Additional Director of the Company up to August 22, 2021 and Non-executive director w.e.f August 23, 2021. |
| | Shailesh Shyam Chaturvedi | Key Management Personnel, Managing Director & CEO |
| | Girdhar Chitlangia, Chief Financial Officer | Key Management Personnel, (w.e.f. January 6, 2023) |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

| A | Name of Related Parties | Nature of Relationship |
|---|---|---|
| | Lipi Jha, Company Secretary | Key Management Personnel, (w.e.f. May 27, 2022) |
| | Sanjaybhai S. Lalbhai, Chairman | Non Executive Director |
| | Nithya Easwaran | Non Executive Director |
| | Kulin S. Lalbhai, Vice Chairman | Non Executive Director |
| | Punit S. Lalbhai | Non Executive Director |
| | Nilesh D. Shah | Non Executive Director |
| | Ananya Tripati | Non Executive Director (w.e.f March 14, 2023) |
| | Vallabh R. Bhanshali | Non Executive Director (upto October 9, 2023) |
| | Nagesh D. Pinge | Non Executive Director |
| | Achal A. Bakeri | Non Executive Director |
| | Vani Kola | Non Executive Director (Upto July 1, 2022) |
| | Manoj Nakra | Non Executive Director, (w.e.f July 1, 2022) |
| | Govind Shrikhande | Non Executive Director, (w.e.f October 9, 2023) |

## B. Transactions with related parties for the year ended March 31, 2025 and year ended March 31, 2024.

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| **Purchase of Goods** | | |
| Arvind Limited | 12.65 | 45.96 |
| Arvind Smart Textile Ltd | 7.57 | 0.63 |
| **Purchase of Property, Plant & Equipment and Intangible Assets** | | |
| Arvind Limited | 5.39 | - |
| **Sale of Goods** | | |
| India Retails & Hospitality Private Limited | 7.23 | 5.34 |
| Arvind Limited | 0.05 | 0.35 |
| **Receiving of Services-Other services** | | |
| Arvind Limited | 11.31 | 9.04 |
| Retailers Association Of India | 0.02 | 0.02 |
| Arvind Envisol Limited | 0.08 | - |
| Arvind Foundation | 1.35 | - |
| **Receiving of Services-Commission** | | |
| India Retails And Hospitality Private Limited | 3.43 | 2.20 |
| **Rendering of Services-Shared service** | | |
| Arvind Limited | 2.51 | 0.76 |
| **Remuneration** | 13.81 | 14.02 |
| **Consultancy Charges** | 0.25 | 1.50 |
| **Directors' Commission and Sitting Fees** | 0.94 | 0.95 |
| **Dividend Paid** | | |
| Aura Securities Private Limited | 5.20 | 4.36 |
| Others * | 0.70 | 0.67 |

* Represents payment made to related parties which are less than 10% of overall dividend paid.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### C Balances related parties for the year ended March 31, 2025 and year ended March 31, 2024.

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| **Trade and Other Receivable** | | |
| India Retails & Hospitality Private Limited | 0.40 | 0.44 |
| Arvind Sports Fashion Private Limited (Earlier known as Arvind Ruf & Tuf Private Limited) | - | 0.03 |
| Arvind Smart Textile Ltd | - | 1.69 |
| Arvind Premium Retail Limited | - | 0.13 |
| Arvind Envisol Ltd* | 0.00 | - |
| **Trade and Other Payable** | | |
| Arvind Limited | 4.36 | 27.40 |
| Arvind Smart Textile Ltd | 3.91 | - |
| J Suresh Consults | - | 1.25 |
| Arvind Envisol Ltd | - | 0.02 |
| **Receivable in respect of Loans** | | |
| India Retails & Hospitality Private Limited | 0.75 | 0.75 |

* Represents amount less than ₹ 50,000.

### D. Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.

### E. Commitments with related parties

The Group has not provided any commitment to the related party (March 31, 2024: ₹ Nil)

### F. Transactions with key management personnel

Compensation of key management personnel of the Group

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Short-term employee benefits | 12.21 | 13.03 |
| Share based payments | 1.60 | 0.99 |
| **Total compensation paid to key management personnel** | **13.81** | **14.02** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## NOTE 32 : EARNINGS PER SHARE - EPS (BASIC AND DILUTED)

₹ In Crores#

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Total no. of equity shares at the end of the year | 13,33,00,510 | 13,29,84,460 |
| Nominal value of equity shares | 4 | 4 |
| **Weighted average number of equity shares** | | |
| Weighted average number of equity shares for basic EPS | 13,32,24,513 | 13,28,88,315 |
| Effect of dilution: Share options | 4,49,523 | 3,39,264 |
| Weighted average number of equity shares adjusted for the effect of dilution | 13,36,74,036 | 13,32,27,579 |
| **A. EPS - Continuing Operations** | | |
| Profit/ (Loss) attributable to ordinary equity holders | (35.57) | 80.64 |
| Add/Less: (Profit)/ Loss before tax from Discontinued Operations | 1.42 | (30.52) |
| Adjusted Profit/ (Loss) for the year for EPS Calculation | **(34.15)** | **50.12** |
| **Weighted average number of equity shares** | | |
| For basic EPS | 13,32,24,513 | 13,28,88,315 |
| For diluted EPS | 13,36,74,036 | 13,32,27,579 |
| Basic earnings per share | (2.56) | 3.77 |
| Diluted earnings per share | (2.56) | 3.76 |
| **B. EPS - Discontinued Operations** | | |
| Profit/(Loss) before tax for the year from Discontinued Operations | (1.42) | 30.52 |
| **Weighted average number of equity shares** | | |
| For basic EPS | 13,32,24,513 | 13,28,88,315 |
| For diluted EPS | 13,36,74,036 | 13,32,27,579 |
| Basic earnings per share | (0.11) | 2.30 |
| Diluted earnings per share | (0.11) | 2.29 |
| **C. EPS - Continuing and Discontinued Operations** | | |
| Total Profit/(Loss) attributable to ordinary equity holders | (35.57) | 80.64 |
| Adjusted Profit/ (Loss) for the year for EPS Calculation | **(35.57)** | **80.64** |
| **Weighted average number of equity shares** | | |
| For basic EPS | 13,32,24,513 | 13,28,88,315 |
| For diluted EPS | 13,36,74,036 | 13,32,27,579 |
| Basic earnings per share | (2.67) | 6.07 |
| Diluted earnings per share | (2.67) | 6.05 |

#All numbers are in ₹ Crores except weighted average number of equity shares, nominal value of Shares and Basic and Diluted EPS.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## NOTE 33 : SHARE BASED PAYMENTS

### Arvind Fashions Limited (AFL)

The Company has instituted Employee Stock Option Scheme 2016 ("ESOP 2016") and Employee Stock Option Scheme 2022 ("ESOP 2022") pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016 and September 26, 2022 respectively. Up to March 31, 2025, the Company has granted 42,63,049 options under ESOP 2016 in lieu of demerger under the Scheme and 4,04,000 options under Employee Stock Option Scheme 2022 ("ESOP 2022") convertible into equal number of Equity Shares of face value of ₹ 4 each. The following table sets forth the particulars of the options granted during the year ended 31st March 2025 under ESOP 2022.

| Scheme | March 31, 2025 | | | March 31, 2024 | |
|---|---|---|---|---|---|
| | ESOP 2022 | | | ESOP 2022 | |
| Date of grant | 31-Jul-24 | 31-Jan-25 | 07-Feb-25 | 30-May-23 | 10-Aug-23 |
| Number of options granted | 60,000 | 20,000 | 10,000 | 50,000 | 1,49,000 |
| Exercise price per option (₹) | 505.65 | 481.55 | 476.10 | 265.85 | 335.30 |
| Vesting period | Up to 5 years from the date of grant | | | Up to 5 years from the date of grant | |
| Vesting requirements | Time based vesting | | | Time based vesting | |
| Exercise period | 3 Years from the date of vesting | | | 3 Years from the date of vesting | |
| Method of settlement | Equity | | | Equity | |

### The following table sets forth a summary of the activity of options:

| Particulars | ESOP 2016 | | | |
|---|---|---|---|---|
| | Year ended March 31, 2025 | Weighted average exercise price per option (Rs.) | Year ended March 31, 2024 | Weighted average exercise price per option (Rs.) |
| **Options** | | | | |
| Outstanding at the beginning of the year | 14,82,404 | 358.76 | 17,46,727 | 302.64 |
| Granted during the year | - | - | - | 308.68 |
| Forfeited during the year | (89,214) | 769.71 | (1,05,523) | 284.35 |
| Exercised during the year | (3,13,050) | 164.35 | (1,58,800) | 143.93 |
| Outstanding at the end of the year | 10,80,140 | 381.16 | 14,82,404 | 333.30 |
| Exercisable at the end of the year | 13,77,477 | 472.16 | 13,62,377 | 468.43 |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

| Particulars | ESOP 2022 | | | |
|---|---|---|---|---|
| | Year ended March 31, 2025 | Weighted average exercise price per option (Rs.) | Year ended March 31, 2024 | Weighted average exercise price per option (Rs.) |
| **Options** | | | | |
| Outstanding at the beginning of the year | 3,14,000 | 313.55 | 1,15,000 | 306.10 |
| Issued during the year | - | - | - | - |
| Vested but not exercised at the beginning of the year | - | - | - | - |
| Granted during the year | 90,000 | 497.01 | 1,99,000 | 317.85 |
| Forfeited during the year | (33,000) | 265.85 | - | - |
| Exercised during the year | (3,000) | 335.30 | - | - |
| Outstanding at the end of the year | 3,68,000 | 362.52 | 3,14,000 | 313.55 |
| Exercisable at the end of the year | 1,35,666 | 312.39 | 33,000 | 306.10 |

## Share Options Exercised Year ending March 31, 2025

| Option Series | No. of Options | Exercise Date | Exercise Price (Rs.) |
|---|---|---|---|
| ESOP 2016 | 43,750 | 23-Apr-24 | 137.32 |
| ESOP 2016 | 1,80,000 | 23-Apr-24 | 137.32 |
| ESOP 2016 | 12,000 | 05-Jun-24 | 137.32 |
| ESOP 2016 | 6,000 | 05-Jun-24 | 148.20 |
| ESOP 2016 | 5,000 | 29-Jul-24 | 148.20 |
| ESOP 2016 | 1,500 | 06-Aug-24 | 148.20 |
| ESOP 2016 | 9,000 | 04-Sep-24 | 286.70 |
| ESOP 2016 | 1,000 | 17-Sep-24 | 148.20 |
| ESOP 2016 | 3,000 | 23-Oct-24 | 148.20 |
| ESOP 2016 | 8,000 | 23-Oct-24 | 286.70 |
| ESOP 2016 | 10,000 | 23-Oct-24 | 293.50 |
| ESOP 2016 | 5,200 | 24-Oct-24 | 293.50 |
| ESOP 2016 | 5,000 | 06-Nov-24 | 293.50 |
| ESOP 2016 | 2,000 | 05-Dec-24 | 148.20 |
| ESOP 2016 | 5,000 | 05-Dec-24 | 148.20 |
| ESOP 2016 | 4,800 | 03-Jan-25 | 293.50 |
| ESOP 2016 | 2,800 | 27-Dec-24 | 286.70 |
| ESOP 2016 | 4,000 | 05-Mar-25 | 286.70 |
| ESOP 2016 | 5,000 | 05-Mar-25 | 286.70 |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### Share Options Exercised Year ending March 31, 2025

| Option Series | No. of Options | Exercise Date | Exercise Price (₹) |
|---|---:|---:|---:|
| ESOP 2022 | 3,000 | 26-09-24 | 335.30 |

### Share Options Exercised Year ending March 31, 2024

| Option Series | No. of Options | Exercise Date | Exercise Price (₹) |
|---|---:|---:|---:|
| ESOP 2016 | 2,500 | 07-Jun-23 | 148.20 |
| ESOP 2016 | 2,500 | 07-Jun-23 | 148.20 |
| ESOP 2016 | 44,000 | 05-Jul-23 | 153.17 |
| ESOP 2016 | 6,000 | 04-Sep-23 | 153.17 |
| ESOP 2016 | 9,000 | 04-Sep-23 | 137.32 |
| ESOP 2016 | 10,000 | 20-Sep-23 | 148.20 |
| ESOP 2016 | 43,750 | 06-Nov-23 | 136.02 |
| ESOP 2016 | 6,250 | 06-Nov-23 | 46.02 |
| ESOP 2016 | 1,100 | 22-Nov-23 | 148.20 |
| ESOP 2016 | 2,000 | 22-Nov-23 | 148.20 |
| ESOP 2016 | 2,200 | 22-Nov-23 | 128.93 |
| ESOP 2016 | 1,000 | 07-Dec-23 | 148.20 |
| ESOP 2016 | 1,000 | 07-Dec-23 | 148.20 |
| ESOP 2016 | 1,500 | 07-Dec-23 | 148.20 |
| ESOP 2016 | 1,500 | 18-Dec-23 | 148.20 |
| ESOP 2016 | 1,500 | 18-Jan-24 | 148.20 |
| ESOP 2016 | 500 | 08-Mar-24 | 148.20 |
| ESOP 2016 | 6,000 | 08-Mar-24 | 286.70 |
| ESOP 2016 | 4,000 | 28-Mar-24 | 148.20 |
| ESOP 2016 | 5,000 | 28-Mar-24 | 148.20 |
| ESOP 2016 | 7,500 | 28-Mar-24 | 148.20 |

The share options outstanding at the end of the year under ESOP 2016 have a weighted average remaining contractual life of 3.99 years (March 31, 2024: 4.99 years). The range of exercise price is from ₹ 39.29 to ₹ 1,320.37

The share options outstanding at the end of the year under ESOP 2022 have a weighted average remaining contractual life of 4.38 years (March 31, 2024: 5.15 years). The exercise price is ₹ 265.85 to ₹ 505.65

| Particulars | ESOP 2016 | ESOP 2022 | | |
|---|:---:|---:|---:|---:|
| Share price as at measurement date | No grants made during the period | ₹ 505.65 | ₹ 481.55 | ₹ 476.10 |
| Expected volatility | | 38.25% | 35.14% | 35.14% |
| Expected life (years) | | 2.00 years | 1.50 years | 1.50 years |
| Dividend yield | | 0.20% | 0.26% | 0.27% |
| Risk-free interest rate (%) | | 6.84% | 6.55% | 6.55% |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### Expense arising from share- based payment transactions

Total expenses arising from share- based payment transactions recognised in profit or loss as part of employee benefit expense were as follows :

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Employee option plan | 1.90 | 4.15 |
| **Total employee share based payment expense** | **1.90** | **4.15** |

## NOTE 34 : LEASES

**A.** The Group has taken Showrooms, warehouses and other facilities on lease period of 1 to 11 years with option of renewal.

Disclosures as per Ind AS 116 - Leases are as follows:

### B. Changes in the carrying value of right of use assets (Showrooms and Other Facilities)

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Balance at the beginning of the year | 625.17 | 608.04 |
| Additions | 305.84 | 317.82 |
| Deletions | (40.72) | (109.76) |
| Depreciation | (198.29) | (174.82) |
| Depreciation - Discontinued Operations | - | (16.11) |
| **Balance at the end of the year** | **692.00** | **625.17** |

### C. Movement in lease liabilities

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Balance at the beginning of the year | 681.83 | 667.38 |
| Additions | 292.65 | 305.89 |
| Deletions | (45.81) | (152.20) |
| Adjustment due to Rent Waivers | - | (0.63) |
| Finance cost accrued during the year | 79.35 | 63.86 |
| Finance cost accrued during the year - Discontinued Operations | - | 5.59 |
| Payment of lease labilities | (240.80) | (208.06) |
| **Balance at the end of the year** | **767.22** | **681.83** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## D. Contractual maturities of lease liabilities on undiscounted basis are as follows:

₹ In Crores

| As at March 31, 2025 | Undiscounted Lease Payment | Interest Expense | Discount Lease Payments |
|---|---|---|---|
| Less than one year | 225.77 | 59.59 | 166.18 |
| One to five years | 644.11 | 128.56 | 515.55 |
| More than five years | 99.51 | 14.02 | 85.49 |
| **Total** | **969.39** | **202.17** | **767.22** |

₹ In Crores

| As at March 31, 2024 | Undiscounted Lease Payment | Interest Expense | Discount Lease Payments |
|---|---|---|---|
| Less than one year | 198.61 | 53.30 | 145.31 |
| One to five years | 583.19 | 105.51 | 477.68 |
| More than five years | 70.93 | 12.09 | 58.84 |
| **Total** | **852.73** | **170.90** | **681.83** |

**E.** The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## F. The amount recognised in the statement of profit or loss are as follows:

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Gain on Reassessment / Cancellation of Lease | 5.08 | 7.61 |
| Depreciation expense of right-of-use assets | 198.29 | 174.82 |
| Interest expense on lease liabilities | 79.35 | 63.86 |
| Rent expense - short-term lease and leases of low value assets | 16.88 | 16.35 |

## NOTE 35 : CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| a) Gross amount required to be spent by the Group during the year | 2.48 | 1.04 |
| b) Set off of amount excess spent during the previous year | (0.16) | (0.19) |
| c) Net amount required to be spent by the Group during the year | 2.32 | 0.84 |
| d) Amount approved by the Board to be spent during the year | 2.49 | 1.00 |
| e) Amount spent during the year on, | | |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 2.49 | 1.00 |
| f) Amount (excess spent) / unspent during the year | (0.17) | (0.16) |
| g) Total of previous years shortfall | - | - |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| h) Reasons for shortfall | - | - |
| i) Details of related party transactions | - | - |
| Name | - | - |
| Relationship | - | - |
| Amount | - | - |
| j) Movement of CSR Provision | - | - |
| Balance as per last financial statements | - | - |
| Add: Provision made during the year | - | - |
| (Less): Utilised during the year | - | - |
| Balance at the end of the year | - | - |

## NOTE 36 : FAIR VALUE DISCLOSURES FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Financial liabilities** | | |
| Borrowings | | |
| Carrying Amount | 389.57 | 466.09 |
| Fair Value | 389.57 | 466.09 |

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values

The fair value of borrowings is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

The fair value of Composability Convertible Preference Shares is calculated considering Monte Carlo Simulation to arrive at conversion ratio and discounted cashflow method to arrive at Equity Value.

## NOTE 37 : FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the company's assets and liabilities.

₹ In Crores

| Particulars | Date of valuation | Fair value measurement using | | | |
|---|---|---|---|---|---|
| | | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Liabilities measured at fair value** | | | | | |
| **Fair value through Other Comprehensive Income** | | | | | |
| Mark to market of derivative financial instruments | March 31, 2025 | 0.40 | - | 0.40 | - |
| | March 31, 2024 | 0.51 | - | 0.51 | - |
| **Fair value through Statement of Profit and Loss** | | | | | |
| Mark to market of derivative financial instruments | March 31, 2025 | 1.02 | - | 1.02 | |
| | March 31, 2024 | - | - | - | - |

### Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## NOTE 38 : FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Group's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

The Group's risk management is carried out by a Treasury department under policies approved by the Board of directors. Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

## (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Group has implemented a system based on “sensitivity analysis” on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.

- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at respective period/year end including the effect of hedge accounting.

### Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2025, approximately 0.04% of the Group's Borrowings are at fixed rate of interest (March 31, 2024: 0.11%)

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group’s profit before tax is affected through the impact on floating rate borrowings, as follows:

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

₹ In Crores

| Particulars | Effect on profit before tax |
|---|---|
| **March 31, 2025** | |
| Increase in 50 basis points | (1.95) |
| Decrease in 50 basis points | 1.95 |
| **March 31, 2024** | |
| Increase in 50 basis points | (2.45) |
| Decrease in 50 basis points | 2.45 |

Exclusion from this analysis are as follows:

- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis

- The effect of interest rate changes on future cash flows is excluded from this analysis.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group has obtained foreign currency loans and has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. The Group may use forward contracts or foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Group given in Note 28.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of foreign currency monetary items designated as cash flow hedge.

₹ In Crores

| Particulars | Change in USD rate | Effect on profit before tax | Change in EUR rate | Effect on profit before tax |
|---|---|---|---|---|
| **March 31, 2025** | | | | |
| | +2% | (0.45) | +2% | (0.15) |
| | -2% | 0.45 | -2% | 0.15 |
| **March 31, 2024** | | | | |
| | +2% | 0.18 | +2% | (0.15) |
| | -2% | (0.18) | -2% | 0.15 |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

## (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Group periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

### Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7a. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 28.

## (c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

₹ In Crores

| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|
| **March 31, 2025** | | | | |
| Interest bearing borrowings | 382.70 | 8.80 | - | 391.50 |
| Lease Liabilities | 191.55 | 525.15 | 99.50 | 816.20 |
| Trade payables | 1,171.98 | - | - | 1,171.98 |
| Security deposits from customers | 0.10 | 121.52 | - | 121.62 |
| Other financial liabilities[#] | 78.02 | - | - | 78.02 |
| | **1,824.35** | **655.47** | **99.50** | **2,579.32** |
| **March 31, 2024** | | | | |
| Interest bearing borrowings | 457.55 | 11.09 | - | 468.64 |
| Lease Liabilities | 168.45 | 480.27 | 70.93 | 719.65 |
| Trade payables | 936.31 | - | - | 936.31 |
| Security deposits from customers | 0.60 | 117.64 | - | 118.24 |
| Other financial liabilities[#] | 50.69 | - | - | 50.69 |
| | **1,613.60** | **609.00** | **70.93** | **2,293.53** |

[#] Other financial liabilities includes interest accrued but not due of ₹ 11.43 Crores (March 31, 2024: ₹ 12.46 Crores)

### Excessive risk concentration

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

## NOTE 39 : CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio,

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Interest-bearing loans and borrowings (Note 13) | 389.57 | 466.09 |
| Less: Cash and Cash equivalent (including other bank balance and Book Overdraft) (Refer Note 7(c), 7(d) and 7(e)) | (166.37) | (168.55) |
| Add: Lease Liability (Note 34) | 767.22 | 681.83 |
| **Net debt** | **990.42** | **979.37** |
| Equity share capital (Note 11) | 53.32 | 53.19 |
| Other equity (Note 12) | 903.80 | 950.10 |
| Total capital | **957.12** | **1,003.29** |
| **Capital and net debt** | **1,947.54** | **1,982.66** |
| Gearing ratio | **50.85%** | **49.40%** |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest. There have been no breaches in the financial covenants of any long-term borrowing in the current period as of March 31, 2025. Accordingly, the management has not created provision for penal interest.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

## NOTE 40 : DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS

### Cash Flow Hedges

Foreign exchange forward contracts entered in the current year are designated as hedging instruments in cash flow hedges of forecast purchases in USD. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the Dollar offset method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items

- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast purchase transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

| **Particulars** | **Maturity** | | | | |
|---|---|---|---|---|---|
| | **Less than 1 month** | **1 to 3 months** | **3 to 6 months** | **6 to 9 months** | **Total** |
| **March 31, 2025** | | | | | |
| Foreign exchange forward contracts for highly probable forecast purchases | | | | | |
| Notional amount (in INR in Crores) | 18.70 | 46.77 | 82.34 | 77.59 | 225.40 |
| Notional amount (in USD in Crores) | 0.22 | 0.55 | 0.95 | 0.89 | 2.61 |
| Average forward rate (INR/USD) | 85.01 | 85.57 | 86.67 | 87.18 | 86.47 |
| **March 31, 2024** | | | | | |
| Foreign exchange forward contracts for highly probable forecast purchases | | | | | |
| Notional amount (in INR in Crores) | 27.58 | 50.75 | 74.58 | 41.17 | 194.07 |
| Notional amount (in USD in Crores) | 0.33 | 0.61 | 0.89 | 0.49 | 2.31 |
| Average forward rate (INR/USD) | 83.58 | 83.88 | 84.27 | 84.01 | 84.01 |

### a. The impact of the hedging instruments on the balance sheet is as follows:

₹ In Crores

| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| **Cash flow hedge** | | |
| Foreign currency risk arising from | Purchases | Purchases |
| Nominal amount of hedging instruments | 225.40 | 194.07 |
| Carrying amount of hedging instruments | | |
| Assets | - | - |
| Liabilities | 1.42 | 0.51 |
| Line item in balance sheet where hedging instrument is disclosed | Foreign Exchange Forward contracts (Cash flow hedge) under financial liabilities | Foreign Exchange Forward contracts (Cash flow hedge) under financial liabilities |
| Changes in fair value for calculating hedge ineffectiveness | NA | NA |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### b. The impact of the hedging item on the balance sheet is as follows:

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Foreign currency risk arising from | Purchases | Purchases |
| Changes in fair value for calculating hedge ineffectiveness | NA | NA |
| Balances in Cash flow hedge reserve: | | |
| For continuing hedge | (0.60) | (0.42) |
| For hedge no longer applied | - | - |

### c. The effect of the cash flow hedge in the Statement of profit and loss and other comprehensive income is as follows:

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Foreign currency risk arising from | Purchases | Purchases |
| Hedged Gain/ (Loss) recognised in OCI | (0.18) | (0.97) |
| Hedge ineffectiveness recognised in profit and loss | - | - |
| Line item in Statement of profit and loss in which hedge ineffectiveness is recognised | NA | NA |
| Amount reclassified to Statement of profit and loss for which future cash flows are no longer expected to occur | NA | NA |
| Amount reclassified to Statement of profit and loss as hedged item has affected profit and loss | 0.15 | 0.06 |
| Line item in the Statement of profit and loss that includes reclassification adjustment | Miscellaneous receipts | Miscellaneous Expenses |

## NOTE 41 : ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

(i) The Parent and Indian subsidiaries does not have any benami property held in their name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Parent and Indian subsidiaries has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) The Parent and Indian subsidiaries has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) Utilisation of borrowed funds and share premium

I. The Parent and Indian subsidiaries has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

II. The Parent and Indian subsidiaries has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as mentioned below.

(v) The Parent and Indian subsidiaries has not invested or traded in Crypto Currency or Virtual Currency during the year.

(vi) The Parent and Indian subsidiaries has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) during the year

(vii) The Parent and Indian subsidiaries does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.

## NOTE 42 : DISCONTINUED OPERATIONS

During the previous year, the parent had entered into Share Purchase Agreement (SPA) with Reliance Beauty & Personal Care Limited to sell and transfer entire equity stake held in Arvind Beauty Brands Retail Limited (ABBRL) (now known as Reliance Luxe Beauty Limited).

ABBRL ceased to be a subsidiary from November 03, 2023.

During the previous year ended March 31, 2024, the Management of Arvind Lifestyle Brands Limited (ALBL), a wholly owned subsidiary had decided to discontinue the Brands Aeropostale and Ed Hardy.

### Details of Assets and liabilities related to discontinued brands classified as Held for Sale:

₹ In Crores

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---:|---:|
| **Assets** | | |
| Property, plant and equipment | - | - |
| Other financial assets | - | - |
| Inventories | - | - |
| Trade receivables | - | - |
| Other Current Assets | - | 1.63 |
| **Total assets** | **-** | **1.63** |
| **Liabilities** | | |
| Trade payables | 18.61 | 21.16 |
| Other financial liabilities | 3.59 | 11.68 |
| **Total liabilities** | **22.20** | **32.84** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

### Results of discontinued operations for the year are presented below:

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| **Revenue from operations** | | |
| Sale of products | 1.59 | 213.00 |
| Sale of Services | - | 3.28 |
| Other operating income | - | 0.17 |
| **Total revenue from operations** | **1.59** | **216.45** |
| Other income | - | 96.10 |
| **Total income** | **1.59** | **312.55** |
| **Expenses** | | |
| Purchases of stock-in-trade | 2.37 | 133.50 |
| Changes in inventories of stock-in-trade | - | 2.70 |
| Employee benefits expense | - | 13.99 |
| Finance costs | - | 11.30 |
| Depreciation and Amortisation | - | 19.13 |
| Other expenses | 0.64 | 101.20 |
| **Total expenses** | **3.01** | **281.82** |
| **Profit/(Loss) before exceptional items and tax** | **(1.42)** | **30.73** |
| Exceptional items | - | - |
| **Profit before tax** | **(1.42)** | **30.73** |
| **Tax expense** | | |
| (Excess)/short provision related to earlier years | - | 0.18 |
| Deferred tax charge | - | 0.03 |
| **Profit after tax** | **(1.42)** | **30.52** |

### Details of Net Cash Flows of discontinued operations for the year are presented below:

₹ In Crores

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---:|---:|
| Net cashflows from operating activities | (1.42) | (8.16) |
| Net cashflows from investing activities | - | 94.13 |
| Net cashflows from financing activities | - | (24.78) |
| Net cash inflow / (outflow) from discontinued operations | **(1.42)** | **61.19** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## Note 43 (A) : Interest in Other Entities

### (1) The Consolidated Financial Statements present the consolidated accounts of Arvind Fashions Limited with its subsidiaries

| Sl. No. | Particulars | Country of Incorporation | Activities | Proportion of ownership of interest | |
|---|---|---|---|---|---|
| | | | | March 31, 2025 | March 31, 2024 |
| | **Subsidiaries** | | | | |
| 1 | Arvind Lifestyle Brands Limited | India | Branded Garments | 100% | 100% |
| 2 | Arvind Youth Brands Private Limited ** | India | Branded Garments | 68.75% | 68.75% |
| 3 | Value Fashion Retail Limited * | India | Branded Garments | 100% | 100% |
| 4 | PVH Arvind Fashion Private Limited | India | Branded Garments | 50% | 50% |

** Held by Arvind Lifestyle Brands Limited and Arvind Fashions Limited.

* Held by Arvind Lifestyle Brands Limited

**Notes:**

1) Parent has considered PVH Arvind Fashion Private Limited for consolidation in the consolidated financial statements of the Group even though the Parent has 50% ownership interest in the entity. Based upon contractual agreement between the Parent and other investor, the Parent has power to appoint the Chairman of the board of directors and has the power to direct the relevant activities. Therefore, the directors of the Parent concluded that they have the practical ability to direct the power to affect the relevant activities and thus, criteria for effective control are fulfilled.

## Note 43 (B) : Non Controlling Interest

### (1) Subsidiaries that have non-controlling interests are listed below:

| Particulars | | Non-controlling interest share | |
|---|---|---|---|
| | | As at March 31, 2025 | As at March 31, 2024 |
| 1 | Arvind Youth Brands Private Limited (AYBPL) | 31.25% | 31.25% |
| 2 | PVH Arvind Fashion Private Limited (PVHAFPL) | 50.00% | 50.00% |

### (2) Movement of Non-controlling interest

₹ In Crores

| Particulars | AYBPL | | PVHAFPL | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **Balance as at beginning of the year** | **20.15** | **31.93** | **168.98** | **150.66** |
| Profit/ (Loss) for the year | (6.83) | (11.72) | 75.38 | 68.19 |
| Other comprehensive income for the year | 0.02 | (0.06) | (0.28) | (0.60) |
| Dividend paid to Non Controlling Interest by Subsidiary | - | - | (50.03) | (49.27) |
| **Balance as at end of the year** | **13.34** | **20.15** | **194.04** | **168.98** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## (3) Summarised financial information of Non-controlling interests

The summarised financial information below represents amounts before Inter-company eliminations.

## (4) Summarised statement of assets and liabilities

₹ In Crores

| Particulars | AYBPL | | PVHAFPL | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Non Current Assets | 69.88 | 84.45 | 249.26 | 229.12 |
| Current Assets | 291.46 | 262.13 | 609.73 | 488.87 |
| Non Current Liabilities | (49.66) | (72.79) | (127.88) | (125.31) |
| Current Liabilities | (264.67) | (209.17) | (342.84) | (254.61) |
| **Net Assets** | **47.01** | **64.62** | **388.27** | **338.07** |
| Share of Non-Controlling Interest | 14.69 | 20.19 | 194.14 | 169.04 |

## (5) Summarised statement of profit and loss

₹ In Crores

| Particulars | AYBPL | | PVHAFPL | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Total Income | 434.33 | 460.87 | 1,423.98 | 1,258.64 |
| Total Expenses | (452.07) | (497.78) | (1,221.10) | (1,075.27) |
| Profit / (Loss) | (17.74) | (36.91) | 202.88 | 183.37 |
| Profit / (Loss) attributable to non-controlling interests | (5.54) | (11.54) | 101.44 | 91.68 |
| Profit attributable to the owners of the group | (12.20) | (25.37) | 101.44 | 91.69 |
| Other Comprehensive Income / (Loss) for the year | 0.06 | (0.18) | (0.57) | (1.20) |
| Other Comprehensive Income / (Loss) for the year attributable to non-controlling interests | 0.02 | (0.06) | (0.28) | (0.60) |
| Other Comprehensive income for the year attributable to the owners of the group | 0.04 | (0.12) | (0.29) | (0.60) |

## (6) Summarised cash flow statement

₹ In Crores

| Particulars | AYBPL | | PVHAFPL | |
|---|---|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Cash flow from operating activities | 18.16 | 61.66 | 150.60 | 144.60 |
| Cash flow from investing activities | (6.76) | (4.87) | (9.45) | (20.05) |
| Cash flow from financing activities | (11.71) | (58.32) | (149.06) | (142.14) |
| **Total Cashflow** | **(0.31)** | **(1.53)** | **(7.91)** | **(17.59)** |
| Share of Non Controlling Interest | (0.10) | (0.48) | (3.96) | (8.80) |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## NOTE 44 : DISCLOSURES MANDATED BY SCHEDULE III OF COMPANIES ACT 2013

| Name of the Entities | 2024-2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets i.e. Total Assets Minus Total Liabilities | | Share in Profit | | Share in Other comprehensive Income | | Share in Total comprehensive Income | |
| | As a % of Consolidated Net Assets | ₹ In Crores | As a % of Consolidated Profit | ₹ In Crores | As a % of Consolidated OCI | ₹ In Crores | As a % of Consolidated TCI | ₹ In Crores |
| **Parent :** | | | | | | | | |
| Arvind Fashions Limited | 74% | 2,332.05 | 46% | 37.78 | 4% | (0.06) | 47% | 37.72 |
| **Subsidiaries :** | | | | | | | | |
| Arvind Lifestyle Brands Limited | 13% | 423.43 | -108% | (88.86) | 59% | (0.79) | -112% | (89.65) |
| PVH Arvind Fashion Private Limited | 12% | 388.27 | 184% | 150.84 | 42% | (0.57) | 187% | 150.27 |
| Arvind Youth Brands Private Limited | 1% | 47.00 | -22% | (17.72) | -5% | 0.06 | -22% | (17.66) |
| Value Fashion Retail Limited | 0% | (0.20) | 0% | (0.13) | 0% | - | 0% | (0.13) |
| **Sub Total** | **100%** | **3,190.55** | **100%** | **81.91** | **100%** | **(1.36)** | **100%** | **80.55** |
| Inter Company Eliminations and Consolidations Adjustment | | (2,233.43) | | (117.48) | | 0.26 | | (117.22) |
| **Total** | | **957.12** | | **(35.57)** | | **(1.10)** | | **(36.67)** |
| Non Controlling Interest in Subsidiaries | | 207.38 | | 68.55 | | (0.26) | | 68.29 |
| **Grand Total** | | **1,164.50** | | **32.98** | | **(1.36)** | | **31.62** |

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

| Name of the Entities | 2023-2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets i.e. Total Assets Minus Total Liabilities | | Share in Profit | | Share in Other comprehensive Income | | Share in Total comprehensive Income | |
| | As a % of Consolidated Net Assets | ₹ In Crores | As a % of Consolidated Profit | ₹ In Crores | As a % of Consolidated OCI | ₹ In Crores | As a % of Consolidated TCI | ₹ In Crores |
| **Parent :** | | | | | | | | |
| Arvind Fashions Limited | 72% | 2,303.84 | -11% | (11.34) | 7% | (0.17) | -11% | (11.51) |
| **Subsidiaries :** | | | | | | | | |
| Arvind Lifestyle Brands Limited | 16% | 512.54 | 19% | 20.44 | 36% | (0.82) | 19% | 19.62 |
| PVH Arvind Fashion Private Limited (previously known as Calvin Klein Arvind Fashion Private Limited) | 11% | 338.07 | 127% | 136.51 | 51% | (1.20) | 128% | 135.31 |
| Arvind Youth Brands Private Limited | 2% | 64.61 | -35% | (37.48) | 8% | (0.18) | -36% | (37.66) |
| Value Fashion Retail Limited | 0% | (0.15) | 0% | (0.25) | -1% | - | 0% | (0.25) |
| **Sub Total** | **100%** | **3,218.91** | **100%** | **107.88** | **100%** | **(2.37)** | **100%** | **105.51** |
| Inter Company Eliminations and Consolidations Adjustment | | (2,215.62) | | (27.24) | | 0.66 | | (26.58) |
| **Total** | | **1,003.29** | | **80.64** | | **(1.71)** | | **78.92** |
| Non Controlling Interest in Subsidiaries | | 189.13 | | 56.47 | | (0.66) | | 55.82 |
| **Grand Total** | | **1,192.42** | | **137.11** | | **(2.37)** | | **134.74** |

## NOTE 45 : AUDIT TRAIL

The Ministry of Corporate Affairs(MCA) has issued a notification(Companies(Accounts) Amendments Rules,2021) which is effective from April 01,2023, State that every Company which uses accounting software for maintaining its books of account shall use only such accounting software which has a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled except for the below mentioned exceptions:

In case of one subsidiary - PVH Arvind Fashion Private Limited, the Audit trail feature was not enabled for certain changes made using privilege / administrative access rights to one application and underlying database.

## NOTE 46 : CODE OF SOCIAL SECURITY, 2020

The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contribution by the Group towards Provident Fund, Gratuity and ESIC. The Code have been published in the Gazette of India. However effective date has yet not been notified. The Group will access the impact of the Code and will record related impact in the period it becomes effective.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

## NOTE 47 : EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements.The Board of Directors recommended a final dividend of ₹ 1.60 per equity share of face value of ₹ 4 each, for the financial year ended March 31, 2025, subject to the approval of shareholders in the ensuing Annual General Meeting.

For and on behalf of the board of directors of
**Arvind Fashions Limited**

| | | | |
|---|---|---|---|
| **Sanjay S. Lalbhai**<br>Chairman & Director<br>DIN - 00008329 | **Shailesh Chaturvedi**<br>Managing Director & CEO<br>DIN - 03023079 | **Girdhar Chitlangia**<br>Chief Financial Officer | **Lipi Jha**<br>Company Secretary |
| Place: Bengaluru<br>Date: May 17, 2025 | Place: Bengaluru<br>Date: May 17, 2025 | Place: Bengaluru<br>Date: May 17, 2025 | Place: Bengaluru<br>Date: May 17, 2025 |

# Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES

### Part "A": Subsidiaries and Controlled Joint Ventures

₹ in Crores

| Sl. No. | Particulars | Arvind Lifestyle Brands Limited | PVH Arvind Fashion Private Limited (Controlled Entity Jointly Owned with PVH BV) | Arvind Youth Brands Private Limited | Value Fashion Retail Limited |
|---|---|---|---|---|---|
| 1. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | No | No | No | No |
| 2. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR | INR | INR | INR |
| 3. | Share capital (Equity) | 157.50 | 5.00 | 112.70 | 0.01 |
| 4. | Reserves & surplus | 265.93 | 383.27 | (65.69) | (0.21) |
| 5. | Total assets | 2,266.78 | 904.29 | 361.37 | 0.10 |
| 6. | Total Liabilities | 1,843.25 | 516.02 | 314.36 | 0.30 |
| 7. | Investments | 68.16 | - | - | - |
| 8. | Turnover (Total Income) | 2,405.16 | 1,424.00 | 434.41 | - |
| 9. | Profit/(Loss) before taxation | 33.92 | 202.88 | (17.74) | (0.13) |
| 10. | Provision for taxation Charge/(Credit) | 122.78 | 52.04 | (0.02) | - |
| 11. | Profit/(Loss) after taxation | (88.86) | 150.84 | (17.72) | (0.13) |
| 12. | Proposed Dividend # | - | 100.06 | - | - |
| 13. | % of shareholding | 100% | 50% | 27.23% | 100% |

*Reserves & Surplus includes following component as mentioned below:

ALBL - ₹ 100 Cr of non-convertible debentures where it is entirely equity in nature

AYBPL –₹ 145.22 Cr of CCPS classified as other equity

#Proposed Dividend includes dividend paid during the year.

1. Names of subsidiaries which are yet to commence operations: Not Applicable

### Part "B": Associates and Joint Ventures – Not Applicable

**For and on behalf of Board of Directors**

| | |
|---|---|
| **Sanjay S. Lalbhai** | **Shailesh Chaturvedi** |
| Director | MD &CEO |
| (DIN: 00008329) | (DIN: 03023079) |
| Place: Ahmedabad | Place: Bangalore |
| Date: 17.05.2025 | |

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Shareholders will be entitled to an additional

# 20%
# DISCOUNT

ARVSC2025

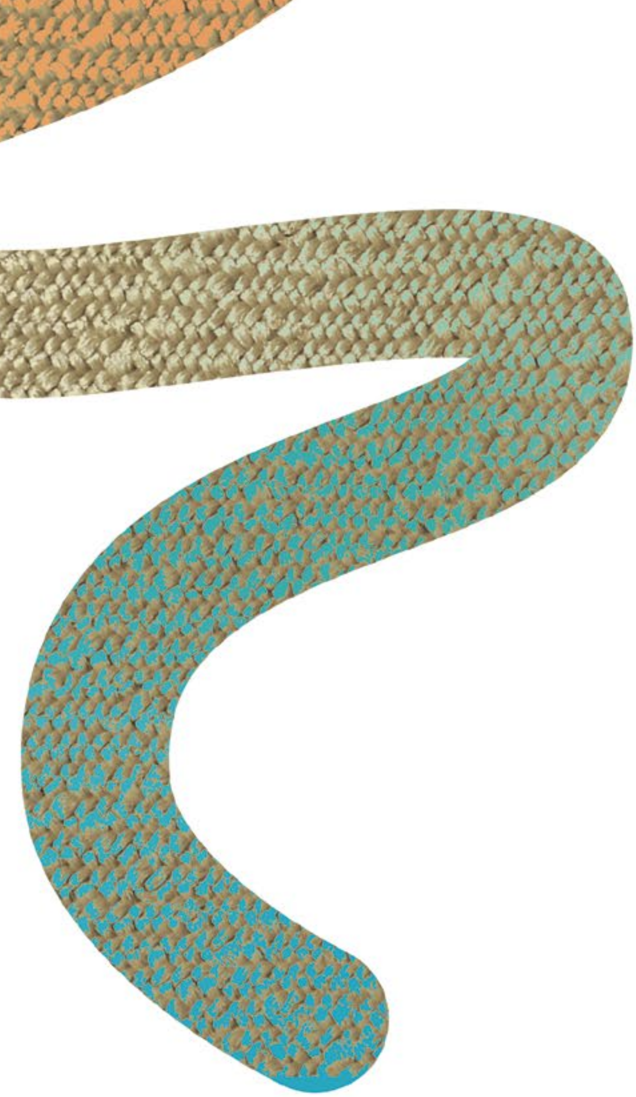
on their purchases from www.nnnow.com

**The process to avail the discount is as follows:**

- Please visit the website www.nnnow.com.
- Please register yourself and open an account by providing some details – such as name, mobile number and email id.
- Select the products that you want to purchase and add them to your cart.
- At the checkout page – please enter 'ARVSC2025' in the space provided for 'Apply Coupon Code' and apply.
- You will receive an additional 20% discount on the cart value.
- Choose your payment method, place your order and complete the transaction.

**Terms & Conditions:**

- The coupon code is valid up to 30th September 2026.
- No minimum purchase is required.
- The coupon code is valid against one transaction only.
- The coupon code cannot be revalidated after the expiry date has passed.
- Any disputes should be referred to the Company and the decision of the Company shall be final and binding. Disputes, if any, are subjected to Ahmedabad jurisdiction.



**ARVIND FASHIONS LIMITED,**
**Registered Office:** Main Building,
Arvind Limited Premises, Naroda Road,
Ahmedabad, Gujarat – 380 025

**Corporate Identity Number:** L52399GJ2016PLC085595

Concept, Content & Design (info@wyatt.co.in)