

jignesh v. shah & co.,

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Arvind Sports Fashion Private Limited (Previously known as Arvind Ruf and Tuf Private Limited)**

Report on the Audit of Financial Statements:

Opinion

We have audited the accompanying financial statements of Arvind Sports Fashion Private Limited (Previously known as Arvind Ruf and Tuf Private Limited ("the Company")), which comprises the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 as amended, ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2024 and its loss, 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 financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ("SAs"). Our responsibility under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICA) together with the ethical requirements that are relevant to our audit of the 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 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 financial statements.



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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, but does not include the financial statements and our auditor's report thereon

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

Material Uncertainty Related to Going Concern

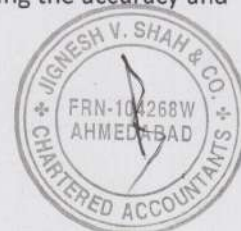
We draw attention to Note No 4.3 with respect to the losses incurred by the company and erosion of its net worth and preparation of the consolidated financial statements on going concern assumption, based on the reasons and assumptions stated in the aforesaid note. The Company's ability to continue as a going concern is dependent on generation of the expected cash flows to be able to meet its obligations as and when they arise for which an uncertainty exists.

Our opinion is not modified in respect of this matter

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in the equity of the Company in accordance with the Ind As and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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



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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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism through the audit. We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



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- Conclude on the appropriateness of management' 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 cause significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the financial statements in the financial statements that, individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and were applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.



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2. 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of written representations received from the directors as on 31 March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail facility and audit trail feature has been operating throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled at the database level to log any direct data changes.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.



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- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us :
- (i) The Company does not have any pending litigation which would impact its financial positions.
- (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- (iii) There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

PLACE : AHMEDABAD

FOR JIGNESH V SHAH & CO.,
Firm Registration Number FRN 104268W
CHARTERED ACCOUNTANTS

DATE : May 2 2024


JIGNESH SHAH
PROPRIETOR
Membership Number 043363

UDIN : 24043363BKGOFV3672



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ANEXURE "A" TO INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT OF ARVIND SPORTS FASHION PRIVATE LIMITED (PREVIOUSLY KNOWN AS ARVIND RUF AND TUF PRIVATE LIMITED)

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of
our report of even date,

- (i) (a), (b), (c) (d) The company has no Property, Plant and Equipment and Intangible Assets and hence reporting under clause (i) (a) (b) (c) & (d) of the order are not applicable
(e) According to the information and explanation given to us no proceedings has been initiated during the year or are pending against the Company as at March 31 2024 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
(b) According to the information and explanation given to us, the company has not been sanctioned working capital limit in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) The Company has not made investments, not provided any guarantee, not given security, not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability, Partnerships or any other parties during the year under review, hence reporting under clause 3(iii)(a) of the Order is not applicable.
(b) The Company has not made any investment, not provided guarantees, not given security, not granted any loans and advances in the nature of loans and guarantees during the year under review and hence reporting under clause 3(iii)(b) of the order are not applicable.
(c) In respect of loans granted by the Company in earlier year, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
(d) In respect of loans granted by the Company in earlier year, there is no overdue amount remaining outstanding as at the balance sheet date.
(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable



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- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or given any guarantee or provided any security or made any investment covered under Section 185 and 186 of the Companies Act 2013 hence reporting under clause 3(iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or other relevant provisions of the Act and the rules framed there under during the year under review. Hence reporting under clause 3(v) of the order are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The provisions of maintenance of cost records specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the order are not applicable to the Company during the year under review.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Service Tax, Cess, Good and Service Tax and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the outstanding statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the Company has no disputed outstanding statutory dues as at to 31st March, 2024.
- (viii) According to the information and explanations given to us there was no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (43 of 1961).



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- (ix) (a) The Company has not taken any loans or borrowing from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (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 was no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have prima facie not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies 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 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private place of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based upon the audit procedures performed and information and explanation given by the management we report that we have not come across any instances of fraud by the Company or any fraud on the Company during the year nor have we been informed of such a case by management.
- (b) Based upon the audit procedures performed and information and explanation given by the management we report that 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) Based on the information and explanation given by the management no whistler-blower complaints have been received during the year by the company hence reporting on clause 3(xi)(c) of the Order is not applicable.



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- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting on clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) (a) (b) In our opinion and based on our examination Company is not required to have an internal audit system as per provisions of the Companies Act 2013 for the year under review hence reporting on clause 3(xiv) (a) (b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year under review 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. Hence reporting under clause 3(xv) of the Order is not applicable
- (xvi) (a) In our opinion the Company is not required under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence reporting under clause 3(xvi) (a) (b) and (c) of the Order is not applicable.
(d) According to the information and explanations given to us there is no core investment company within Group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses of Rs. 11,08,66,682 during the financial year covered by our audit and cash loss of Rs 5,90,44,854 In the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year under review.



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
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- (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 out 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 meetings 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 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 not 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) According to the information and explanation given to us provisions of Section 135 of the Act are not applicable to the company during the year under review and hence reporting under clause 3(xx) (a) & (b) of the Order are not applicable.

PLACE : AHMEDABAD

FOR JIGNESH V SHAH & CO.
Firm Registration Number FRN 104268W
CHARTERED ACCOUNTANTS

DATE: May 2 2024


JIGNESH SHAH
PROPRIETOR
Membership Number 043363

UDIN : 24043363BKGOFV3672



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Annexure – B TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report to the Members of Arvind Sports Fashion Private Limited (Previously known as Arvind Ruf and Tuf Private Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Arvind Sports Fashion Private Limited (Previously known as Arvind Ruf and Tuf Private Limited)** (“the Company”) as of 31st March 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance or records that, in reasonable details, 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directions of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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
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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

PLACE : AHMEDABAD

FOR JIGNESH V SHAH & CO.
Firm Registration Number FRN 104268W
CHARTERED ACCOUNTANTS

DATE: May 2 2024


JIGNESH SHAH
PROPRIETOR
Membership Number 043363

UDIN : 24043363BKGOFV3672



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)
Balance Sheet as at March 31, 2024

Particulars	Notes	As at March 31, 2024 Rupees	As at March 31, 2023 Rupees
ASSETS			
I. Non-current assets			
(a) Financial assets			
(i) Investments	5 (a)	52,76,75,041	69,56,62,042
(ii) Other financial assets	5 (c)	28,525	28,525
Total non-current assets		52,77,03,566	69,56,90,567
II. Current assets			
(a) Financial assets			
(i) Trade receivables	5	-	5,90,000
(i) Cash and cash equivalents	5 (b)	15,36,210	13,43,346
(iv) Bank balance other than (iii) above	5	-	-
(iii) Loans	5	-	-
(ii) Others financial assets	5 (c)	-	5,51,975
(c) Current tax assets (net)	12	-	-
(b) Other current assets	6	16,61,858	16,85,410
Total current assets		31,98,068	41,70,731
Total Assets		53,09,01,634	69,98,61,298
EQUITY AND LIABILITIES			
I. Equity			
Share capital	7	95,00,000	95,00,000
Share Application Money		-	-
Other equity	8	(91,58,38,723)	(74,71,44,537)
Total equity		(90,63,38,723)	(73,76,44,537)
LIABILITIES			
I. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	9 (a)	1,32,33,29,681	1,37,34,29,681
(ii) Trade payables	9 (b)	4,02,432	9,04,815
(iii) Other financial liabilities	9 (c)	10,24,59,096	5,73,19,247
(b) Other current liabilities	10	1,10,49,148	58,52,092
		1,43,72,40,357	1,43,75,05,835
Total current liabilities		1,43,72,40,357	1,43,75,05,835
Total equity and liabilities		53,09,01,634	69,98,61,298
	3	-	-

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

As per our report of even date
For Jignesh V Shah & Co
Chartered Accountants
ICAI Firm's Registration No.104268W

For and on behalf of the Board of Directors of
Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)

Jignesh Shah
Proprietor
Membership No.043363
Place : Ahmedabad
Date : May 2, 2024
UDIN : 24043363BK60F3672

Director Sharad Shah
DIN: 10293182
Place : Ahmedabad
Date : May 2, 2024

Director Bhavesh Shah
DIN: 08813073
Place : Ahmedabad
Date : May 2, 2024



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)
Statement of Profit and Loss for the Year ended March 31, 2024

Particulars	Notes	Year ended March 31, 2024 Rupees	Year ended March 31, 2023 Rupees
Income			
Revenue from operations			
Sale of Products	11	5,22,817	5,00,000
Revenue from operations		5,22,817	5,00,000
Other income	12	18,335	2,06,616
Total income (I)		5,41,152	7,06,616
Expenses			
Purchase of Stock in Trade		5,22,817	-
Finance costs	13	11,04,48,677	5,80,71,934
Other expenses	14	4,36,340	16,79,536
Total expenses (II)		11,14,07,834	5,97,51,470
Profit/ (loss) before exceptional items and tax III=(I-II)		(11,08,66,682)	(5,90,44,854)
Exceptional items (IV)		5,78,27,504	15,05,25,534
Profit/(Loss) before tax (V) = (III-IV)		(16,86,94,186)	(20,95,70,388)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense (VI)		-	-
Profit/(Loss) for the period (VII) = (V-VI)		(16,86,94,186)	(20,95,70,388)
Total comprehensive income for the period, net of tax (VII+VIII)		(16,86,94,186)	(20,95,70,388)

As per our report of even date
For Jignesh V Shah & Co

Chartered Accountants
ICAI Firm's Registration No.104268W

Jm
Jignesh Shah
Proprietor
Membership No.043363
Place : Ahmedabad
Date : May 2, 2024
UDIN : 24043363BK610F3672

For and on behalf of the Board of Directors of
Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)

Director Sharad Shah
DIN: 10293182
Place : Ahmedabad
Date : May 2, 2024

Director Bhavesh Shah
DIN: 08813073
Place : Ahmedabad
Date : May 2, 2024



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)
Statement of Cash Flows for the year ended March 31, 2023

Particulars	Year ended March 31, 2024 Rupees	Year ended March 31, 2023 Rupees
A Operating activities		
Profit/(Loss) Before taxation	(16,86,94,186)	(20,95,70,388)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	-	-
Interest Income	(2,250)	-
Interest and Other Borrowing Cost	11,04,48,677	5,80,71,934
Exchange Rate Difference	-	(2,06,616)
Provision for Impairment of Investments	2,02,00,000	13,93,73,200
Reversal for diminution in value of Investments in Subsidiary and Joint Ventures	(37,65,73,200)	-3,40,00,000
Investment Write off	-	4,20,82,245
Share of Loss from LLP	-	30,70,089
	<u>(24,59,26,773)</u>	<u>20,83,90,852</u>
Operating Profit before Working Capital Changes	(41,46,20,959)	(11,79,536)
Working Capital Changes:		
Changes in trade payables	(5,02,383)	4,57,299
Changes in other current liabilities	51,97,056	(11,55,847)
Changes in other financial liabilities	4,51,39,849	(1,08,04,028)
Changes in other current assets	23,552	(22,576)
Changes in other financial assets	5,51,975	62,21,655
Net Changes in Working Capital	5,10,00,049	(58,93,497)
Cash Generated from Operations	(36,36,20,910)	(70,73,033)
Direct Taxes paid (Net of Income Tax refund)	-	-
Net Cash from Operating Activities	(36,36,20,910)	(70,73,033)
B Cash Flow from Investing Activities		
Change in Long Term Investments	52,43,60,201	(73,87,73,000)
Changes in Loans given	-	2,06,616
Interest Income	2,250	-
Net cash flow from Investing Activities	52,43,62,451	(73,85,66,384)
C Cash Flow from Financing Activities		
Changes in short term borrowings	(5,01,00,000)	80,31,73,000
Interest and Other Borrowing Cost Paid	(11,04,48,677)	(5,80,71,934)
Net Cash flow from Financing Activities	(16,05,48,677)	74,51,01,066
Net Increase/(Decrease) in cash & cash equivalents	1,92,864	(5,38,351)
Cash & Cash equivalent at the beginning of the period	13,43,346	18,81,697
Cash & Cash equivalent at the end of the period	15,36,210	13,43,346

Particulars	Year ended March 31, 2024 Rupees	Year ended March 31, 2023 Rupees
Cash and cash equivalents comprise of: (Note 1)		
Cash on Hand	-	-
Cheques on Hand	-	-
Balances with Banks*	15,36,210	13,43,346
Cash and cash equivalents	15,36,210	13,43,346
Cash and cash equivalents as restated	15,36,210	13,43,346

* Includes the following balance which is not available for use by the Company
Unpaid dividend account

As per our report of even date
For Jignesh V Shah & Co
Chartered Accountants
ICAI Firm's Registration No.104268W

Jv
Jignesh Shah
Proprietor
Membership No.043363
Place : Ahmedabad
Date : May 2, 2024
UDIN : 240433BK60F3672

For and on behalf of the Board of Directors of
Arvind Ruf & Tuf Private Limited

Director **Sharad Shah** Director **Bhavesh Shah**
DIN : 10293182 DIN: 08813073
Place : Ahmedabad Place : Ahmedabad
Date : May 2, 2024 Date : May 2, 2024



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)

Statement of changes in Equity for the Year ended March 31, 2024

A. Equity share capital

Balance	Amount
	Note 7 :
As at March 31, 2023	95,00,000
Issue of Equity Share capital	-
As at March 31, 2024	95,00,000

B. Other equity

Particulars	Reserves and Surplus		Total
	Securities premium	Retained Earnings	
	Note 8 :	Note 8 :	
Balance as at April 1, 2022	13,16,00,000	(66,91,74,149)	(53,75,74,149)
Profit for the period	-	(20,95,70,388)	(20,95,70,388)
Other comprehensive income for the period			-
Total Comprehensive income for the period of the year	-	(20,95,70,388)	(20,95,70,388)
Balance as at March 31, 2023	13,16,00,000	(87,87,44,537)	(74,71,44,537)
Balance as at April 1, 2023	13,16,00,000	(87,87,44,537)	(74,71,44,537)
Profit for the period	-	(16,86,94,186)	(16,86,94,186)
Other comprehensive income for the period		-	-
Total Comprehensive income for the period of the year	-	(16,86,94,186)	(16,86,94,186)
Received during the year	-		-
Balance as at March 31, 2024	13,16,00,000	(1,04,74,38,723)	(91,58,38,723)

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

As per our report of even date

For Jignesh V Shah & Co

Chartered Accountants

ICAI Firm's Registration No.104268W

Jignesh Shah

Proprietor

Membership No.043363

Place : Ahmedabad

Date : May 2, 2024

UDIN : 24043363BK010F3672

For and on behalf of the Board of Directors of

Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)

Director

DIN:

Place :

Date :

Sharad Shah

10293182

Ahmedabad

May 2, 2024

Director

DIN:

Place :

Date :

Bhaves Shah

08813073

Ahmedabad

May 2, 2024



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2024

1. Corporate Information

Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited) ("the Company") is a subsidiary of Arvind Limited. The company sells apparels & accessories under the brand "Ruf & Tuf" through various sales channels. The registered office of the company is located at Naroda Road, Ahmedabad - 380025.

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015.

The Financial Statements for the year ended March 31, 2024 and corresponding comparable numbers for the year ended March 31, 2023 have been prepared in accordance with Ind AS

The financial statements have been prepared on a historical cost basis on the accrual basis of accounting except certain Investments which are measured at fair value (refer accounting policy regarding Investment in Subsidiary and Joint Ventures)

The financial statements are presented in INR and all values are rounded to the nearest rupee.

3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the company in preparing its financial statements:

3.1. Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.



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

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3.2 Foreign exchange translation

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation are generally recognised in profit or loss. Foreign exchange differences are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for :

- a) Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- b) Exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, with finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains(losses).

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value are determined.

3.3 Fair value measurement

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

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.



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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

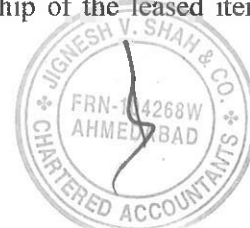
- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition

3.4 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are



capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

3.5 Borrowing cost

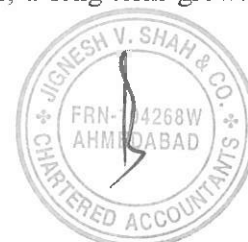
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.



Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.7 Investment in Subsidiary and Joint Ventures

Investment in Subsidiary and Joint Ventures is accounted at cost less impairment

3.8 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

3.9 Cash and cash equivalent

Cash and cash equivalent in the balance sheet includes comprise cash on hand, at banks 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 deposit as defined above other short term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value adjusted for bank overdrafts as they are considered as integral part of the Company's cash management.



3.10 Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

The Tax currently payable is based on the taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. 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.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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.

Current tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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 is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

3.10. Earnings per share

Basic EPS is calculated by dividing the net profit / loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit / loss attributable to ordinary equity holders of the company parent by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary share plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.



3.11 Provisions & Contingent liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation

When the Company expects some or all of a provision to be reimbursed from third parties, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. 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 recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

3.12 Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

3.13 Investment in Subsidiary and Joint Ventures

Investment in Subsidiary and Joint Ventures is accounted for at cost less Impairment.



4. Significant accounting judgements, estimates and assumptions

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

4.1 Significant judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

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 Estimates and assumption

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

- 4.3 The Company has been incurring losses and the accumulated losses of Rs. 9158.39 Lacs as on March 31 2024 (March 31 2023 Rs 7471.45 Lacs) and its net worth has been fully eroded. However based on future business plans, the management is confident of funding its operating and capital expenditure and continue business



operations in the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)
Notes to the Financial Statements

Note 5 : Financial assets

5 (a) Investments

	Face Value per Share (in Rs.) unless otherwise stated	As at March 31, 2024 In Rs.	As at March 31, 2023 In Rs.
Non-current investment			
Investment in equity shares (fully paid up):			
Subsidiary - measured at cost (unquoted) :			
Arvind True Blue Limited (31st March,2023 - 10,000, 31st March,2021 - 10,000)	10	-	1,00,000
Less: Provision for Impairment		-	(1,00,000)
		-	-
0.001% Compulsory Convertible Non-Cumulative - Arvind True Blue Limited (31st March,2023 - 8,10,00,000, 31st March,2021 - 8,10,00,000)	10	-	24,99,00,000
Less: Provision for Impairment		-	(24,99,00,000)
		-	-
Westech Advanced Materials Limited (31st March,2023 - 27,17,447, 31st March,2021 - 27,17,447)	Shares without par value	-	-
Less: Provision for Impairment		-	-
		-	-
Arvind Smart Textiles Limited March,2023 - 24,85,000, 31st March,2022 - NIL)		49,70,00,000.00	49,70,00,000.00
Investment in equity shares (fully paid up):			
Joint Ventures - measured at cost (unquoted) :			
Arvind Lifestyle Apparel Manufacturing PLC (31st March, 2023 - 102673, 31st March, 2022 - 102673)	1000 ETB	24,51,79,226	24,51,79,226
Less: Provision for Impairment		(21,85,00,000)	(19,83,00,000)
		2,66,79,226	4,68,79,226
Arvind Enterprise FZC (31st March,2023 - 5, 31st March,2022 - 5)	1000 AED	93,598	93,598
Arvind Suit Manufacturing Private Limited (31st March,2023 - 52,42,999, 31st March,2022 - 5,45,700)	10	-	4,16,86,501
Less: Provision for Impairment		-	(4,16,86,501)
		-	-
Arvind Textile Mills Limited (31st March,2023 - 64,73,200, 31st March,2022 - 64,73,200)	10 Taka	-	64,73,200
Less: Provision for Impairment		-	(64,73,200)
		-	-
8% Perpetual Debentures of Arvind Suit Manufacturing Private Limited (31st March,2023 - 4,50,00,000, 31st March,2022 -NIL)		-	23,00,00,000
Less: Provision for Impairment		-	(7,84,13,499)
		-	15,15,86,501
Maruti Ornet LLP		1,00,000	1,00,000
Arvind Smart Value Homes LLP		37,99,500	
Total Equity Investment		52,76,72,324	69,56,59,325
Share Application money		2,717	2,717
Total Investments		52,76,75,041	69,56,62,042

5 (b) Trade receivables

Particulars	As at March 31, 2024 In Rs.	As at March 31, 2023 In Rs.
Current		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	-	5,90,000
Total Trade and other receivables	-	5,90,000
Non-current		
Total Current	-	5,90,000



Transferred receivables

The carrying amount of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise Rs.XXX crores (March 31, 2016 : Rs.34.18 crores and April 1, 2015 : Rs.22.93 crores) of the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

The relevant carrying amounts are as follows:

Particulars

Total transferred receivable

Associated secured borrowing (note XX)

Allowance for doubtful debts

Company has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix.

Movement in allowance for doubtful debt :

Particulars

Balance at the beginning of the year

Add : Allowance for the year

Less : Write off of bad debts (net of recovery)

Balance at the end of the year

During the period, the company has made no write offs of trade receivables and it does not expect to receive future cash flow or recoveries from collection of cash flow previously written off.

5 (c) Loans

Particulars	As at March 31, 2024 In Rs.	As at March 31, 2023 In Rs.
Non-current		
Loans to employees	-	-
Current		
Unsecured considered good		
Loans to related parties	-	-
Loans to employees	-	-
Loan to others	-	-
Doubtful		
Loans to related parties	-	-
Less : Allowance for doubtful loan	-	-
Total Loans	-	-
Non-current	-	-
Current	-	-

Allowance for doubtful loans

Company has provided allowance for doubtful loans based on the 12 months expected credit loss model.

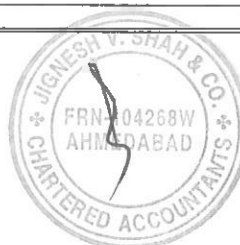
For terms & condition of loans to related party, refer Note 35

5 (b) Cash and cash equivalent

Particulars	As at March 31, 2024 In Rs.	As at March 31, 2023 In Rs.
Balance with Bank		
In Current Account	15,36,210	13,43,346
Total cash and cash equivalents	15,36,210	13,43,346

5 (c) Other financial assets

Particulars	As at March 31, 2024 In Rs.	As at March 31, 2023 In Rs.
Unsecured considered Good		
Non-current		
Security deposits	28,525	28,525
	28,525	28,525
Current		
Other Receivable	-	5,51,975
Accrued Interest	-	-
	-	5,51,975
Total financial liabilities	28,525	5,80,500



Note 6 : Other current / non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
	In Rs.	In Rs.
Unsecured considered Good		
Current		
Advance to suppliers		
Sales tax / VAT / GST / Service tax/GST/TDS receivable (net)	16,61,858	16,85,410
	16,61,858	16,85,410
Total	16,61,858	16,85,410



Aging of Trade Receivables

Particulars	Outstanding for the following period from Invoice Date										Amount in Rs.	
	Less than 1 Year		1-2 Years		2-3 Years		More than 3 Years		Total			
	2023-24		2022-23		2023-24		2022-23		2023-24		2022-23	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
(i) Undisputed Trade receivables – considered good	-	5,90,000.00	-	-	-	-	-	-	-	-	-	5,90,000.00
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	-	5,90,000.00	-	-	-	-	-	-	-	-	-	5,90,000.00



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)
Notes to the Financial Statements

Note 7 : Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	In Rs.	No. of shares	In Rs.
Authorised share capital				
Equity shares of Rs.10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued and subscribed share capital				
Equity shares of Rs.10 each	9,50,000	95,00,000	9,50,000	95,00,000
Paid up Share Capital				
Equity shares of Rs.10 each	9,50,000	95,00,000	9,50,000	95,00,000
Total	9,50,000	95,00,000	9,50,000	95,00,000

7.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	In Rs.	No. of shares	In Rs.
At the beginning of the year	9,50,000	95,00,000	9,50,000	95,00,000
Add :				
Shared issued during the year				
Outstanding at the end of the year	9,50,000	95,00,000	9,50,000	95,00,000

7.2. Terms/Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs.10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

7.3. Shares held by holding Company

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Arvind Limited & its nominees	8,55,000	90	8,55,000	90

7.4. Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Arvind Limited & its nominees	8,55,000	90	8,55,000	90
Amazon Textiles Private Limited	95,000	10	95,000	10
Shares Held by Promoters	-	-	-	-



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)
Notes to the Financial Statements

Note 8 : Other Equity

Balance	As at March 31, 2024 In Rs.	As at March 31, 2023 In Rs.
Note 8.1 Reserves & Surplus		
Securities premium account		
Balance as per last financial statements	13,16,00,000	13,16,00,000
Balance at the end of the year	13,16,00,000	13,16,00,000
Surplus in statement of profit and loss		
Balance as per last financial statements	(87,87,44,537)	(66,91,74,149)
Add: Profit/(Loss) for the year	(16,86,94,186)	(20,95,70,388)
Balance at the end of the year	(1,04,74,38,723)	(87,87,44,537)
Total reserves & surplus	(91,58,38,723)	(74,71,44,537)
Total Other equity	(91,58,38,723)	(74,71,44,537)

Note 9 : Financial liabilities

9 (a) Long-term Borrowings

Particulars	As at March 31, 2024 In Rs.	As at March 31, 2023 In Rs.
Short-term Borrowings		
Unsecured		
Intercompany Deposits		
From Related Parties	1,32,33,29,681	1,37,34,29,681
Total short-term borrowings	1,32,33,29,681	1,37,34,29,681
Total borrowings	1,32,33,29,681	1,37,34,29,681

Inter Corporate Deposit carries interest rate of 8.00% per annum



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)

Notes to the Financial Statements

9 (b) Trade payable

Particulars	As at March 31, 2024 In Rs.	As at March 31, 2023 In Rs.
Current		
Other trade payable (Refer note below)	4,02,432	9,04,815
	4,02,432	9,04,815
Total	4,02,432	9,04,815

Acceptance and Other trade payables are not-interest bearing and are normally settled on 30-90 days terms

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- (a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- (b) Interest paid during the year;
- (c) Amount of payment made to the supplier beyond the appointed day during accounting year;
- (d) Interest due and payable for the period of delay in making payment;
- (e) Interest accrued and unpaid at the end of the accounting year; and
- (f) 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. have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

9 (c) Other financial liabilities

Particulars	As at March 31, 2024 In Rs.	As at March 31, 2023 In Rs.
Current		
Interest accrued and due	9,93,92,899	5,42,49,158
Current Account with Limited Liability Partnership	30,66,197	30,70,089
Total	10,24,59,096	5,73,19,247

Note 10 : Other current / Non-current liabilities

Particulars	As at March 31, 2024 In Rs.	As at March 31, 2023 In Rs.
Current		
Statutory dues including VAT and tax deducted at source	1,10,49,148	58,52,092
	1,10,49,148	58,52,092
Total	1,10,49,148	58,52,092



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)
Notes to the Financial Statements

9(d) Aging of Trade Payables:

Particulars	Outstanding for the following period from due date of payments:								Amount in Rs.	
	Less than 1 Year		1-2 Years		2-3 Years		More than 3 Years		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
(i) MSME	-	-	-	-	-	-	-	-	-	-
(ii) Others	75,000.00	5,51,000.00	-	-	-	870.00	3,27,432.00	3,52,944.60	4,02,432.00	9,04,814.60
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-	-	-	-
Grand Total	75,000.00	5,51,000.00	-	-	-	870.00	3,27,432.00	3,52,944.60	4,02,432.00	9,04,814.60



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)
Notes to the Financial Statements

Note 11 : Revenue from operations

Particulars	Period ended March 31, 2024 In Rs.	Year ended March 31, 2023 In Rs.
Sale of Products	5,22,817	5,00,000
Total	5,22,817	5,00,000

Details of sale of goods and services

Sales of products (gross)

Particulars	Period ended March 31, 2024 In Rs.	Year ended March 31, 2023 In Rs.
Sale of Products	5,22,817	5,00,000
Total	5,22,817	5,00,000

Reconciliation of revenue from operation with contract price

Particulars	Period ended March 31, 2024 In Rs.	Year ended March 31, 2023 In Rs.
Revenue from contract with customers as per the contract price	5,22,817	5,00,000
Adjustment made to contract price on account of:		
a) Discounts and Rebates	-	-
b) Sales Return	-	-
Revenue from Operations	5,22,817	5,00,000

Note 12 : Other Income

Other Income	12,693	-
Exchange difference (net)	-	2,06,616
Interest Income	2,250	-
	14,943	2,06,616
Share of Profit/Loss from Partnership Firm/LLP	3392	-
Total	18,335	2,06,616

Details of sale of goods and services

Sale of products (gross)

Particulars
Fabric
Garments
Grey fabric
Yarn
Engineering
Electronics Items
Agri products
Accessories
Total

Particulars
Processing Income
Total

Note 20 : Other income

Particulars
Interest income
Dividend income
Government grants
Financial guarantee commission
Rent
Profit on sale of fixed assets (Net)
Scrap income
Sundry credit balances appropriated
Provision no longer required
Miscellaneous income



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)

Notes to the Financial Statements

Total

Control

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at June 30, 2017.

Company has given financial guarantee to Banks on behalf of the subsidiaries / Joint ventures. Fair value of the financial guarantee has been accounted as liability and amortised over the period of loan as commission income to the extent it is excess over the loss allowance provided.

Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)

Notes to the Financial Statements

Note 13 : Finance costs

Particulars	Period ended March 31, 2024 In Rs.	Year ended March 31, 2023 In Rs.
Interest expense on		
ICD from Related Parties	11,04,36,557	5,80,70,909
Other Interest Expenses	12,120	1,025
Total	11,04,48,677	5,80,71,934

Note 14 : Other expenses

Particulars	Period ended March 31, 2024 In Rs.	Year ended March 31, 2023 In Rs.
Rates and taxes	77,121	8,79,368
Legal & Professional charges	2,02,100	5,69,030
Auditor's remuneration	1,05,000	92,000
Bank charges	2,119	14,768
Penalty	50,000	1,24,370
Total	4,36,340	16,79,536

Payment to Auditors *

Particulars	Period ended March 31, 2024 In Rs.	Year ended March 31, 2023 In Rs.
Payment to Auditors as		
Auditors	75,000	65,000
For Certification work	30,000	27,000
Total	1,05,000	92,000

* Above is part of Other expenses disclosed under Note 18

Note 15 : Exceptional items

Particulars	Period ended March 31, 2024 In Rs.	Year ended March 31, 2023 In Rs.
Provision for diminution in value of Investments in Subsidiary and Joint Ventures	2,02,00,000	13,93,73,200
Reversal for diminution in value of Investments in Subsidiary and Joint Ventures	(37,65,73,200)	(3,40,00,000)
Loss on Sale of Investment	41,42,00,704	-
Investment Write off	-	4,20,82,245
Share of Loss from LLP	-	30,70,089
Total	5,78,27,504	15,05,25,534



Note 16 : Earning per share

Particulars	For the Year ending March 31, 2024	For the Year ending March 31, 2023
	In Rs.	In Rs.
Earing per share (Basic and Diluted)		
Profit attributable to ordinary equity holders	(16,86,94,186)	(20,95,70,388)
Total no. of equity shares at the end of the year	9,50,000	9,50,000
Weighted average number of equity shares		
For basic EPS	9,50,000	9,50,000
For diluted EPS	9,50,000	9,50,000
Nominal value of equity shares	10	10
Basic earning per share	(177.57)	(220.60)
Diluted earning per share	(177.57)	(220.60)
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	-	-
Effect of dilution: Share options		
Weighted average number of equity shares adjusted for the effect of dilution		



Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)
Notes to the Financial Statements

Note 17 : Related Party Disclosure

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 and Nature of Relationship :

1	Arvind Limited	Holding Company
2	Arvind Advanced Material Limited (Previously known as Arvind Polymer Textiles Limited & formerly known as Arvind True Blue Limited)	Fellow Subsidiary
3	Arvind Suit Manufacturing Private Limited	Fellow Subsidiary
4	Arvind Textile Mills Limited	Fellow Subsidiary
5	Arvind Lifestyle Apparel Manufacturing	Fellow Subsidiary
6	Syatel Telecom Limited	Fellow Subsidiary
7	Arvind Enterprise FZC	Fellow Subsidiary
8	Westech Advanced Materials Limited	Fellow Subsidiary (Upto February 28, 2023)
9	Arvind Smart Textiles Limited	Subsidiary Company
10	Arvind Premium Retail Limited	Fellow Subsidiary
11	Arvind OG Nonwovens Private Limited	Fellow Subsidiary
12	Arvind Lifestyle Brands Limited	Company under the control of KMP of Holding Company
13	Arvind Fashions Limited	Company under the control of KMP of Holding Company
14	Arvind PD Composites Private Limited	Fellow Subsidiary
15	Arvind Envisol Limited	Fellow Subsidiary
16	Arvind Engineered Composite Panels Private Limited (Previously known as Arvind Polser Engineered Composite Panels Private Limited)	Fellow Subsidiary
17	Maruti Ornet and Infrabuild LLP	Limited Liability Partnership

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

Arvind Sports Fashion Private Limited (Previously Known as Arvind Ruf & Tuf Private Limited)

b Disclosure in respect of Related Party Transactions :

Nature of Transactions	Period ended	Period ended
	March 31, 2024	March 31, 2023
Expenses -		
Purchase of Stock In Trade		
Arvind Limited	5,22,817	-
Interest		
Arvind Limited	5,34,66,241	5,29,07,073
Arvind OG Nonwovens Private Limited	20,00,000	31,22,192
Arvind PD Composites Private Limited	2,19,89,071	14,06,027
Arvind Envisol	2,54,10,011	1,77,535
Arvind Engineered Composite Panels Private Limited (Previously known as Arvind Polser Engineered Composite Panels Private Limited)	75,71,235	4,58,982
Diminution in value of Investments		
Arvind Lifestyle Apparel Manufacturing PLC	2,02,00,000	1,83,00,000
Arvind Textile Mills Limited	-	9,73,200
Arvind Suit Manufacturing Private Limited	-	12,01,00,000
Reversal in Diminution in value of Investment		
Arvind Lifestyle Apparel Manufacturing PLC	-	3,40,00,000
Arvind Advanced Material Limited	(25,00,00,000)	-
Arvind Textile Mills Limited	(64,73,200)	-
Arvind Suit Manufacturing Private Limited	(12,01,00,000)	-
Profit/Loss of Limited Liability Partnership		
Maruti Ornet and Infrabuild LLP	3,892	30,70,089
Arvind and Smart Value Homes LLP	(500)	-
Investment Write-off		
Westech Advanced Materials Limited	-	4,20,82,245
Investment -		
Purchase of Investment - From Arvind Limited		
Equity Shares of Arvind Smart Textiles Limited	-	49,70,00,000
Equity Shares of Arvind Suit Manufacturing Private Limited	-	41,73,000
NCD of Arvind Suit Manufacturing Private Limited	-	23,00,00,000
Purchase of Investment		
Equity Shares of Arvind Suit Manufacturing Private Limited	-	75,00,001
Sale of Investment - To Arvind Limited		
Arvind Indigo Foundation	-	-
Arvind Textile Mills Limited	64,73,200	-
Sale of Investment - To Arvind Advanced Material Limited		
Equity Shares of Arvind Suit Manufacturing Private Limited	4,16,86,612	-
in Equity Share (Allotment Pending)		
Arvind Lifestyle Apparel Manufacturing, Ethiopia	134	134
Arvind Enterprise FZC	2,583	2,583
Loan Taken /(Repaid) (Net)		
Arvind OG Nonwovens Private Limited	-	(4,50,00,000.0)
Arvind PD Composites Private Limited	15,00,00,000	19,50,00,000
Arvind Envisol Limited	8,56,00,000	36,00,00,000
Arvind Limited	(33,20,16,365)	19,81,73,000.0
Arvind Polser Engineering Private Limited	(13,00,000)	9,50,00,000



Note 18(a) : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount		Fair value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	In Rs.	In Rs.	In Rs.	In Rs.
Financial assets				
Investments measured at cost	-	-	-	-
Investments measured at fair value through OCI	-	-	-	-
Investments measured at amortised cost	-	-	-	-
Trade receivables	-	5,90,000	-	5,90,000
Cash and cash equivalents	15,36,210	13,43,346	15,36,210	13,43,346
Other bank balance	-	-	-	-
Loans	-	-	-	-
Other financial assets	28,525	5,80,500	28,525	5,80,500
Total	15,64,735	25,13,846	15,64,735	25,13,846
Financial liabilities				
Borrowings	1,32,33,29,681	1,37,34,29,681	1,32,33,29,681	1,37,34,29,681
Trade payables	4,02,432	9,04,815	4,02,432	9,04,815
Other financial liabilities	10,24,59,096	5,73,19,247	10,24,59,096	5,73,19,247
Total	1,42,61,91,209	1,43,16,53,743	1,42,61,91,209	1,43,16,53,743

The management assessed that the fair values of cash and cash equivalents, other bank balances, 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.



17. c. Transactions and Balances :

Particulars	Holding Company		Subsidiary		Fellow Subsidiary		Company under the control of KMP of Holding Company		Total	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Transactions										
Purchase of Goods	5,22,817	-	-	-	-	-	-	-	5,22,817	-
Purchase of Investment	-	73,11,73,000	-	75,00,001	-	-	-	-	-	73,86,73,001
Sale of Investment	64,73,200	-	-	-	4,16,86,612	-	-	-	4,81,59,812	-
Interest Income	-	-	-	-	-	-	-	-	-	-
Interest Expenses	5,34,66,241	5,29,07,073	-	-	5,69,70,317	51,63,836	-	-	11,04,36,558	5,80,70,909
Diminution in value of investments	-	-	-	12,10,73,200	2,02,00,000	1,83,00,000	-	-	2,02,00,000	13,93,73,200
Reversal in Diminution in value of Investment	-	-	-	-	(37,65,73,200)	3,40,00,000	-	-	(37,65,73,200)	3,40,00,000
Loss of Limited Liability Partnership	-	-	-	-	3,392	30,70,089	-	-	3,392	30,70,089
Investment Write off	-	-	-	-	-	4,20,82,245	-	-	-	4,20,82,245
Loan Given/(Repaid) (Net)	-	-	-	-	-	-	-	-	-	-
Loan Taken/(Repaid) (Net)	(33,20,16,365)	19,81,73,000	-	-	23,43,00,000	60,50,00,000	-	-	(9,77,16,365)	80,31,73,000

Particulars	Holding Company		Subsidiary		Fellow Subsidiary		Company under the control of KMP of Holding Company		Total	
	Year ended		Year ended		Year ended		Year ended		Year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Balances as at year end										
Other Current Financial Assets	-	-	-	-	-	-	-	-	-	-
Payable in respect of Loans	41,40,29,681	69,84,29,681	-	-	90,93,00,000	67,50,00,000	-	-	1,32,33,29,681	1,37,34,29,681
Other Current Financial Liabilities	4,81,19,617	4,76,16,366	-	-	5,12,73,283	46,47,451	-	-	9,93,92,900	5,22,63,817
Investment in in Equity Share (Allotment Pending)	-	-	-	-	2,717	2,717	-	-	2,717	2,717
Trade and Other Payable	-	13,690	-	-	-	-	3,21,606	3,21,606	3,21,606	3,35,296



The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2024, March 31, 2023

Quantitative disclosures on fair measurement hierarchy for financial assets as at March 31, 2024; March 31, 2023						
Date of valuation	Total	Quoted prices in active markets (Level 1)	Fair value measurement using			
			Significant observable inputs (Level 2)		Significant unobservable inputs (Level 3)	
			In Rs.	In Rs.	In Rs.	In Rs.
As at March 31, 2024						
Assets for which fair values are disclosed						
Investment property	March 31, 2024	-	-	-	-	-
Loans	March 31, 2024	-	-	-	-	-
Trade receivables	March 31, 2024	-	-	-	-	-
Cash & cash equivalents	March 31, 2024	15,36,210	-	15,36,210	-	-
Other bank balance	March 31, 2024	-	-	-	-	-
Other financial assets	March 31, 2024	28,525	-	28,525	-	-

Date of valuation	Total	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)		Significant unobservable inputs (Level 3)
			In Rs.	In Rs.	In Rs.

As at March 31, 2023

Assets measured at fair value

Assets for which fair values are disclosed

Investment property	March 31, 2023	-	-	-	-
Loans	March 31, 2023	-	-	-	-
Trade receivables	March 31, 2023	5,90,000	-	5,90,000	-
Cash & cash equivalents	March 31, 2023	13,43,346	-	13,43,346	-
Other bank balance	March 31, 2023	-	-	-	-
Other financial assets	March 31, 2023	5,80,500	-	5,80,500	-

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2024

Date of valuation	Total	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)		Significant unobservable inputs (Level 3)
			In Rs.	In Rs.	In Rs.

As at March 31, 2024

Liabilities measured at fair value

Derivative financial liabilities	March 31, 2024	-	-	-	-
Financial guarantee contract	March 31, 2024	-	-	-	-

Liabilities disclosed at fair value

Borrowings	March 31, 2024	1,32,33,29,681	-	1,32,33,29,681	-
Trade payables	March 31, 2024	4,02,432	-	4,02,432	-
Other financial liabilities#	March 31, 2024	10,24,59,096	-	10,24,59,096	-

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2023

Date of valuation	Total	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)		Significant unobservable inputs (Level 3)
			In Rs.	In Rs.	In Rs.

As at March 31, 2023

Liabilities measured at fair value

Derivative financial liabilities	March 31, 2023	-	-	-	-
Financial guarantee contract	March 31, 2023	-	-	-	-

Liabilities disclosed at fair value

Borrowings	March 31, 2023	1,37,34,29,681	-	1,37,34,29,681	-
Trade payables	March 31, 2023	9,04,815	-	9,04,815	-
Other financial liabilities#	March 31, 2023	5,73,19,247	-	5,73,19,247	-

Other financial liabilities includes interest accrued but not due of Rs.9,93,92,899 (March 31, 2023 :Rs.5,42,49,158).



Note 19 : 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 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.

(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. The Company 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 45 days credit term. Credit limits are established for all customers based on internal credit criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has a concentration of credit risk as the customer base is widely distributed both economically and geographically.

The ageing analysis of trade receivables as of the reporting date is as follows:

Trade receivables as at	Neither past due nor impaired (including unbilled)	Past due but not impaired				Total
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
March 31, 2024	-	-	-	-	-	-
March 31, 2023	-	-	-	-	5,90,000	5,90,000

The requirement of impairment is analysed as each reporting date. Refer Note 8 for details on the impairment of trade receivables.

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. Company 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 Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2023 and March 31, 2024 is the carrying amount as disclosed in Note 21.

(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. Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 2 to 5	Due after 5 years	Total
Year ended March 31, 2024					
Interest bearing borrowings*	1,32,33,29,681	-	-	-	1,32,33,29,681
Trade payables	4,02,432	-	-	-	4,02,432
Other financial liabilities#	10,24,59,096	-	-	-	10,24,59,096
Derivatives	-	-	-	-	-
	1,42,61,91,209	-	-	-	1,42,61,91,209
Year ended March 31, 2023					
Interest bearing borrowings*	1,37,34,29,681	-	-	-	1,37,34,29,681
Trade payables	9,04,815	-	-	-	9,04,815
Other financial liabilities#	5,73,19,247	-	-	-	5,73,19,247
Derivatives	-	-	-	-	-
	1,43,16,53,743	-	-	-	1,43,16,53,743

Other financial liabilities includes interest accrued but not due of Rs.9,93,92,899 (March 31, 2023 :Rs.5,42,49,158).



Note 20: Calculation of various Ratios:

Sr. No.	Particulars	In Rs.				Ratio		Explanation for Numerator	Explanation for Denominator
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23		
1	Current Ratio	31,98,068	41,70,731	1,43,72,40,357	1,43,75,05,835	0.00	0.00	Current Assets include Trade Receivables, Inventory, Cash & cash equivalents, Loans & Other Current Financial Assets	Current Liabilities include Trade Payables, Borrowings and Other Current Financial Liabilities
2	Debt-Equity Ratio	1,42,57,88,777	1,43,07,48,928	(90,63,38,723)	(73,76,44,537)	(1.57)	(1.94)	Debt is considered as Loans availed from Related Parties and the interest payable thereon	Total Equity includes the paid up share capital and the Retained earnings
3	Debt Service Coverage Ratio	-4,18,005	(9,72,920)	1,42,57,88,777	1,43,07,48,928	-0.00	(0.00)	Net Operating Income is considered as EBITDA (as calculated below in Note 1)	Debt is considered as Principle Outstanding plus Interest payable to related parties
4	Return on Equity Ratio	(16,86,94,186)	(20,95,70,388)	(90,63,38,723)	(73,76,44,537)	0.19	0.28	Net profit as per Profit & Loss statement	Total Equity includes the paid up share capital and the Retained earnings
5	Inventory Turnover Ratio	-	-	-	-	-	-	NA	NA
6	Trade Receivables turnover ratio	-	-	-	-	-	-	NA	NA
7	Trade Payables turnover ratio	4,02,432	9,04,815	18,335	7,06,616	21.95	1.28	Trade Payables as per Balance sheet	Turnover includes revenue from operations and other miscellaneous income as per Profit and loss statement
8	Net Capital turnover Ratio	18,335	7,06,616	(90,63,38,723)	(73,76,44,537)	(0.00)	(0.00)	Turnover includes revenue from operations and other miscellaneous income as per Profit and loss statement	Capital Employed = Equity plus retained earnings as on the last date of reporting period
9	Net Profit Ratio	-16,86,94,186	(20,95,70,388)	18,335	7,06,616	-9,200.66	(296.58)	Net profit as per Profit & Loss statement	Turnover includes revenue from operations and other miscellaneous income as per Profit and loss statement
10	Return on Capital Employed	-4,18,005	(9,72,920)	(90,63,38,723)	(73,76,44,537)	0.00	0.00	Net Operating Income is considered as EBITDA (as calculated below in Note 1)	Capital Employed = Equity plus retained earnings as on the last date of reporting period
11	Return on Investment	-	-	-	-	-	-	NA	NA

Note 1:

Calculation of EBITDA

Sr. No.	Particulars	2023-24 In Rs.	2022-23 In Rs.
1	Revenue from Operations	5,22,817	5,00,000
2	Other Miscellaneous Income	18,335	2,06,616
3	Net Operating Income before Operational Expenses	18,335	7,06,616
4	Operational Expenses	4,36,340	16,79,536
5	Income before Interest, Depreciation & Taxes (EBITDA) (3-4)	-4,18,005	(9,72,920)

