

Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)

Financial Statements
2023-24

INDEPENDENT AUDITOR'S REPORT

To the Members of Reliance Clothing India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Reliance Clothing India Limited** (Formerly known as Reliance Clothing India Private Limited) (“the Company”), which comprise the Balance Sheet as at March 31 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other 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 (Sas), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of our report. We are independent of the Company in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

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 Board 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 such other information is materially inconsistent with the financial statements or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Materiality is the magnitude of misstatements 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 our 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 where 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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow 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, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements;
- (g) In our opinion and to the best of our information and according to the explanations given to us, during the year the Company has not paid or provided any managerial remuneration under section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.
- v. No dividend has been declared or paid during the year and has not proposed final dividend for the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 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 financial year ended 31st March, 2024.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No.: 101720W/W100355

Gaurav Jain
Partner
Membership No.: 129439
UDIN: 24129439BKETCB1342

Place: Mumbai
Date: April 15, 2024

ANNEXURE “1” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RELIANCE CLOTHING INDIA LIMITED

(Referred to in paragraph 1, under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
- (B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (Including the Right of Use Assets) or Intangible Assets or both during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The physical verification of the inventories have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) During the year Company has not made investment or provided any guarantee or security or has not granted any advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities. Hence reporting under clause 3(iii)(a), (b), (c), (d) (e) and (f) of the Order are not applicable to the Company.
- (iv) The Company has not directly or indirectly advanced loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. The Company has complied with the provisions of the Section 186 of the Act, in respect of investments, loans, guarantee or security given.

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act in respect of Business activities undertaken by the Company, hence the reporting requirement under the clause vi of the paragraph 3 of the Order is not applicable
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or in the payment of interest thereon to the lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The term loans were applied for the purpose for which the loans were obtained.
- (d) No funds raised on short-term basis have 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, associates taken or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) As represented to us, during the year, no report under sub-section (12) of Section 143 of the Act has been filed by the cost auditor/ the secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) All transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, for all transaction with the related parties and details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) In our opinion, requirements related to of internal audit system under section 138 of the Companies Act, 2013 are not applicable to the Company and hence reporting under clause 3(xiv) of the Order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors as referred to in Section 192 of Companies Act and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.

- (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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No.: 101720W/W100355

Gaurav Jain
Partner
Membership No.: 129439
UDIN: 24129439BKETCB1342

Place: Mumbai
Date: April 15, 2024

ANNEXURE “2” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RELIANCE CLOTHING INDIA LIMITED**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 with reference to financial statements of Reliance Clothing India Limited (Formerly known as Reliance Clothing India Private Limited) (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013, as amended.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

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

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No.: 101720W/W100355

Gaurav Jain
Partner
Membership No.: 129439
UDIN: 24129439BKETCB1342

Place: Mumbai
Date: April 15, 2024

Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)
Balance Sheet as at 31st March, 2024

Reliance Clothing India Limited | 13

	Notes	As at 31st March, 2024	₹ in Lakhs As at 31st March, 2023
Assets			
Non-Current Assets			
Property, Plant and Equipment	1	1,221.17	1,592.55
Intangible Assets	1	68.73	75.45
Capital Work-in-Progress	1	52.97	58.39
Financial Assets			
Other Financial Assets	2	158.23	185.87
Other Non- Current Assets	3	3.21	2.83
Total Non-Current Assets		1,504.31	1,915.09
Current Assets			
Inventories	4	850.74	2,148.95
Financial Assets			
Trade Receivables	5	663.52	149.99
Cash and Cash Equivalent	6	92.53	126.63
Other Financial Assets	7	4.51	4.42
Other Current Assets	8	631.48	773.61
Total Current Assets		2,242.78	3,203.60
Total Assets		3,747.09	5,118.69
Equity and Liabilities			
Equity			
Equity Share Capital	9	5.00	5.00
Other Equity	10	(11,959.73)	(10,036.18)
Total Equity		(11,954.73)	(10,031.18)
Non-Current Liabilities			
Financial Liabilities			
Borrowings	11	14,130.87	13,590.87
Lease Liabilities		588.11	765.14
Provisions	12	10.08	10.12
Total Non-Current Liabilities		14,729.06	14,366.13
Current Liabilities			
Financial Liabilities			
Lease Liabilities		177.03	227.82
Trade Payables Due to:	13		
Micro and Small Enterprises		34.91	15.42
Other than Micro and Small Enterprises		634.83	412.04
Other Financial Liabilities	14	41.76	44.23
Other Current Liabilities	15	83.44	83.87
Provisions	16	0.79	0.36
Total Current Liabilities		972.76	783.74
Total Liabilities		15,701.82	15,149.87
Total Equity and Liabilities		3,747.09	5,118.69

Material Accounting Policies

A to C

See Accompanying notes to the financial statements

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Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/W100355

Ashish Patil

Director

DIN: 00076627

Gaurav Jain

Partner

Membership No: 129439

Sajita Nair

Director

DIN: 09082420

Date: 15th April, 2024

Aditi Jain

Director

DIN: 09805093

Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)
Statement of Profit and Loss for the year ended 31st March, 2024

Reliance Clothing India Limited | 15

		₹ in Lakhs	
	Notes	2023-24	2022-23
INCOME			
Value of Sales		3,485.30	3,401.02
Income from Services		31.89	30.51
Value of Sales & Services (Revenue)		3,517.19	3,431.53
Less: GST Recovered		475.28	473.43
Revenue from Operations	17	3,041.91	2,958.10
Other Income	18	5.24	14.47
Total Income		3,047.15	2,972.57
EXPENSES			
Purchases of Stock-in-Trade		938.92	2,385.86
Changes in Inventories of Finished Goods		1,277.02	(438.10)
Employee Benefits Expense	19	144.48	146.30
Finance Costs	20	1,307.49	1,045.83
Depreciation and Amortisation Expense	1	402.10	411.10
Other Expenses	21	901.24	984.49
Total Expenses		4,971.25	4,535.48
Profit / (Loss) Before Tax		(1,924.10)	(1,562.91)
Tax Expenses:			
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) for the year		(1,924.10)	(1,562.91)
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to Profit or loss	18.1	0.55	1.55
Total Other Comprehensive Income for the Year		0.55	1.55
Total Comprehensive Income for the Year		(1,923.55)	(1,561.36)
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	23	(3,848.20)	(3,125.82)
Material Accounting Policies	A to C		
See Accompanying notes to the financial statements	1 to 33		

Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/W100355

Gaurav Jain

Partner

Membership No: 129439

Ashish Patil

Director

DIN: 00076627

Sajita Nair

Director

DIN: 09082420

Aditi Jain

Director

DIN: 09805093

Date: 15th April, 2024

Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)
Statement of changes in equity for the year ended 31st March, 2024

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A. Equity Share Capital

₹ in Lakhs

Balance as at 1st April, 2022	Changes during the year 2022-23	Balance as at 31st March, 2023	Changes during the year 2023-24	Balance as at 31st March, 2024
5.00	-	5.00	-	5.00

B. Other Equity

₹ in Lakhs
Total

Reserves & Surplus
Retained
Earnings

Other
Comprehensive
Income

As on 31st March, 2024

Balance as at 1st April, 2023	(10,040.97)	4.79	(10,036.18)
Total Comprehensive income for the year	(1,924.10)	0.55	(1,923.55)
Balance as at 31st March, 2024	(11,965.07)	5.34	(11,959.73)

As on 31st March, 2023

Balance as at 1st April, 2022	(8,478.06)	3.24	(8,474.82)
Total Comprehensive income for the year	(1,562.91)	1.55	(1,561.36)
Balance as at 31st March, 2023	(10,040.97)	4.79	(10,036.18)

Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/W100355

Gaurav Jain

Partner

Membership No: 129439

Ashish Patil

Director

DIN: 00076627

Sajita Nair

Director

DIN: 09082420

Aditi Jain

Director

DIN: 09805093

Date: 15th April, 2024

Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)
Statement of Cash Flow for the year ended 31st March, 2024

Reliance Clothing India Limited | 19

	2023-24	₹ in Lakhs 2022-23
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax as per Statement of Profit and Loss	(1,924.10)	(1,562.91)
Adjusted for :		
Loss on sale/ discarding of Property, Plant and Equipment (net)	2.33	-
Depreciation and Amortisation Expense	402.10	411.10
Effect of Exchange Rate Change	(2.81)	2.67
Interest Income	(4.57)	(3.94)
Finance Costs	1,307.49	1,045.83
	<u>1,704.54</u>	<u>1,455.67</u>
Operating Profit before Working Capital Changes	(219.56)	(107.24)
Adjusted for :		
Trade and Other Receivables	(343.83)	72.15
Inventories	1,298.21	(449.29)
Trade and Other Payables	248.19	(157.54)
	<u>1,202.57</u>	<u>(534.68)</u>
Cash used in Operations	983.01	(641.92)
Taxes Paid (Net)	(0.38)	0.85
Net Cash used in Operating Activities	982.63	(641.07)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Intangible Assets and Capital Work-in-progress	(37.86)	(377.09)
Proceeds from disposal of Property, Plant and Equipment, Intangible Assets and Capital Work-in-progress	11.88	-
Interest Income	4.57	3.87
Net Cash Flow (used in) /from Investing Activities	(21.41)	(373.22)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds form Borrowings - Non-Current	2,685.00	3,203.00
Repayment from Borrowing - Non current	(2,145.01)	(1,103.13)
Payment of Lease Liabilities	(227.82)	(0.85)
Interest Paid	(1,307.49)	(1,045.83)
Net Cash Flow from Financing Activities	(995.32)	1,053.19
Net Increase /(Decrease) in Cash and Cash Equivalents	(34.10)	38.90
Opening Balance of Cash and Cash Equivalents	126.63	87.73
Closing Balance of Cash and Cash Equivalents (Refer Note No. 6)	92.53	126.63

Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/W100355

Ashish Patil

Director

DIN: 00076627

Gaurav Jain

Partner

Membership No: 129439

Sajita Nair

Director

DIN: 09082420

Date: 15th April, 2024

Aditi Jain

Director

DIN: 09805093

Reliance Clothing India Limited
(Formerly known as Reliance Clothing India Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

A. Corporate Information

Reliance Clothing India Limited (Formerly known as Reliance Clothing India Private Limited) (“the Company”) is a limited Company incorporated in India having its registered office at 3rd Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400 002, India. The Company’s immediate holding Company is Reliance Retail Ventures Limited and the Ultimate Holding Company is Reliance Industries Limited. The Company is engaged in organised retail spanning across various consumption baskets primarily catering to Indian consumers.

B. Material Accounting Policies

B.1 Basis of Preparation and Presentation

The Financial Statements have been prepared on the historical cost basis except for following financial assets and liabilities measured at fair value amount :

- (i) Certain Financial Assets and Liabilities
- (ii) Defined Benefit Plan - Plan Assets

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the Rules notified under the relevant provisions of the Companies Act, 2013 as amended from time-to-time and presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time. The Company follows indirect method prescribed in Ind AS 7 – Statement of Cash Flows for presentation of its cash flows.

The Company’s Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakh (₹ 00,000) except when otherwise indicated.

B.2 Summary of Material Accounting Policies

(a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification considering an operating cycle of 12 months being the time elapsed between deployment of resources and the realisation in cash and cash equivalents there-against.

(b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Depreciation on Property, Plant and Equipment is provided on straight line method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the lower of estimated useful life or lease period; on assets acquired under finance lease depreciation is provided over the lease term.

Reliance Clothing India Limited
(Formerly known as Reliance Clothing India Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognised.

(c) Leases

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

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

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

(d) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation / depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognised.

The Company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life. The amortisation period and the amortisation method for Intangible Assets with a finite useful life are reviewed at each reporting date.

Franchisee Rights are amortised over the period of 20 years.

Reliance Clothing India Limited
(Formerly known as Reliance Clothing India Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

(e) Cash and Cash Equivalent

Cash and cash equivalents comprise of cash on hand, cash at banks, short term deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(g) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

Costs of inventories are determined on weighted average basis.

(h) Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(i) Provisions and Contingent Liabilities

The Company exercises significant judgement in identification of and estimation of the amounts of provisions and contingent liabilities. These provisions and contingent liabilities are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

Reliance Clothing India Limited
(Formerly known as Reliance Clothing India Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

(j) Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

Other long-term employee benefits

Compensated absences

Compensated absences are accrued and provided for on the basis of actuarial valuation done as at the year end by an independent actuary as per the projected unit credit method

(k) Current Tax and Deferred Tax

The tax expenses for the period comprise of current tax and deferred tax. The Company exercises judgment in computation of current tax considering the relevant rulings and reassesses the carrying amount of deferred tax assets at the end of each reporting period.

(l) Foreign Currencies Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was

Reliance Clothing India Limited
(Formerly known as Reliance Clothing India Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

(m) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement, because it typically controls the goods or services before transferring them to the customer.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

In respect of revenue from rendering of services, the Company exercises judgement for identification of performance obligations, and in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount, which is assessed at each reporting period.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest Income

Interest Income from a Financial Asset is recognised using effective interest rate method.

Reliance Clothing India Limited
(Formerly known as Reliance Clothing India Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

(n) Financial Instruments

i) Financial Assets

A. Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value through Profit and Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

B. Subsequent Measurement

a) Financial Assets Measured at Amortised Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

C. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses “Expected Credit Loss”(ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

Or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Reliance Clothing India Limited
(Formerly known as Reliance Clothing India Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

ii) Financial Liabilities

A. Initial Recognition And Measurement

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derivative Financial Instruments

The Company uses various derivative financial instruments such as currency forwards and commodity contracts to mitigate the risk of changes in exchange rates and commodity prices. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

iv) Derecognition of Financial Instruments

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial Liability (or a part of a Financial Liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

v) Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Reliance Clothing India Limited
(Formerly known as Reliance Clothing India Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

C. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. 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 next financial years.

- a) Depreciation / Amortisation And Useful Life of Property Plant and Equipment / Intangible Assets**
 Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment / intangible assets are depreciated / amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.
- b) Recoverability of Trade receivables**
 Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.
- c) Provisions**
 Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.
- d) Impairment of Financial and Non-Financial Assets**
 The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.
 In case of non-financial assets Company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.
 In assessing value in use, the estimated future cash flows are discounted to their present value using 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 of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.
- e) Recognition of Deferred Tax Assets and liabilities**
 Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.
- f) Fair Value Measurement**
 For estimates relating to fair value of financial instruments refer note 27 of financial statements.

1 Property, Plant and Equipment, Intangible Assets, and Capital Work-in-progress

₹ in Lakhs

Description	Gross block			As at 31st March, 2024	Depreciation/ amortisation			Net block		
	As at 1st April, 23	Additions/ Adjustments	Deductions/ Adjustments		As at 1st April, 23	For the year	Deductions/ Adjustments	Upto 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Property, Plant and Equipment										
Own Assets:										
Plant and Machinery	332.74	8.23	0.01	340.96	287.25	16.38	0.01	303.62	37.34	45.49
Electrical Installations	350.83	11.71	9.28	353.26	233.71	33.21	7.41	259.51	93.75	117.12
Equipment	577.30	2.86	20.62	559.54	253.99	37.33	10.29	281.03	278.51	323.31
Furniture and Fixtures	261.64	8.06	7.14	262.56	148.80	25.14	5.15	168.79	93.77	112.84
Leasehold Improvements	298.20	7.36	0.21	305.35	187.79	29.69	0.18	217.30	88.05	110.41
Sub-Total	1,820.71	38.22	37.26	1,821.67	1,111.54	141.75	23.04	1,230.25	591.42	709.17
Right- of-Use Assets										
Operating lease	1,813.84	-	-	1,813.84	930.46	253.63	-	1,184.09	629.75	883.38
Sub-Total	1,813.84	-	-	1,813.84	930.46	253.63	-	1,184.09	629.75	883.38
Total (A)	3,634.55	38.22	37.26	3,635.51	2,042.00	395.38	23.04	2,414.34	1,221.17	1,592.55
Intangible Assets										
Franchisee Rights	134.16	-	-	134.16	58.71	6.72	-	65.43	68.73	75.45
Total (B)	134.16	-	-	134.16	58.71	6.72	-	65.43	68.73	75.45
Total (A+B)	3,768.71	38.22	37.26	3,769.67	2,100.71	402.10	23.04	2,479.77	1,289.90	1,668.00
Previous year	3,383.60	385.11	-	3,768.71	1,689.61	411.10	-	2,100.71	1,668.00	1,693.99
Capital Work-in-Progress									52.97	58.39

1.1 Capital Work-in-Progress Includes:

(a) ₹ 49.46 Lakhs (Previous Year ₹ 53.72 Lakhs) on account of Capital Goods Inventory.

Ageing Schedule as at 31st March, 2024

₹ in Lakhs

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Capital Work-in-Progress	51.72	1.25	-	-	52.97

Ageing Schedule as at 31st March, 2023

₹ in Lakhs

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Capital Work-in-Progress	58.39	-	-	-	58.39

The Company do not have any Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

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

	₹ in Lakhs	
	As at	As at
	31st March, 2024	31st March, 2023
2 Others Financial Assets		
Deposits	158.23	185.87
Total	158.23	185.87
3 Other Non- Current Assets <i>(Unsecured and Considered Good)</i>	As at	As at
	31st March, 2024	31st March, 2023
Advance Income Tax (Net of Provision)	3.21	2.83
Total	3.21	2.83
3.1 Advance Income Tax (Net of Provision)	As at	As at
	31st March, 2024	31st March, 2023
At start of year	2.83	3.68
Tax paid during the year (net of refunds)	0.38	(0.85)
At end of year	3.21	2.83
4 Inventories <i>(Valued at lower of cost or net realisable value)</i>	As at	As at
	31st March, 2024	31st March, 2023
Stores and Spares	72.47	93.66
Stock-in-Trade	778.27	2,055.29
Total	850.74	2,148.95

₹ in Lakhs

5 Trade Receivables

(Unsecured and Considered Good)

As at 31st March, 2024 As at 31st March, 2023

Trade receivables	663.52	149.99
Total	663.52	149.99

Trade Receivables ageing schedule as at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	< 6 Months	6 months-1year	1-2 years	2-3 years	>3 years	
(i) Undisputed Trade receivables considered good	32.15	631.10	0.03	0.24	-	-	663.52
(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	-	-	-	-	-	-	-
Total	32.15	631.10	0.03	0.24	-	-	663.52

Trade Receivables ageing schedule as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	< 6 Months	6 months-1year	1-2 years	2-3 years	>3 years	
(i) Undisputed Trade receivables considered good	11.95	137.91	0.13	-	-	-	149.99
(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	-	-	-	-	-	-	-
Total	11.95	137.91	0.13	-	-	-	149.99

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

		₹ in Lakhs	
6	Cash & Cash Equivalents	As at 31st March, 2024	As at 31st March, 2023
	Cash on Hand	8.96	6.75
	Balances with banks ^{(i) & (ii)}	83.57	119.88
	Cash and Cash Equivalent as per Balance Sheet	92.53	126.63
	Cash and Cash Equivalent as per Cash Flow Statement	92.53	126.63

(i) Includes deposits NIL (previous year ₹ 8,000) with maturity period of more than 12 months.

(ii) Includes deposits ₹ 70.08 Lakhs (previous year ₹ 70.08 Lakhs) held by tax authority as security, by bank as margin money for bank guarantees, forward contracts and loans.

6.1 Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

		₹ in Lakhs	
7	Other Financial Assets - Current	As at 31st March, 2024	As at 31st March, 2023
	Deposits	3.96	3.96
	Others ⁽ⁱ⁾	0.55	0.46
	Total	4.51	4.42

⁽ⁱ⁾ Other includes Interest receivable.

		₹ in Lakhs	
8	Other Current Assets (Unsecured and Considered Good)	As at 31st March, 2024	As at 31st March, 2023
	Balance with Customs, Central Excise, GST and State Authorities.	593.50	744.77
	Others ⁽ⁱ⁾	37.98	28.84
	Total	631.48	773.61

⁽ⁱ⁾ Includes advances to vendors and employees.

₹ in Lakhs

9	Share Capital			As at	As at
				31st March, 2024	31st March, 2023
	Authorised Share Capital:				
	50000 (50000)	Equity Shares of ₹ 10 each		5.00	5.00
	Total			5.00	5.00
	Issued, Subscribed and Paid-Up:				
	50000 (50000)	Equity Shares of ₹ 10 each		5.00	5.00
	Total			5.00	5.00

9.1 Out of the above, 50,000 (previous year 50,000) equity shares of ₹ 10 each fully paid-up are held by Reliance Retail Ventures Limited, the Holding Company along with its nominees.

9.2 The details of Shareholders holding more than 5% shares :

Name of the Shareholders	No. of Shares	As at	No. of Shares	As at
		31st March, 2024		31st March, 2023
Reliance Retail Ventures Limited	50,000	100.00	50,000	100.00

9.3 Shareholding of Promoters

As at 31st March, 2024

Name of Promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end	% of total shares	% change during the year
Reliance Retail Ventures Limited	50,000	-	50,000	100%	100%

As at 31st March, 2023

Name of Promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end	% of total shares	% change during the year
Reliance Retail Limited	50,000	(50,000)	-	0%	(100%)
Reliance Retail Ventures Limited	-	50,000	50,000	100%	100%

9.4 The Reconciliation of the number of shares outstanding is set out below :

Particulars	As at	As at
	31st March, 2024	31st March, 2023
Equity Shares outstanding at the beginning of the year	50,000	50,000
Add: Equity Shares issued during the year	-	-
Equity Shares outstanding at the end of the year	50,000	50,000

9.5 The Company has only one class of equity shares having face value of ₹ 10 each. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in the same proportion as the capital paid-up on the equity shares held by them bears to the total paid-up equity share capital of the Company.

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

10 Other Equity	₹ in Lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Retained Earnings		
As per last Balance Sheet	(10,040.97)	(8,478.06)
Add: (Loss) for the year	(1,924.10)	(1,562.91)
	<u>(11,965.07)</u>	<u>(10,040.97)</u>
Other Comprehensive Income		
As per last Balance Sheet	4.79	3.24
Add: Movement in OCI (Net) during the year	0.55	1.55
	<u>5.34</u>	<u>4.79</u>
Total	<u><u>(11,959.73)</u></u>	<u><u>(10,036.18)</u></u>

11 Borrowings - Non Current	₹ in Lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Unsecured - At amortised cost		
Loan from Related Party [Refer Note 28] ⁽ⁱ⁾	14,130.87	13,590.87
Total	<u>14,130.87</u>	<u>13,590.87</u>

⁽ⁱ⁾ Represent loan from holding company repayable in 3 years.

12 Provisions - Non Current	₹ in Lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Provision for Employee Benefits (Refer Note 19.1) ⁽ⁱ⁾	10.08	10.12
Total	<u>10.08</u>	<u>10.12</u>

⁽ⁱ⁾ The provision for employee benefit includes gratuity, annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

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

₹ in Lakhs

13 Trade payable Due to	As at	As at
	31st March, 2024	31st March, 2023
Micro and Small Enterprise	34.91	15.42
Other than Micro and Small Enterprise	634.83	412.04
Total	669.74	427.46

13.1 There are no overdues to Micro and Small Enterprises as at March 31, 2024 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

13.2 The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

13.3 The disclosures relating to Micro and Small Enterprises are as under:

	As at	As at
	31st March, 2024	31st March, 2023
a) The principal amount remaining unpaid to supplier as at the end of the accounting year	34.91	15.42
b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the year	-	-
e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

13.4 Trade Payable Ageing Schedule

Trade payable ageing as at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	34.91	-	-	-	-	34.91
(ii) Others	170.83	416.02	36.74	2.76	8.48	634.83
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	205.74	416.02	36.74	2.76	8.48	669.74

Trade payable ageing as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	15.42	-	-	-	-	15.42
(ii) Others	152.65	246.05	12.23	1.09	0.02	412.04
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	168.07	246.05	12.23	1.09	0.02	427.46

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

14 Other Financial Liabilities - Current	₹ in Lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Creditors for Capital Expenditure	8.75	13.81
Others ⁽ⁱ⁾	33.01	30.42
Total	41.76	44.23

⁽ⁱ⁾ Others include Security Deposit

15 Other Current Liabilities	₹ in Lakhs	
	As at 31st March, 2024	As at 31st March, 2023
Income Received in Advance	50.88	46.56
Other Payables ⁽ⁱ⁾	32.56	37.31
Total	83.44	83.87

(i) Includes statutory dues and advances from customers.

16 Provisions - Current	As at	
	31st March, 2024	31st March, 2023
Provision for Employee Benefits (Refer Note 19.1) ⁽ⁱ⁾	0.79	0.36
Total	0.79	0.36

(i) The provision for employee benefit includes gratuity, annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

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

	₹ in Lakhs	
	2023-24	2022-23
17 Revenue from Operations		
Value of Sales	3,014.89	2,932.25
Income from Services	27.02	25.85
Total *	3,041.91	2,958.10
* Net of GST		

	₹ in Lakhs	
	2023-24	2022-23
18 Other Income		
Interest		
Bank Deposits	4.45	3.68
Others	0.12	0.26
	4.57	3.94
Other Non-Operating Income	0.67	10.53
Total	5.24	14.47

Above Other Income comprises of assets measured at amortised cost ₹ 4.45 Lakhs (previous year ₹ 3.94 Lakhs), and Other Non-Operating Income ₹ 0.67 Lakhs (previous year ₹ 10.53 Lakhs)

	2023-24	2022-23
18.1 Other Comprehensive Income - Items that will not be reclassified to Profit and loss		
Remeasurement gain/(loss) of Defined Benefits Plan	0.55	1.55
Total	0.55	1.55

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

		₹ in Lakhs	
19	Employee Benefits Expense	2023-24	2022-23
	Salaries and Wages	115.28	117.56
	Contribution to Provident and Other Funds	8.95	10.35
	Staff Welfare Expenses	20.25	18.39
	Total	144.48	146.30

19.1 As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognised as expenses for the year is as under:

Particulars	2023-24	2022-23
Employer’s Contribution to Provident Fund	2.07	2.24
Employer’s Contribution to Pension Scheme	4.45	4.77

Defined Benefit Plans

The Company operates post retirement benefit plans as follows:

I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

₹ in Lakhs

Particulars	Gratuity (unfunded)	
	2023-24	2022-23
Defined Benefit Obligation at beginning of the year	7.60	7.96
Current Service Cost	1.70	1.94
Interest Cost	0.58	0.56
Actuarial (Gain)/ Loss	(0.55)	(1.55)
Benefits Paid	(1.57)	(1.31)
Defined Benefit Obligation at year end	7.76	7.60

II. Reconciliation of Fair Value of Assets and Obligations

₹ in Lakhs

Particulars	Gratuity (unfunded)	
	2023-24	2022-23
Present Value of Obligation	7.76	7.60
Amount recognised in Balance Sheet (Surplus / Deficit)	(7.76)	(7.60)

III. Expenses recognised during the year

₹ in Lakhs

Particulars	Gratuity (unfunded)	
	2023-24	2022-23
In Income Statement		
Current Service Cost	1.70	1.94
Interest Cost	0.58	0.56
Net Cost	2.28	2.50
In Other Comprehensive income		
Actuarial (Gain)/ Loss	(0.55)	(1.55)
Net (Income)/ Expense for the year Recognised in OCI	(0.55)	(1.55)

Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

IV. Actuarial Assumptions

Particulars	Gratuity (unfunded)	
	2023-24	2022-23
Mortality Table (IALM)	2012-14	2012-14
	(Ultimate)	(Ultimate)
Discount Rate (per annum)	7.23%	7.60%
Rate of Escalation in Salary (per annum)	6.00%	6.00%
Rate of employee turnover (per annum)	7.00%	3.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

V. The expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial year 2023-24

VI. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particular	As at 31st March, 2024		As at 31st March, 2023	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	0.37	0.40	0.50	0.55
Change in rate of salary increase (delta effect of +/- 0.5%)	0.37	0.40	0.51	0.56
Change in rate of employee turnover (delta effect of +/- 0.5%)	0.02	0.01	0.08	0.07

These plans typically expose the company to actuarial risks such as: interest risk, longevity risk and salary risk.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

₹ in Lakhs

20	Finance Costs	2023-24	2022-23
	Interest Expenses	1,232.23	952.42
	Interest on Lease Liabilities	75.26	93.41
	Total	1,307.49	1,045.83

₹ in Lakhs

21	Other Expenses	2023-24	2022-23
	Selling and Distribution Expenses		
	Sales Promotion and Advertisement Expenses	37.94	40.11
	Store Running Expenses	284.41	253.70
	Brokerage, Discount, Royalty and Commission	60.58	70.85
	Warehousing and Distribution Expenses	6.11	4.41
		389.04	369.07
	Establishment Expenses		
	Stores and Packing Materials	18.30	9.41
	Building Repairs and Maintenance	81.53	102.18
	Rent including Lease Rentals	196.15	189.85
	Rates and Taxes	2.85	2.85
	Payment to Auditors	1.82	0.86
	Professional Fees	3.46	12.05
	Loss on Sale/ Discarding of Assets	3.01	-
	Exchange Differences (Net)	(2.60)	5.97
	Electricity Expenses	152.17	155.65
	Hire Charges	28.05	28.49
	General Expenses	27.46	108.11
		512.20	615.42
	Total	901.24	984.49

21.1 Payment to Auditors as:

₹ in Lakhs

	2023-24	2022-23
(a) Statutory Audit Fees	0.55	0.50
(b) Tax Audit Fees	0.25	0.25
(c) Certification and Other Fees	1.02	0.11
	1.82	0.86

Certification and Other Fees primarily includes certification fees paid to Auditors.

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

22 The Company is mainly engaged in 'Organised Retail' primarily catering to Indian consumers in various consumptions baskets. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The chief operational decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

23 Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'.

	2023-24	2022-23
Face Value per Equity Share (₹)	10	10
Basic / Diluted Earnings per Share (₹) *	(3,848.20)	(3,125.82)
Net Profit / (Loss) as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	(1,924.10)	(1,562.91)
Weighted average number of equity shares used as denominator for calculating EPS	50,000	50,000

*Dilutive EPS same as basic EPS, being anti dilutive.

Reconciliation of weighted average number of shares outstanding

Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	50,000	50,000
Total Weighted Average Potential Equity Shares	-	-
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	50,000	50,000

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

24 Commitments and Contingent Liabilities

	As at 31st March, 2024	₹ in Lakhs As at 31st March, 2023
(I) Contingent Liabilities		
(i) Outstanding guarantees furnished to banks including in respect of letters of credit		
- In respect of Others	2.59	54.41
(II) Commitments		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for		
(i) In respect of Others	0.02	3.92

25 Deferred tax assets (net) of ₹ 2,506.77 Lakhs as on 31st March, 2024 consists of the following items. As a matter of prudence, the Company has not recognised deferred tax assets in the books of accounts.

	As at 31st March, 2024	₹ in Lakhs As at 31st March, 2023
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	2.77	2.79
Carried forward Losses	2,482.47	2,100.86
Less : Deferred Tax Liabilities		
Related to Property, Plant & Equipment and Intangible Assets	(21.53)	(10.20)
Deferred Tax Assets(Net)	<u>2,506.77</u>	<u>2,113.85</u>

26 The company adheres to a disciplined Capital Management framework, the pillars of which are as follows:

- a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimise liquidity risk.
- b) Manage financial market risks arising from foreign exchange, interest rates and commodity prices, and minimise the impact of market volatility on earnings.
- c) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of Balance Sheet. This framework is adjusted based on underlying macroeconomic factors affecting business environment, financial market conditions and interest rates environment.

The Net gearing ratio at the end of the reporting period was as follows:

	As at 31st March, 2024	₹ in Lakhs As at 31st March, 2023
Gross Debt	14,130.87	13,590.87
Cash and Marketable Securities*	92.53	126.63
Net Debt (A)	14,038.34	13,464.24
Total Equity (As per Balance Sheet) (B)	(11,954.73)	(10,031.18)
Net Gearing (A/B)	(1.17)	(1.34)

*Cash and Marketable Securities include Cash and Cash Equivalents of ₹ 92.53 Lakhs (Previous Year ₹ 126.63 Lakhs).

27 Financial Instruments

Valuation Methodology

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

A Fair value measurement hierarchy:

₹ in Lakhs

Particulars	As at 31st March, 2024				As at 31st March, 2023			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Trade Receivables	663.52	-	-	-	149.99	-	-	-
Cash and Bank Balances	92.53	-	-	-	126.63	-	-	-
Other Financial Assets	162.74	-	-	-	190.29	-	-	-
Financial Liabilities								
At Amortised Cost								
Borrowings	14,130.87	-	-	-	13,590.87	-	-	-
Trade Payables	669.74	-	-	-	427.46	-	-	-
Lease Liability	765.14	-	-	-	992.96	-	-	-
Other Financial Liabilities	41.76	-	-	-	44.23	-	-	-

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and directly or indirectly.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

B Financial Risk Management-

a) Foreign Currency Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

The following table shows foreign currency exposures in USD on financial instruments at the end of the reporting period. The exposure to other foreign currencies are not material.

(i) Foreign Currency Exposure

	As at 31st March, 2024	As at 31st March, 2023
	USD	USD
Trade Payables	<u>0.24</u>	<u>8.74</u>
Net Exposure	<u><u>0.24</u></u>	<u><u>8.74</u></u>

in Lakhs

Sensitivity analysis of 1% change in exchange rate at the end of reporting period

Foreign Currency Sensitivity

	As at 31st March, 2024	As at 31st March, 2023
1% Depreciation in INR	USD	USD
Impact on P&L	<u>(0.00)</u>	<u>(0.09)</u>
Total	<u><u>(0.00)</u></u>	<u><u>(0.09)</u></u>

	As at 31st March, 2024	As at 31st March, 2023
1% Appreciation in INR	USD	USD
Impact on P&L	<u>0.00</u>	<u>0.09</u>
Total	<u><u>0.00</u></u>	<u><u>0.09</u></u>

Interest Rate risk

There is no Interest rate risk as all the borrowings are at fixed rate of interest

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from principally from credit exposures to customers relating to outstanding receivables. The Company ensure that sales of products are made to customers with appropriate creditworthiness. Investment and other market exposures are managed against counterparty exposure limits. Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify and respond to cases of credit deterioration.

Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed borrowings to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position (including monitoring of borrowings) and cash and cash equivalents on the basis of expected cash flows. The company's liquidity is managed centrally with operating units forecasting their cash and currency requirements to the central treasury function. The operating units pool their cash surpluses to treasury, which will then either arrange to fund entity's expansion and working capital requirements through arranging for necessary borrowings, or invest any net surplus in the market.

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

₹ in Lakhs

Liquidity Risks	<u>Maturity Profile as on 31st March, 2024</u>						Grand Total
	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	
Non Current					14,130.87		14,130.87
Total Borrowings	-	-	-	-	14,130.87	-	14,130.87
Lease Liabilities	58.80	58.80	117.60	375.59	217.05	134.12	961.96

₹ in Lakhs

Liquidity Risks	<u>Maturity Profile as on 31st March, 2023</u>						Grand Total
	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	
Non Current					13,590.87		13,590.87
Total Borrowings	-	-	-	-	13,590.87	-	13,590.87
Lease Liabilities	75.77	75.77	151.54	610.80	273.15	78.02	1,265.05

28 Related Parties Disclosures

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below :

(i) List of Related Parties with whom transactions have taken place and relationships:

Sr. No	Name of the Related Parties	Relationship
1	Reliance Industries Limited	} Ultimate Holding company
2	Reliance Retail Ventures Limited	} Holding company
3	Reliance Retail Limited	}
4	Reliance Progressive Traders Private Limited	}
5	Reliance SMSL Limited (Merged with Reliance Property and Projects Management Services Limited with effect from 31st March, 2023)	} Fellow Subsidiaries
6	Reliance Property and Projects Management Services Limited	}
7	Reliance Jio Infocomm Limited	}
8	Catwalk Worldwide Private Limited	}
9	Innoviti Payment Solutions Private Limited	}
10	Reliance-Vision Express Private Limited	} Joint Venture

(ii) Transactions during the year with Related Parties (excluding reimbursements):

Sr. No	Nature of transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Joint Ventures	₹ in Lakhs Total
1	Net unsecured loans taken/ (repaid)	-	540.00 2,099.87	-	-	540.00 2,099.87
2	Revenue from Operations	-	-	1,122.83 466.17	27.02 -	1,149.85 602.17
3	Purchase of Property, Plant and Equipments	7.05 -	-	11.31 34.94	-	18.36 34.94
4	Purchases	-	-	805.06 211.57	-	805.06 242.89
5	Interest cost	-	1,232.23 952.42	-	-	1,232.23 952.42
6	Store running expenses	-	-	261.78 239.46	-	261.78 239.46
7	Electricity expenses	-	-	61.08 66.95	-	61.08 77.39
8	Rent	-	-	143.42 147.69	-	143.42 194.16
9	Professional Fees	2.93 0.51	-	-	-	2.93 4.77
10	Telephone Expenses	-	-	0.98 0.86	-	0.98 0.86
11	General And Administrative Expenses	-	-	2.00 -	-	2.00 -
12	Sales Promotion And Advertisement Expenses	-	-	0.20 -	-	0.20 -
13	Staff Welfare Expenses	-	-	0.29 -	-	0.29 -

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

Balance as at 31st March, 2024		Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Joint Ventures	Total
14	Borrowings - Non-Current	- -	141 30.87 <i>135 90.87</i>	- -	- -	141 30.87 135 90.87
15	Trade and other receivables	- -	- -	6 53.98 <i>1 36.99</i>	7.67 -	6 61.65 1 36.99
16	Trade payables	1.17 <i>0.18</i>	- -	3 28.20 <i>1 37.86</i>	- -	3 29.37 1 38.04
17	Other Financial Liability	1.62 -	- -	2.84 <i>17.06</i>	- -	4.46 17.06
18	Advance to Vendor	- -	- -	2.14 <i>3.17</i>	- -	2.14 3.17
19	Guarentee	- -	- -	1.59 <i>40.40</i>	- -	1.59 40.40
20	Deposit from Customer	- -	- -	- -	11.68 -	11.68 -

Figures in *italics* represents previous year's amount.

(iii) Disclosure in respect of major Related Party transactions during the year:

Particulars		Relationship	2023-24	₹ in Lakhs 2022-23
1	Net unsecured loans taken/ (repaid) Reliance Retail Ventures Limited	Holding Company	5 40.00	20 99.87
2	Revenue from Operations Reliance Retail Limited Reliance Retail Limited* Catwalk Worldwide Private Limited Reliance-Vision Express Private Limited	Fellow Subsidiary Holding Company Fellow Subsidiary Joint Venture	11 22.09 - 0.74 27.02	4 66.17 1 36.00 - -
3	Purchase of Property, Plant and Equipments Reliance Property and Projects Management services Limited Reliance Industries Limited	Fellow Subsidiary Ultimate Holding Company	11.31 7.05	34.94 -
4	Purchases Reliance Retail Limited Reliance Retail Limited* Catwalk Worldwide Private Limited	Fellow Subsidiary Holding Company Fellow Subsidiary	6 02.38 - 2 02.68	2 11.57 31.32 -
5	Interest cost Reliance Retail Ventures Limited	Holding Company	12 32.23	9 52.42
6	Store running expenses Reliance Property and Projects Management services Limited Innoviti Payment Solutions Private Limited Reliance SMSL Limited (Merged with Reliance Property and Projects Management Services Limited with effect from 31st March, 2023)	Fellow Subsidiary Fellow Subsidiary Fellow Subsidiary	2 56.76 5.02 -	- - 2 39.46
7	Electricity expenses Reliance Retail Limited Reliance Retail Limited* Reliance Progressive Traders Private Limited	Fellow Subsidiary Holding Company Fellow Subsidiary	37.50 - 23.58	37.81 10.44 29.14
8	Rent Reliance Retail Limited Reliance Retail Limited* Reliance Progressive Traders Private Limited	Fellow Subsidiary Holding Company Fellow Subsidiary	1 35.60 - 7.82	1 34.26 46.47 13.44
9	Professional Fees Reliance Industries Limited Reliance Retail Limited*	Ultimate Holding Company Fellow Subsidiary	2.93 -	0.51 4.26
10	Telephone Expenses Reliance Jio Infocomm Limited	Fellow Subsidiary	0.98	0.86
11	General And Administrative Expenses Reliance Retail Limited	Fellow Subsidiary	2.00	-
12	Sales Promotion And Advertisement Expenses Reliance Retail Limited	Fellow Subsidiary	0.20	-
13	Staff Welfare Expenses Reliance Retail Limited	Fellow Subsidiary	0.29	-

* The above entity includes related party where relationship existed for part of the year.

29 Ratios Analysis

Sr. No.	Particulars	2023-24	2022-23	% Change
1	Current Ratio ⁽ⁱ⁾	2.31	4.09	(44%)
2	Debt Service Coverage ratio	(0.56)	(0.64)	(12%)
3	Inventory Turnover Ratio ⁽ⁱⁱ⁾	1.48	1.01	46%
4	Trade Payable Turnover Ratio ⁽ⁱⁱⁱ⁾	3.35	7.14	(53%)
5	Net Profit Ratio	(63%)	(53%)	20%
6	Return on Investment ^(iv)	5%	14%	(65%)
7	Debt-Equity Ratio	(1.41)	(1.60)	(12%)
8	Return on Equity Ratio	17%	17%	4%
9	Trade Recievables Turnover Ratio ^(v)	8.57	16.70	(49%)
10	Net Capital Turnover Ratio	1.91	1.57	21%
11	Return on Capital Employed ^(vi)	(23%)	(17%)	35%

- i Current Ratio reduced due to Decrease in inventory.
- ii Inventory Turnover Ratio increased due to increase in cost of goods sold.
- iii Trade Payable Turnover Ratio reduced due to decrease in purchase.
- iv The reduction in Return on Investment (ROI) is attributable to decrease in Other Income.
- v Trade Payable Turnover Ratio reduced due to decrease in purchase.
- vi Return on Capital Employed reduced due to decrease in Other Equity.

29.1 Formulae for Computation of Ratios are as follows:

Sr. No.	Particulars	Formula
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilites}}$
2	Debt Service Coverage ratio	$\frac{\text{Earnings before Interest, Tax}}{\text{Interest Expense} + \text{Principal Repayments made during period for long term loans}}$
3	Inventory Turnover Ratio	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventories of Finished Goods, Stock-in-Trade}}$
4	Trade Payable Turnover Ratio	$\frac{\text{Purchases of Stock-in-Trade} + \text{Other Expenses}}{\text{Average Trade Payables}}$
5	Net Profit Ratio	$\frac{\text{Profit After Tax}}{\text{Value of Sales \& Services}}$
6	Return on Investment	$\frac{\text{Other Income}}{\text{Average Cash, Cash Equivalents \& Other Marketable Securities}}$
7	Debt Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
8	Return on Equity Ratio	$\frac{\text{Profit After Tax (Attributable to Owners)}}{\text{Average Net Worth}}$
9	Trade Recievables Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Average Trade Receivables}}$
10	Net Capital Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Net Worth}}$
11	Return on Capital Employed	$\frac{\text{Net Profit After Tax} + \text{Finance Cost (-) Other Income}}{\text{Average Capital Employed **}}$

** Capital employed includes Equity, Borrowings, Deferred Tax Liabilities, Creditor for Capital Expenditure and reduced by Cash and Cash Equivalents and Capital Work-in-Progress.

30 Other Statutory Information

- (i) The Company has no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee)
- (ii) The Company does not have any investment property.
- (iii) As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- (iv) The company has not granted loans or advances in the nature of loan to any promoters, directors, KMPs and the related parties (As per Companies Act, 2013), either repayable on demand or without specifying any terms or period of repayments.
- (v) The Company does not have any Capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.
- (vi) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.
- (vii) The Company has not been declared a wilful defaulter, by any bank or financial institution (as defined under the Act) or consortium thereof, in accordance with the guidelines as wilful defaulters issued by the Reserve Bank of India
- (viii) The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.
- (ix) There are no Charges or Satisfaction which are yet to be registered with ROC beyond the statutory period.
- (x) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) Ratios are mentioned in detail in note no.29
- (xii) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- (xiii) A The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- B The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xiv) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- (xv) The company has not traded or invested in Crypto currency or virtual currency during the financial year.

31 There is no major subsequent event after the reporting period for Financial Year 2023-24.

32 The figures of the corresponding year has been regrouped / reclassified wherever nessasary, to make them comparable.

33 The Financial statements were approved for issue by the Board of Directors on 15th April, 2024

Reliance Clothing India Limited
(Formerly Reliance Clothing India Private Limited)

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/W100355

Ashish Patil

Director

DIN: 00076627

Gaurav Jain

Partner

Membership No: 129439

Sajita Nair

Director

DIN: 09082420

Date: 15th April, 2024

Aditi Jain

Director

DIN: 09805093