

Reliance Luxe Beauty Limited
(Formerly known as Arvind Beauty Brands Retail Limited)

Financial Statements
2023-24

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RELIANCE LUXE BEAUTY LIMITED (FORMERLY KNOWN AS ARVIND BEAUTY BRANDS RETAIL LIMITED)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 preparation of the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

The Board of Directors are 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) The provision of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024.
- 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:
- a) The Company does not have any pending litigation which would affect its financial position;
 - b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - c) There have been no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - d)
 - i. 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.
 - ii. 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, 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
 - iii. Based on the audit procedures conducted by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatements.
 - e) According to the information and explanations provided to us, the Company has not declared any dividend during the year.
 - f) 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.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Sorab S. Engineer & Co.**
Chartered Accountants
(Firm's Registration No. 110417W)

CA. Chokshi Shreyas B.
Partner
(Membership No.100892)
UDIN: 24100892BJZWTV2192

Ahmedabad
April 19, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited) of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance 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.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sorab S. Engineer & Co.**

Chartered Accountants

Firm's Registration No. 110417W

CA. Chokshi Shreyas B.

Partner

(Membership No.100892)

UDIN: 24100892BJZWTV2192

Ahmedabad

April 19, 2024

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited) on the financial statements for the year ended March 31, 2024

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - 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.
 - b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us the Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) which are held in the name of the Company.
 - d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
 - e) According to the information and explanation given to us, the Company has no proceedings pending for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. In respect of the Company's Inventories:
 - a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate, and no material discrepancies were noticed on verification between the physical stocks and the book records which were 10% or more in the aggregate for each class of inventory.
 - b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees from bank on the basis of security of current assets. In our opinion the revised quarterly returns or statements filed by the Company with such bank are in agreement with the books of accounts of the Company.
- iii. According to the information and explanations given to us, the Company has made not made investments in, not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships. Hence reporting under this clause is not applicable.

- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and has not advanced loans or not given guarantees or not provided security or not made investments covered under section 186 of the Act. Hence reporting under this clause is not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act in respect of the Company's product. Consequently, requirement of clause (vi) of paragraph 3 of the order are not applicable.
- vii.
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Goods and Service Tax, Duty of Custom, Cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, no disputed statutory dues are payable as at March 31, 2024.
- viii. To the best of our knowledge and belief and according to the information and explanations given to us, there were no transactions which are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. In our opinion and according to the information and explanations given to us, in respect of the Company's Borrowings:
 - a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - b) The Company is not a declared willful defaulter by any bank or financial institution or other lender.
 - c) The term loans of the company were applied for the purpose for which the loans were obtained.
 - d) The funds raised on short term basis have not been utilized for long term purposes.
 - e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. In our opinion and according to the information and explanations given to us, in respect of funds raised by the Company:
 - a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
 - b) The company has not made any preferential allotment during the year.
- xi. In respect of fraud by the Company or on the Company:
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
 - b) There has been no report under sub-section (12) of section 143 of the Companies Act filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) There have been no whistle-blower complaints received during the year by the company.
- xii. The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- xiii. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details have been disclosed as required by the applicable Indian Accounting Standard (Ind AS)-24 Related Party Disclosures.
- xiv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- xv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the nature of business, the company is not required to be registered under section 45-IA of Reserve Bank of India, 1934.
- xvii. According to the information and explanations given to us, the company has incurred cash losses of Rs.1.28 Crores in the current year. It has not incurred cash losses in the immediately preceding financial year.
- xviii. According to the information and explanations given to us, there has been no resignation of the statutory auditors during the year.

- xix. According to the information and explanations given to us and 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet dates will get discharged by the Company as and when they fall due.
- xx. In respect of the Company's Corporate Social Responsibility, reporting under this clause is not applicable to the company.
- xxi. According to the information and explanations given to us, this clause is not applicable to the Company as it is not required to prepare consolidated financial statements.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm's Registration No. 110417W

CA. Chokshi Shreyas B.
Partner
(Membership No.100892)
UDIN: 24100892BJZWT2192

Ahmedabad
April 19, 2024

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)
Balance Sheet as at 31st March, 2024

	Notes		As at 31st March, 2024	As at 31st March, 2023
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	1	69.83	1 05.20	
Capital Work-in-Progress	1	0.82	1.05	
Intangible Assets	1	4.42	-	
Financial Assets				
Other Financial Assets	2	13.07	13.38	
Deferred Tax Assets (net)	3	17.32	17.03	
Other Non Current Assets	4	0.53	1.75	
Total Non-Current Assets			1 05.99	1 38.41
Current Assets				
Inventories	5	1 24.10	1 09.77	
Financial Assets				
Trade Receivables	6	1.64	-	
Cash and Cash Equivalents	7	8.61	11.23	
Other Financial Assets	8	4.79	7.46	
Other Current Assets	9	9.65	25.92	
Total Current Assets			1 48.79	1 54.38
Total Assets			2 54.78	2 92.79
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	10	8.94	8.94	
Other Equity	11	(52.31)	1.65	
Total Equity			(43.37)	10.59
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	12	1 31.98	-	
Lease Liabilities	13	61.14	78.20	
Provisions	14	1.01	1.03	
Total Non-Current Liabilities			1 94.13	79.23
Current Liabilities				
Financial Liabilities				
Borrowings	15	-	1 01.83	
Lease Liabilities	16	18.21	26.82	
Trade Payables Due to:				
- Other than Micro and Small Enterprises	17	73.83	63.36	
Other Financial Liabilities	18	3.37	1.70	
Other Current Liabilities	19	8.56	9.01	
Provisions	20	0.05	0.25	
Total Current Liabilities			1 04.02	2 02.97
Total Liabilities			2 98.15	2 82.20
Total Equity and Liabilities			2 54.78	2 92.79
Material Accounting Policies				
See accompanying Notes to the Financial Statements 1 to 36				

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)

As per our Report of even date

For and on behalf of the Board

For Sorab S. Engineer & Co.
Chartered Accountants
Firm registration no: 110417W

Hetal Jignesh Rathod
Additional Director
DIN: 00010711

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Sumeet Yadav
Additional Director
DIN: 07221267

Date: 19th April, 2024

Pranav Kishor Lodhavia
Additional Director
DIN: 08574439

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)
Statement of Profit and Loss for the year ended 31st March, 2024

	Notes	2023-24	₹ in Crore 2022-23
INCOME			
Value of Sales		3 83.50	3 27.80
Income from Services		1.03	8.79
Other Operating Income		-	0.12
Value of Sales and Services		3 84.53	3 36.71
Less: Goods and Service Tax Recovered		20.53	-
Revenue from Operations		3 64.00	3 36.71
Other Income	21	1.70	2.17
Total Income		3 65.70	3 38.88
EXPENSES			
Purchases of Stock-in-Trade		2 60.06	2 21.50
Changes in Inventories of Stock-in-Trade	22	(13.42)	(11.38)
Employee Benefits Expense	23	29.70	31.37
Finance Costs	24	19.59	17.40
Depreciation and Amortisation Expense	1	31.08	34.29
Other Expenses	25	77.91	65.55
Total Expenses		4 04.92	3 58.73
(Loss) before Tax		(39.22)	(19.85)
Tax expenses:			
Current tax	4	-	-
(Excess) provision for tax relating to prior years		0.18	-
Deferred Tax- Charge/(Credit)	3	(0.33)	0.05
Loss for the year		(39.07)	(19.90)
Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or Loss	23.1	0.15	(0.17)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(0.04)	0.05
Total Comprehensive Loss for the Year (Net of Tax)		(38.96)	(20.02)
Earnings per Equity Share of face value of ₹ 10 each			
Basic (in ₹)		(43.71)	(22.26)
Diluted (in ₹)	28	(43.71)	(22.26)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 36		

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)

As per our Report of even date

For and on behalf of the Board

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm registration no: 110417W

Hetal Jignesh Rathod
Additional Director
DIN: 00010711

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Sumeet Yadav
Additional Director
DIN: 07221267

Date: 19th April, 2024

Pranav Kishor Lodhavia
Additional Director
DIN: 08574439

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)
Statement of Changes in Equity for the year ended 31st March, 2024

A. Equity Share Capital

₹ in Crore

	Balance at the beginning of the reporting period i.e. 1st April, 2022	Changes in equity share capital during the year 2022-23	Balance at the end of the reporting period i.e. 31st March, 2023	Changes in equity share capital during the year 2023-24	Balance at the end of the reporting period i.e. 31st March, 2024
	8.94	-	8.94	-	8.94

B. Other Equity

₹ in Crore

Particulars	Reserves and Surplus					Total
	Retained Earnings	Securities premium	Non Convertible Debentures - Entirely Equity in Nature	Contribution from Parent for ESOP	Other Comprehensive Income	
As on 31st March, 2023						
Balance at the beginning of the reporting period i.e. 1st April, 2022	(1 06.61)	1 07.07	-	6.05	-	6.51
Total Comprehensive Profit for the Year	(19.90)	-	-	-	(0.13)	(20.03)
Add/(Less):- Issued/Additions During the Year	-	-	15.00	0.17	-	15.17
Balance at the end of reporting period 31st March, 2023	(1 26.51)	1 07.07	15.00	6.22	(0.13)	1.65
As on 31st March, 2024						
Balance at the beginning of the reporting period i.e. 1st April, 2023	(1 26.51)	1 07.07	15.00	6.22	(0.13)	1.65
Total Comprehensive Profit for the Year	(39.07)	-	-	-	0.11	(38.96)
Add/(Less):- Adjustments/Transfers (Refer Note 12)	6.22	-	(15.00)	(6.22)	-	(15.00)
Balance at the end of reporting period 31st March, 2024	(1 59.36)	1 07.07	-	-	(0.02)	(52.31)

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)

As per our Report of even date

For and on behalf of the Board

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm registration no: 110417W

Hetal Jignesh Rathod
Additional Director
DIN: 00010711

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Sumeet Yadav
Additional Director
DIN: 07221267

Date: 19th April, 2024

Pranav Kishor Lodhavia
Additional Director
DIN: 08574439

Reliance Luxe Beauty Limited
(Formerly known as Arvind Beauty Brands Retail Limited)
Cash Flow Statement for the year ended 31st March, 2024

₹ in Crore

	2023-24	2022-23
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax as per Statement of Profit and Loss	(39.22)	(19.85)
Adjusted for:		
Loss on sale/ discard of Property, Plant and Equipment (Net)	2.46	0.22
Depreciation and Amortisation Expense	31.08	34.29
Share Based Payment Expenses	-	0.17
Interest Income	(1.62)	(1.65)
Lease Liability written back	(0.04)	(0.52)
Finance Costs	19.59	17.41
	<u>51.47</u>	<u>49.92</u>
Operating Profit before Working Capital Changes	<u>12.25</u>	<u>30.07</u>
Adjusted for:		
Trade and Other Receivables	17.60	(6.05)
Inventories	(14.33)	(11.38)
Trade and Other Payables	8.62	(0.26)
	<u>11.89</u>	<u>(17.69)</u>
Cash (Used in) / Generated from Operations	<u>24.14</u>	<u>12.38</u>
Taxes Paid (Net)	1.04	(0.01)
Net Cash (Used in) / Generated from Operating Activities *	<u>25.18</u>	<u>12.37</u>
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(2.36)	(7.00)
Sale of Property, Plant and Equipment and Intangible Assets	-	0.01
Interest Income	1.62	1.64
Net Cash used in From Investing Activities	<u>(0.74)</u>	<u>(5.35)</u>
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings - Non-Current	1 31.98	-
Repayment of Borrowings - Non-Current	-	(0.02)
Changes in Short Term Borrowings	(1 01.83)	28.82
Issue of Non Convertible Debentures	-	15.00
Payment of Lease Liabilities	(35.95)	(25.59)
Interest Paid	(21.26)	(17.37)
Net Cash Flow from/(used in) Financing Activities	<u>(27.06)</u>	<u>0.84</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(2.62)</u>	<u>7.86</u>
Opening Balance of Cash and Cash Equivalents	<u>11.23</u>	<u>3.37</u>
Closing Balance of Cash and Cash Equivalents (Refer Note "7 ")	<u>8.61</u>	<u>11.23</u>

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)

As per our Report of even date

For and on behalf of the Board

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm registration no: 110417W

Hetal Jignesh Rathod
Additional Director
DIN: 00010711

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Sumeet Yadav
Additional Director
DIN: 07221267

Date: 19th April, 2024

Pranav Kishor Lodhavia
Additional Director
DIN: 08574439

Reliance Luxe Beauty Limited
(Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

A. CORPORATE INFORMATION

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited) (“the Company”) (CIN No: U52100GJ2015PLC082996), is a public limited company domiciled in India and has registered office in Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad- 380025, India.

The Company’s immediate holding Company is Reliance Beauty & Personal Care Limited and Ultimate holding company is Reliance Industries Limited. The Company is engaged in business of retailing and selling of Cosmetics products under the brand “Sephora”.

B. MATERIAL ACCOUNTING POLICIES

B.1 Basis of Preparation and Presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities which have been measured at fair values.

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.

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

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.

An asset is treated as Current when it is –

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

(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.

Reliance Luxe Beauty Limited
(Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost 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 in compliance with Schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the lower of estimated useful life or lease period.

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 Company 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

Reliance Luxe Beauty Limited
(Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

(e) 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.

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.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

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.

Interest Income

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

(f) 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.

(g) 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.

(h) 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 all cost of purchase and freight and related direct expenses net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of inventories are determined on weighted average basis.

(i) 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.

Reliance Luxe Beauty Limited
(Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

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

(j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Contingent Liabilities

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

(l) Employee Benefits

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 whoever has completed five years of service with the Company at the time of resignation. The gratuity is paid @15days 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.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

Employee Separation Costs

The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

(m) Tax Expenses

The tax expense for the period comprises current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In this case, the tax is also recognised in Other Comprehensive Income and Equity.

i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Reliance Luxe Beauty Limited
(Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

(n) 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 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).

(o) 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 added 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 are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) 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.

ii) Financial Liabilities

A. Initial Recognition and Measurement

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

Reliance Luxe Beauty Limited
(Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

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) 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.

iv) 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.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

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 year.

a) Depreciation / Amortisation and Useful Lives of Property Plant and Equipment / Intangible Assets

Property, Plant and Equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives 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 lives 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 assessing 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.

Reliance Luxe Beauty Limited
(Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

d) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using 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 transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Impairment of 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.

f) Recognition of Deferred Tax Assets

Deferred tax assets 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.

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)

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

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

₹ in Crore

Description	Gross block				Depreciation/ amortisation				Net block	
	As at 1st April, 2023	Additions	Deductions/ Adjustments	As at 31st March, 2024	As at 1st April, 2023	For the year	Deductions/ Adjustments	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Property, Plant and Equipment										
Own assets:										
Plant and machinery	7.65	0.24	6.60	1.29	6.19	2.78	7.86	1.11	0.18	1.46
Equipment	5.56	0.02	(3.84)	9.42	4.39	0.56	(3.33)	8.28	1.14	1.17
Furniture and fixtures	26.56	0.33	2.35	24.54	19.91	1.59	0.12	21.38	3.16	6.65
Leasehold improvements	25.66	0.06	3.90	21.82	21.62	1.31	2.66	20.27	1.55	4.04
Sub-Total	65.43	0.65	9.01	57.07	52.11	6.24	7.31	51.04	6.03	13.32
Right-of-Use Asset:										
Leasehold Premises	1 18.15	1.15	10.17	1 09.13	26.27	24.63	5.57	45.33	63.80	91.88
Sub-Total	1 18.15	1.15	10.17	1 09.13	26.27	24.63	5.57	45.33	63.80	91.88
Total (i)	1 83.58	1.80	19.18	1 66.20	78.38	30.87	12.88	96.37	69.83	1 05.20
Other Intangible assets										
Brand Value & License Brand	3.23	4.59	3.23	4.59	3.23	0.17	3.23	0.17	4.42	-
Computer Software	0.93	-	-	0.93	0.93	0.04	0.04	0.93	0.00	-
Total (ii)	4.16	4.59	3.23	5.52	4.16	0.21	3.27	1.10	4.42	-
Total (i+ii)	1 87.74	6.39	22.41	1 71.72	82.54	31.08	16.15	97.47	74.25	1 05.20
Previous year	1 31.81	60.00	4.07	1 87.74	49.63	34.29	1.37	82.54	1 05.20	82.18
Capital work-in-progress									0.82	1.05

Ageing Schedule as on 31st March, 2024

₹ in Crore

Particulars	Outstanding for following periods from				
	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Capital Work-in- Progress	0.82	-	-	-	0.82

Ageing Schedule as on 31st March, 2023

₹ in Crore

Particulars	Outstanding for following periods from				
	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Capital Work-in- Progress	1.05	-	-	-	1.05

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

2. Other Financial Assets	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
Security Deposits	13.07	13.38
Total	13.07	13.38

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

3. Deferred Tax Assets (Net)	₹ in Crore	
	As at 31st March, 2024	As at 31st March, 2023
At the start of the year	17.03	17.03
Credit to Statement of Profit and Loss	0.33	(0.05)
Credit to Other Comprehensive Income	(0.04)	0.05
At the end of year	17.32	17.03

Components of Deferred Tax Assets	₹ in Crore			
	As at 31st March, 2023	Charge/(credit) to Statement of Profit and Loss	Charge/(credit) to Other Comprehensive Income	As at 31st March, 2024
Deferred tax Assets in relation to:				
Property, Plant and Equipment and Intangible Asset	7.83	0.36	-	8.19
Carried Forward Losses	2.12	1.25	-	3.37
Financial Assets	7.08	(1.28)	(0.04)	5.76
Total	17.03	0.33	(0.04)	17.32

4. Other Non-Current Assets (unsecured and considered good)	₹ in Crore	
	As at 31st March, 2024	As at 31st March, 2023
Advance Income Tax (Net of Provision) ⁽ⁱ⁾	0.53	1.67
Sales Tax Paid Under Protest	-	0.08
Total	0.53	1.75

(i) Advance Income Tax (Net of Provision)	₹ in Crore	
	As at 31st March, 2024	As at 31st March, 2023
At start of year	1.67	1.87
Charge for the year - Current-Tax	-	-
Tax paid (Net) during the year	(1.14)	(0.20)
At end of year	0.53	1.67

5. Inventories (valued at lower of cost and net realisable value)	₹ in Crore	
	As at 31st March, 2024	As at 31st March, 2023
Stock-in-trade	1 23.19	1 09.77
Stores and spares	0.91	-
Total	1 24.10	1 09.77

Reliance Luxe Beauty Limited
(Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
7 . Cash and Cash Equivalents		
Cash on Hand	1.10	-
Balances with banks ⁽ⁱ⁾		
In Current Accounts	7.38	10.05
In Deposits	0.13	1.18
Cash and Cash Equivalents as per Balance Sheet	8.61	11.23

(i) Includes deposits ₹ 0.13 crore (Previous year ₹ 1.18 crore) with maturity period of less than 12 months.

	As at 31st March, 2024	As at 31st March, 2023
8 . Other Financial Assets - Current		
Security Deposits	4.78	1.30
Others ⁽ⁱ⁾	0.01	6.16
Total	4.79	7.46

(i) Includes interest receivable

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
9 . Other Current Assets <i>(Unsecured and Considered Good)</i>		
Balance with Customs, GST and State authorities	4.02	20.10
Others ⁽ⁱ⁾	5.63	5.82
Total	9.65	25.92

(i) Includes advances to employees and vendors and prepaid expenses.

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

10 Share capital

₹ in Crore
As at **As at**
31st March, 2024 **31st March, 2023**

Authorised Share Capital :

1,00,00,000 Equity Shares of ₹ 10 each
(1,00,00,000)

10.00 10.00

Total

10.00 10.00

Issued, Subscribed and Paid-up :

89,39,488 Equity Shares of ₹ 10 each fully paid up
(89,39,488)

8.94 8.94

Total

8.94 8.94

(i) Out of the above, 89,39,488 equity shares of Rs. 10 each fully paid up are held by Reliance Beauty & Personal Care Limited, the Holding Company, along with its nominee(s) w.e.f November 3, 2023. Previous Year, these shares were held by Arvind Fashions Limited along with its nominee(s).

(ii) The details of Shareholders holding more than 5% shares :

Name of the Shareholders	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	% held	No. of Shares	% held
Reliance Beauty & Personal Care Limited*	89,39,488	100.00	-	-
Arvind Fashions Limited*	-	-	89,39,488	100.00

* includes Shares held along with its Nominees

(iii) The details of shareholding of Promoters.:

As at 31st March, 2024

Sr. No.	Class of Equity Shares	Promoters' s Name	No. of shares at the Beginning of the year	Changes During the year	No. of shares at the End of the year	% of total shares	%change during the year
1	Fully paid-up equity shares of Rs.10 each	Reliance Beauty & Personal Care Limited*	-	89,39,488	89,39,488	100.00%	100%
2	Fully paid-up equity shares of Rs.10 each	Arvind Fashions Limited*	89,39,488	(89,39,488)	-	-	-100%

* includes Shares held along with its Nominees

As at 31st March, 2023

Sr. No.	Class of Equity Shares	Promoters' s Name	No. of shares at the Beginning of the year	Changes During the year	No. of shares at the End of the year	% of total shares	%change during the year
1	Fully paid-up equity shares of Rs.10 each	Arvind Fashions Limited*	89,39,488	-	89,39,488	100.00%	-

* includes Shares held along with its Nominees

(iv) The Reconciliation of the number of shares outstanding is set out below :

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

Particulars

No. of shares No. of shares

Equity shares at the beginning of the year

89,39,488 89,39,488

Add: Equity shares issued during the year

-

Equity shares at the end of the year

89,39,488 89,39,488

(v) The Company has only one class of equity shares having face value of ₹10 each and the holder of the equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time-to-time in proportion to the number of equity shares held by them. 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 proportion to the number of equity shares held.

Reliance Luxe Beauty Limited
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Notes to the Financial Statements for the year ended 31st March, 2024

	As at 31st March, 2024	As at 31st March, 2023
₹ in Crore		
11 . Other Equity		
Retained Earnings		
As per last Balance Sheet	(1 26.51)	(1 06.61)
Add: Profit/(Loss) for the year	(39.07)	(19.90)
Add: ESOP Contribution of Erstwhile Entity	6.22	-
	<u>(1 59.36)</u>	<u>(1 26.51)</u>
Other Comprehensive Income (OCI)		
As per last Balance Sheet	(0.13)	-
Add: Movement in OCI (Net) during the year	0.11	(0.13)
	<u>(0.02)</u>	<u>(0.13)</u>
Non Convertible Debentures - entirely Equity in Nature		
As per last Balance Sheet	15.00	15.00
Less: Repaid on Acquisition	(15.00)	-
	<u>-</u>	<u>15.00</u>
Securities Premium Account		
As per last Balance Sheet	1 07.07	1 07.07
	<u>1 07.07</u>	<u>1 07.07</u>
Contribution from Parent for ESOP		
As per last Balance Sheet	6.22	6.05
Addition/(Reversal) during the year	-	0.17
Less: Transferred to Retained Earnings	(6.22)	-
	<u>-</u>	<u>6.22</u>
Total	<u><u>(52.31)</u></u>	<u><u>1.65</u></u>

	As at 31st March, 2024	As at 31st March, 2023
₹ in Crore		
12 . Borrowings - Non-Current		
Unsecured - At Amortised Cost		
Loans and advances from related party ⁽ⁱ⁾	1 31.98	-
Total	<u><u>1 31.98</u></u>	<u><u>-</u></u>

⁽ⁱ⁾ Represents from a Holding Company

The Borrowings, fall under the category of 'Unsecured Borrowings' and carry a rate of 9% (Previous Year Nil) and are repayable within 3 to 5 years.

The Company has satisfied all the Covenants prescribed in terms of Borrowings.

Reliance Luxe Beauty Limited
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Notes to the Financial Statements for the year ended 31st March, 2024

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
13 . Lease Liabilities		
Lease Liabilities (Please Refer Note 31)	61.14	78.20
Total	61.14	78.20

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
14. Provisions - Non-Current		
Provision for employee benefits (Refer note 22.1) ⁽ⁱ⁾	1.01	1.03
Total	1.01	1.03

⁽ⁱ⁾ Provision for employee benefits includes gratuity, annual leave and vested long service leave entitlement accrued.

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
15 . Borrowings - Current		
Secured		
Working Capital Loan repayable on Demand from Banks	-	28.00
Unsecured		
Intercompany Deposits from Related Parties	-	73.83
	-	1 01.83

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
16. Lease Liabilities- Current		
Lease Liabilities (Please Refer Note 31)	18.21	26.82
	18.21	26.82

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

17. Trade Payables Due To:	₹ in Crore	
	As at 31st March, 2024	As at 31st March, 2023
Micro and Small Enterprises	-	
Other than Micro and Small Enterprise	73.83	63.36
Total	73.83	63.36

19.1 There are no overdues to Micro, Small and Medium Enterprises as at 31st March, 2024

Ageing Schedule as on 31st March, 2024

₹ in Crore

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	73.83	-	-	-	-	73.83
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	73.83	-	-	-	-	73.83

Ageing Schedule as on 31st March, 2023

₹ in Crore

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	51.61	11.75	-	-	-	63.36
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	51.61	11.75	-	-	-	63.36

Reliance Luxe Beauty Limited
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Notes to the Financial Statements for the year ended 31st March, 2024

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
18. Other Financial liabilities-Current		
Interest accrued but not due on Borrowings	3.37	0.05
Other Payables ⁽ⁱ⁾	-	1.65
Total	3.37	1.70

⁽ⁱ⁾ Includes Creditors for Capital Expenditures and Payable to Employees

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
19. Other Current Liabilities		
Other payables ⁽ⁱ⁾	8.56	9.01
Total	8.56	9.01

⁽ⁱ⁾ Includes statutory dues and advances from customers.

Other Current Liabilities - Others

1 Statuary liabilities	2.17	0.90
1 Advance from Customers	0.22	0.35
2 Prepaid card/ Gift card liabilities	0.54	
3 Others (<i>Employee and others..</i>)	1.80	4.18
4 Loyalty Expenses	3.82	3.57
	8.56	9.01

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
20. Provisions - Current		
Provision for employee benefits (Refer note 22.1) ⁽ⁱ⁾	0.05	0.25
Total	0.05	0.25

⁽ⁱ⁾ Provision for employee benefits includes gratuity, annual leave and vested long service leave entitlement accrued.

	2023-24	₹ in Crore 2022-23
21. Other Income		
Interest		
Bank Deposits	0.02	-
Interest Income	1.60	1.65
	1.62	1.65
Gain on Financial Assets		
Realised Gain	0.04	-
Other Income	0.04	0.52
Total	1.70	2.17

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

	₹ in Crore	
	2023-24	2022-23
22. Changes in Inventories of Stock-in-Trade		
Inventories (at close)		
Stock-in-trade	1 23.19	1 09.77
Inventories (at commencement)		
Stock-in-trade	1 09.77	98.39
(Increase)/ decrease	(13.42)	(11.38)

	₹ in Crore	
	2023-24	2022-23
23. Employee Benefits Expense		
Salaries and wages	26.76	28.23
Contribution to provident fund and other funds	1.80	1.50
Staff welfare expenses	1.14	1.47
Share Based Payment to Employees	-	0.17
Total	29.70	31.37

23.1 As per Ind AS 19 "Employee benefits", the disclosures as defined are given below :

Defined Contribution Plan

	₹ in Crore	
	2023-24	2022-23
Contribution to defined contribution plan, recognised as expenses for the year is as under:		
Employer's contribution to Provident Fund	0.97	0.81
Employer's contribution to Pension Scheme	0.19	0.36

Defined Benefit Plan

I. Reconciliation of opening and closing balances of defined benefit obligation ₹ in Crore

Particulars	Gratuity (unfunded)	
	2023-24	2022-23
Defined benefit obligation at beginning of the year	1.06	0.76
Acquisition adjustment	-	-
Current service cost	0.25	0.18
Past service cost	-	0.09
Interest cost	0.08	0.04
Actuarial loss	(0.15)	0.20
Benefits paid	(0.10)	(0.22)
Transfer in / (out)	(0.20)	0.01
Defined benefit obligation at year end	0.94	1.06

II. Reconciliation of fair value of assets and obligations

	Gratuity (unfunded)	
	2023-24	2022-23
Fair value of plan assets	0.53	0.59
Present value of obligation	0.94	1.06
Amount recognised in Balance Sheet (Surplus / Deficit)	0.41	0.47

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

III. Expenses recognised during the year

	Gratuity (unfunded)	
	2023-24	2022-23
Current service cost	0.25	0.27
Interest cost	0.08	0.04
Actuarial (gain)/ loss recognised in the year	-	-
Net Cost	0.33	0.31
In Other Comprehensive Income		
Actuarial Loss	(0.15)	0.20
Net Expense For the period Recognised in OCI	(0.15)	0.20

IV. Actuarial assumptions

Mortality Table (IALM)	Gratuity (unfunded)	
	2022-23 2012-14 (Ultimate)	2022-23 2012-14 (Ultimate)
Discount rate (per annum)	7.23%	7.30%
Rate of escalation in salary (per annum)	6.00%	10.23% for Retail and 17.67% for Corporate
Rate of employee turnover (per annum)	7.00%	41.20% for Retail and 20% for Corporate

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.

V. The expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial year 2022-23.

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

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

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.

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

Particulars	₹ in Crore			
	As at 31st March, 2024		As at 31st March, 2023	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	0.05	(0.05)	0.02	(0.02)
Change in rate of salary increase(delta effect of +/- 0.5%)	(0.05)	0.05	(0.19)	0.02
Change in rate of employee turnover (delta effect of +/- 0.5%)	-	-	0.01	0.01

Reliance Luxe Beauty Limited
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Notes to the Financial Statements for the year ended 31st March, 2024

		₹ in Crore
24. Finance Costs		2023-24
		2022-23
Interest on Lease liabilities	9.10	10.32
Interest on others	10.49	5.41
Cash Credit Facilities	-	1.66
Other Finance Costs	-	0.01
Total	19.59	17.40
		₹ in Crore
25. Other Expenses		2023-24
		2022-23
Selling and Distribution Expenses		
Sales promotion and advertisement expenses	10.34	13.46
Store running expenses	0.74	-
Royalty	13.36	6.87
Commission	1.61	0.26
Warehousing and distribution expenses	2.40	1.01
Total	28.45	21.60
Establishment Expenses		
Stores and packing materials	1.45	1.60
Building repairs and maintenance	1.91	-
Other repairs	0.40	6.62
Rent including lease rentals	18.70	7.40
Insurance	0.31	0.25
Rates and taxes	9.19	2.78
Travelling and conveyance expenses	0.81	1.37
Professional fees	5.32	4.78
Freight, Insurance and Clearing Charges	-	1.83
Loss on sale/ discard of Property, Plant and Equipment (Net)	2.50	0.22
Exchange differences (net)	(0.10)	-
Security and Housekeeping expenses	2.03	3.17
Electricity expenses	3.68	4.60
Hire charges	0.36	0.17
General expenses	2.73	9.00
Total	49.29	43.79
25.1 Payments to Auditor		
Statutory Audit Fees	0.13	0.12
Tax Audit Fees	0.04	0.04
	0.17	0.16
Total	77.91	65.55

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

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
26. Taxation		
Income tax Recognised in Statement of profit and loss	(0.15)	0.05
Current Tax	0.18	-
Deferred Tax	(0.33)	0.05
Total Income Tax expenses recognised in the Current Year	(0.15)	0.05
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
(Loss) before tax	(39.22)	(19.85)
Applicable tax rate	25.17%	25.17%
Computed tax expenses	(9.87)	(5.00)
Tax Effect of:		
Carry forward losses	9.36	-
Expenses disallowed	1.92	1.29
Others	-	0.08
Additional allowances	(1.41)	(1.31)
Current Tax Provision (A)	0.00	(4.94)
Incremental Deferred Tax Liability on account of Property, Plant and Equipment	0.36	(0.01)
Incremental Deferred Tax Liability on account of Financial Assets & Other items	(0.69)	0.06
Deferred Tax Provision (B)	(0.33)	0.05
Tax Expenses recognised in Statement of Profit and Loss (A+B)	(0.33)	(4.89)
Effective Tax Rate	0.84%	25.34%

Reliance Luxe Beauty Limited
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Notes to the Financial Statements for the year ended 31st March, 2024

27. The Company is engaged in business of retailing and selling of Cosmetics products under the brand "Sephora". 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.

28. Earnings per share (EPS)

	2023-24	2022-23
Face Value per Equity Share (₹)	10.00	10.00
Basic and Diluted Earnings per Share (₹) *	(43.71)	(22.26)
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ Crores)	(39.07)	(19.90)
Weighted average number of equity shares used as denominator for calculating Basic and Diluted EPS	89,39,488	89,39,488

29. Commitments and Contingent Liabilities

	As at 31st March, 2024	₹ in Crore As at 31st March, 2023
a Contingent Liabilities:		
Guarantees		
Outstanding Guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credits - In respect of others	-	1.05
Disputed Demand in respect of Income Tax	-	0.16
b Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for - In respect of others	-	0.05

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

30. Capital Management

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

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimise liquidity risk.
- Manage financial market risks arising from foreign exchange, interest rates and minimise the impact of market volatility on earnings.
- 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

Net Gearing Ratio

The net gearing ratio at end of the reporting period was as follows.

	₹ in Crore	
	As at	As at
	31st March, 2024	31st March, 2023
Gross Debt	1 31.98	1 01.83
Cash and Marketable Securities	8.61	11.23
Net Debt (A)	1 23.37	90.60
Total Equity (As per Balance Sheet) (B)	(43.37)	10.59
Net Gearing ratio (A/B)	(2.84)	8.55

31. Financial Instruments

Valuation Methodology

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

- The fair value of investment in Mutual Funds is measured at quoted price or NAV.
- The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.
- Carrying value of assets and liabilities carried at amortised cost which approximates its fair value.

Fair value measurement hierarchy:

Particulars	₹ in Crore			₹ in Crore		
	Carrying Amount	As at 31st March, 2024		Carrying Amount	As at 31st March, 2023	
		Level of input used in			Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Trade Receivables	1.64	-	-	-	-	-
Cash and Cash Equivalents	8.61	-	-	11.23	-	-
Other Financial Assets	17.86	-	-	20.84	-	-
Financial Liabilities						
At Amortised Cost						
Borrowings	1 31.98	-	-	1 01.83	-	-
Trade Payables	73.83	-	-	63.36	-	-
Lease Liability	79.35	-	-	1 05.02	-	-
Other Financial Liabilities	3.37	-	-	1.70	-	-

Foreign Currency Risk

There is no Foreign Currency Transactions during the Year and Previous Year

i) Foreign Currency Exposure

	₹ in Crore					₹ in Crore				
	As at 31st March, 2024					As at 31st March, 2023				
	EUR	GBP	USD	HKD	AED	EUR	GBP	USD	HKD	AED
Trade and other Payables	-	-	0.99	-	0.08	-	-	0.99	-	0.08
Derivatives										
Forwards	-	-	-	-	-	-	-	-	-	-
Exposure	-	-	0.99	-	0.08	-	-	0.99	-	0.08

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

ii) Foreign Currency Sensitivity

1% Depreciation in INR		EUR	GBP	USD	HKD	AED	EUR	GBP	USD	HKD	AED
Impact on P&L		-	-	(0.01)	-	-	-	-	(0.01)	-	-
Total		-	-	(0.01)	-	-	-	-	(0.01)	-	-
1% Appreciation in INR		EUR	GBP	USD	HKD	AED	EUR	GBP	USD	HKD	AED
Impact on P&L		-	-	0.01	-	-	-	-	0.01	-	-
Total		-	-	0.01	-	-	-	-	0.01	-	-

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowings are primarily fixed interest rates.

Exposure to interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Particulars	₹ in Crore	
	As at	As at
	31st March, 2024	31st March, 2023
Fixed Rate Loan	1 31.98	1 01.83
Floating Rate Loan	-	-
Total	1 31.98	1 01.83

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Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from company's activities in investments, dealing in derivatives and receivables from customers. 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.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk across the company is actively managed through Letters of Credit, Bank Guarantees, Parent Company Guarantees, advance payments and factoring & forfaiting without recourse to the company. The company restricts its fixed income investments in liquid securities carrying high credit rating.

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 credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) 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 other units' requirements, or invest any net surplus in the market or arrange for necessary external borrowings, if need be, while managing the Company's overall net currency positions.

Maturity Profile as at 31st March, 2024

Particulars	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Grand Total
Borrowings							
Non-Current	-	-	-	-	1 31.98	-	1 31.98
Current	-	-	-	-	-	-	-
Trade Payables	-	-	73.83	-	-	-	73.83
Other Financial Liability							
Lease Liabilities							
Non-Current	-	-	-	68.78	35.16	-	1 03.94
Current	9.00	9.00	17.99	-	-	-	35.99
Total	9.00	9.00	91.82	68.78	167.14	-	3 45.74

Maturity Profile as at 31st March, 2023

Particulars	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Grand Total
Borrowings							
Non-Current	-	-	-	-	-	-	-
Current	-	-	101.83	-	-	-	1 01.83
Trade Payables	-	-	63.36	-	-	-	63.36
Other Financial Liability							
Lease Liabilities							
Non-Current	-	-	-	-	70.56	7.64	78.20
Current	6.70	6.70	13.41	-	-	-	26.81
Total	6.70	6.70	178.60	-	70.56	7.64	2 70.20

Reliance Luxe Beauty Limited
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Notes to the Financial Statements for the year ended 31st March, 2024

32. Related Parties Disclosures

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

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

Sr No	Name of the Related Parties	Relationship
1	Reliance Beauty & Personal Care Limited (w.e.f. November 03, 2023)	} Immediate Holding Company
2	Arvind Fashions Limited (till November 03, 2023)	} Immediate Holding Company
3	Shopsense Retail Technologies Private Limited (w.e.f. November 03, 2023)	} Fellow Subsidiary

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

₹ in crore

Sr No	Nature of Transactions	Immediate Holding Company	Fellow Subsidiary	Total
1	Net unsecured loans taken/ (repaid)	58.15 <i>73.83</i>	- -	58.15 <i>73.83</i>
2	Issue/(Redemption) of Debentures	(15.00) <i>15.00</i>	- -	(15.00) <i>15.00</i>
3	Interest cost	2.86 <i>2.59</i>		2.86 <i>2.59</i>
4	Shared Services	- <i>0.13</i>		- <i>0.13</i>
5	Brokerage & Commission	- -	0.21 -	0.21 -

Figures in *italics* represents Previous Year's Amounts

Balance as at 31st March, 2024

1	Borrowings - Non-Current	1 31.98	-	1 31.98
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Figures in *italic* represents previous year's amount.

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

₹ in crore

Particulars	Relationship	2023-24	2022-23
1 Net unsecured loans taken/ (repaid)			
Reliance Beauty & Personal Care Limited (w.e.f. November 03, 2023)	Immediate Holding Company	1 31.98	-
Arvind Fashions Limited (till November 03, 2023)	Immediate Holding Company	(73.83)	73.83
2 Issue/(Redemption) of Debentures			
Arvind Fashions Limited (till November 03, 2023)	Immediate Holding Company	(15.00)	15.00
3 Interest cost			
Reliance Beauty & Personal Care Limited (w.e.f. November 03, 2023)	Immediate Holding Company	2.86	-
Arvind Fashions Limited (till November 03, 2023)	Immediate Holding Company	-	2.59
4 Shared Services			
Arvind Fashions Limited (till November 03, 2023)	Immediate Holding Company	-	0.13
5 Brokerage & Commission			
Shopsense Retail Technologies Private Limited (w.e.f. November 03, 2023)	Fellow Subsidiary	0.21	-

(iv) Disclosure in respect of related party balances as at end of the year:

₹ in crore

Particulars	Relationship	2023-24	2022-23
1 Borrowings - Non-Current			
Reliance Beauty & Personal Care Limited (w.e.f. November 03, 2023)	Immediate Holding Company	1 31.98	-

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)
Notes to the Financial Statements for the year ended 31st March, 2024

		As at	As at	
		31st March, 2024	31st March, 2023	% Change
33.	Ratios			
i	Current Ratio %	1.43	0.76	88.06
ii	Debt Service Coverage ratio \$\$	0.20	0.74	-72.98
iii	Inventory Turnover Ratio	2.12	2.02	4.89
iv	Trade Payable Turnover Ratio \$	4.70	6.06	-22.48
v	Net Profit Ratio ⁱ	-10%	-6%	71.96
vi	Return on Investment	0%	0%	0.00
vii	Debt-Equity Ratio *	-3.04	9.61	-131.65
viii	Return on Equity Ratio [^]	238%	-153%	-256.03
ix	Trade Recievables Turnover Ratio @	468.94	0.00	0.00
x	Net Capital Turnover Ratio	-201.14	-7.78	2486.51
xi	Return on Capital Employed "	-56%	-9%	541.29

% Current Ratio has increased due to increase in trade receivables mainly due to increase in sales.

\$\$ Debt Service Coverage ratio has decreased due to reduced profitability.

\$ Trade Payables turnover ratio has decreased due to increase in Trade Payable Balance.

ⁱ Net Profit Ratio has decreased due to increase in expenses during the year.

* Debt-Equity ratio has decreased primarily due to decrease in Owner's Equity.

[^] Return on Equity ratio has increased due to increase in turnover.

@ Trade Receivables turnover ratio increased due to increase in revenue as well as increase in receivable balance.

" Return on Capital Employed has decreased due to loss during the year.

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)**Notes to the Financial Statements for the year ended 31st March, 2024**

Formulae for computation of ratios are as follows:

Sr. No.	Particulars	Formula
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
3	Debt Service Coverage Ratio	$\frac{\text{Earnings before depreciation, Interest, Tax and Exceptional Items}}{\text{Interest Expense + Repayment of lease liabilities+Principal Repayments made during the period for long term loans}}$
4	Return on Equity Ratio	$\frac{\text{Profit After Tax (Attributable to Owners)}}{\text{Average Net Worth}}$
5	Inventory Turnover Ratio	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade}}$
6	Trade Receivables Turnover Ratio	$\frac{\text{Revenue from Operations (including GST)}}{\text{Average Trade Receivables}}$
7	Trade Payables Turnover Ratio	$\frac{\text{Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade}}{\text{Average Trade Payables}}$
8	Net Capital Turnover Ratio	$\frac{\text{Revenue from Operations (including GST)}}{\text{Working Capital (Current Assets - Current Liabilities)}}$
9	Net Profit Ratio %	$\frac{\text{Profit After Tax}}{\text{Revenue from Operations (including GST)}}$
10	Return on Capital Employed (Excluding Working Capital financing)	$\frac{\text{Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income (-) Share of Profit / (Loss) of Associates and Joint Ventures}}{\text{Average Capital Employed}}$
11	Return on Investment	$\frac{\text{Other Income (Excluding Dividend)}}{\text{Average Cash, Cash Equivalents & Other Marketable Securities}}$

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)**Notes to the Financial Statements for the year ended 31st March, 2024****34. Other Statutory Information**

- (i) As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.
- (ii) The Company do 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.
- (iii) 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.
- (iv) 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.
- (v) The Company have not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

35. The figures for the corresponding previous year have been regrouped wherever necessary, to make them comparable.

36. The financial statements were approved for issue by the Board of Directors on 19th April, 2024.

Reliance Luxe Beauty Limited (Formerly known as Arvind Beauty Brands Retail Limited)

As per our Report of even date

For and on behalf of the Board

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm registration no: 110417W

Hetal Jignesh Rathod
Additional Director
DIN: 00010711

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Sumeet Yadav
Additional Director
DIN: 07221267

Date: 19th April, 2024

Pranav Kishor Lodhavia
Additional Director
DIN: 08574439