

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Imagine Marketing Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Imagine Marketing Private Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, the standalone statement of profit and loss, and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT (*Continued*)

Imagine Marketing Private Limited

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT (*Continued*)

Imagine Marketing Private Limited

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (*Continued*)

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss, and standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

INDEPENDENT AUDITORS' REPORT (*Continued*)

Imagine Marketing Private Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position - Refer Note 26 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 40 to the standalone financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

According to the information and explanations given to us, the Company is incorporated as a private company and thus the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

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Cusrow Noshir Pardiwalla
Partner

Mumbai
25 October 2021

Membership No. 117091
ICAI UDIN: 21117091AAAACM2289

Annexure A to the Independent Auditors' report on the standalone financial statements of Imagine Marketing Private Limited for the year ended 31 March 2021

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).
- (b) The Company has a regular programme of physical verification of its fixed assets (property, plant and equipment) by which all fixed assets (property, plant and equipment) are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business. In accordance with said programme, fixed assets (property, plant and equipment) were physically verified by the management during the year and no material discrepancies were noticed upon such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable properties. Accordingly, paragraph 3 (i) (c) of the Order is not applicable to the Company.
- (ii) The inventory, except goods in transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or limited liabilities partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or securities to the parties covered under Section 185 and 186 of the Act. The Company has complied with the requirements of Section 186 of the Act for the investment made during the year.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for products sold by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

Annexure A to the Independent Auditors' report on the standalone financial statements of Imagine Marketing Private Limited for the year ended 31 March 2021 (Continued)

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of profession tax and cess have been regularly deposited during the year by the Company with appropriate authorities. The amounts deducted/ accrued in the books of account in respect of undisputed statutory dues of provident fund, employees' state insurance, income tax, goods and services tax and duty of customs have generally been regularly deposited during the year by the Company with appropriate authorities though there have been slight delays in a few cases.

As explained to us, the Company did not have any dues on account of sales tax, service tax, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of profession tax, provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax, duty of custom and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank, financial institution and debenture holders. The Company did not have any outstanding dues to government during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and has not obtained any term loans with a repayment period beyond 36 months during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us, the Company is incorporated as a private company and thus the provisions of Section 197 read with Schedule V of the Act is not applicable to the Company. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

Annexure A to the Independent Auditors' report on the standalone financial statements of Imagine Marketing Private Limited for the year ended 31 March 2021 (Continued)

- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute an audit committee under Section 177 (4) (iv) of the Act and hence the said Section is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made a private placement of preference shares during the year. In respect of the same, in our opinion, the Company has complied with the requirement of section 42 of the Act and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not make preferential allotment or private placement of fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company to that extent.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

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Cusrow Noshir Pardiwalla
Partner

Mumbai
25 October 2021

Membership No. 117091
ICAI UDIN: 21117091AAAACM2289

Annexure B to the Independent Auditors' report on the standalone financial statements of Imagine Marketing Private Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Imagine Marketing Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

Annexure B to the Independent Auditors' report on the standalone financial statements of Imagine Marketing Private Limited for the year ended 31 March 2021 (Continued)

Auditors' Responsibility (Continued)

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

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

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Cusrow Noshir Pardiwalla
Partner

Mumbai
25 October 2021

Membership No. 117091
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Imagine Marketing Private Limited

Standalone Balance sheet

as at 31 March 2021

(Currency: Indian Rupees)

	Note	31 March 2021	31 March 2020
<u>EQUITY AND LIABILITIES</u>			
Shareholder's funds			
Share capital	3	93,543,750	551,090
Reserves and surplus	4	4,569,464,933	877,453,454
		<u>4,663,008,683</u>	<u>878,004,544</u>
Non-current liabilities			
Long-term borrowings	5	-	-
Long-term provisions	6	2,021,890	793,328
		<u>2,021,890</u>	<u>793,328</u>
Current liabilities			
Short-term borrowings	7	356,504,509	221,989,848
Trade payables	8		
- Total outstanding dues of micro enterprises and small enterprises		25,351,502	3,387,352
- Total outstanding dues of creditors other than micro enterprises and small enterprises		961,543,335	284,579,078
Other current liabilities	9	391,545,982	216,766,940
Short-term provisions	10	303,998,916	271,691,381
		<u>2,038,944,244</u>	<u>998,414,599</u>
Total		<u><u>6,703,974,817</u></u>	<u><u>1,877,212,471</u></u>
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment			
- Tangible assets	11	17,460,727	9,022,442
- Intangible assets	11	48,917,945	-
Non-current investments	12	24,000,000	74,000,017
Deferred tax asset (net)	29	18,810,297	17,153,450
Long-term loans and advances	13	19,663,170	24,141,410
		<u>128,852,139</u>	<u>124,317,319</u>
Current assets			
Inventories	14	3,321,289,553	807,921,873
Trade receivables	15	777,431,891	552,745,539
Cash and bank balances	16	1,488,924,601	85,655,362
Short-term loans and advances	17	983,907,943	304,776,842
Other current assets	18	3,568,690	1,795,536
		<u>6,575,122,678</u>	<u>1,752,895,152</u>
Total		<u><u>6,703,974,817</u></u>	<u><u>1,877,212,471</u></u>
Significant accounting policies	1-2		
Notes to the standalone financial statements	3-41		

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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Cusrow Noshir Pardiwalla

Partner

Membership No: 117091

VIVEK GAMBHIR
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Vivek Gambhir
Chief Executive Officer

Mumbai
25 October 2021

For and on behalf of the Board of Directors of

Imagine Marketing Private Limited

CIN: U52300MH2013PTC249758

AMAN GUPTA
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Aman Gupta

Director

DIN: 02249682

SUSHANT SUSHIL DALMIA
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Sushant Dalmia

Chief Financial Officer

Mumbai
25 October 2021

SAMEER ASHOK MEHTA
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Sameer Mehta

Director

DIN: 02945481

DHARA RAJENDRA JOSHI
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Dhara Joshi

Company Secretary

Imagine Marketing Private Limited

Standalone Statement of profit and loss

for the year ended 31 March 2021

(Currency: Indian Rupees)

	<i>Note</i>	31 March 2021	31 March 2020
Revenue from operations	19	15,116,899,635	7,004,383,791
Other income	20	195,799,135	36,914,314
Total revenue		15,312,698,770	7,041,298,105
Expenses			
Purchase of stock-in-trade	21	12,853,733,313	5,002,074,064
(Increase) in inventories of stock-in-trade	22	(2,513,367,680)	(476,666,220)
Employee benefit expenses	23	143,086,989	63,397,535
Finance costs	24	155,469,026	85,170,614
Depreciation and amortisation expense	11	10,540,083	3,180,099
Other expenses	25	3,558,290,401	1,698,519,993
Total expenses		14,207,752,132	6,375,676,085
Profit before tax		1,104,946,638	665,622,020
Tax Expense:			
- Current tax		325,157,631	187,276,534
- Deferred tax (Credit)		(1,656,847)	(16,881,881)
- Short provision of tax for earlier years		2,171,298	-
Total tax expense		325,672,082	170,394,653
Profit for the year		779,274,556	495,227,367
Earnings per equity share	30		
- Basic earnings per equity share (Rs)		15,739	9,905
- Diluted earnings per equity share (Rs)		13,361	8,982
(Nominal value Rs 10 per share)			

Significant accounting policies

1-2

Notes to the standalone financial statements

3-41

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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Cusrow Noshir Pardiwalla

Partner

Membership No: 117091

VIVEK
GAMBHIR

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Vivek Gambhir
Chief Executive Officer

For and on behalf of the Board of Directors of

Imagine Marketing Private Limited

CIN: U52300MH2013PTC249758

AMAN
GUPTA

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Aman Gupta

Director

DIN: 02249682

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Sameer Mehta

Director

DIN: 02945481

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Sushant Dalmia

Chief Financial Officer

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Dhara Joshi

Company Secretary

Mumbai
25 October 2021

Mumbai
25 October 2021

Imagine Marketing Private Limited

Standalone Statement of cash flows

for the year ended 31 March 2021

(Currency: Indian Rupees)

	31 March 2021	31 March 2020
A. Cash flows from operating activities		
Profit before tax	1,104,946,638	665,622,020
<i>Adjustments for :</i>		
Expenses on employee stock option plan	5,651,407	1,295,909
Finance costs	155,469,026	85,170,614
Depreciation and amortisation expense	10,540,083	3,180,099
Liabilities no longer required written back	(28,739)	(2,458,152)
Provision no longer required written back	(36,927,025)	-
Interest on fixed deposits	(21,384,234)	(895,200)
Interest on income tax refund	(644,699)	-
Expenses incurred for issuance of preference share capital	91,519,592	-
Provision for impairment of non-current investment	50,000,017	-
Provision for doubtful debts	-	63,660,000
Provision for doubtful advances	28,630,752	-
Provision for doubtful interest receivable on trade advance	1,768,904	-
Provision for warranty	181,940,836	86,000,000
Provision for expected sales return	20,952,079	89,753,254
Provision for slow and non moving inventory	168,300,000	45,952,472
Unrealised foreign exchange (gain) / loss	(11,776,178)	279,581
Operating cash flow before working capital changes	1,748,958,459	1,037,560,597
<i>Adjustments for :</i>		
Increase in trade payable	710,733,323	150,103,462
Increase in long-term provisions	1,228,562	535,674
(Decrease)/Increase in short-term provisions	(171,201,912)	872,943
Increase/(Decrease) in other current liabilities	235,842,059	(78,674,939)
(Increase) in inventories	(2,681,667,680)	(522,618,692)
(Increase) in trade receivables	(187,759,327)	(228,258,481)
(Increase) in long-term loans and advances	(3,776,314)	(14,500,493)
(Increase) in short-term loans and advances	(707,761,852)	(217,356,526)
(Increase) in other current assets	-	(1,768,904)
Cash flows (used in) / generated from operating activities	(1,055,404,682)	125,894,641
Income taxes paid (net)	332,815,576	117,741,000
Net Cash flows (used in) / generated from operating activities	(1,388,220,258)	8,153,641
B. Cash flows from investing activities		
Investment made in equity shares of associate company	-	(50,000,017)
Purchase of tangible assets	(16,396,313)	(9,883,613)
Purchase of intangible assets	(35,500,000)	-
Fixed deposits placed	(45,000,000)	(12,500,000)
Fixed deposits matured	12,500,000	-
Interest on fixed deposits	17,842,176	868,568
Net cash flow (used in) investing activities	(66,554,137)	(71,515,062)

Imagine Marketing Private Limited

Standalone Statement of cash flows

for the year ended 31 March 2021

(Currency: Indian Rupees)

C. Cash flows from financing activities

	31 March 2021	31 March 2020
Net Proceeds from issue of preference shares, including securities premium	4,400,095,743	-
Expenses incurred for issuance of preference share capital	(91,519,592)	-
Payment towards buy back of equity shares	(1,135,502,418)	-
Payment towards distribution tax on buy back of equity shares	(264,515,149)	-
Proceeds from issue of debentures	-	150,000,000
Repayment towards debentures	(112,500,000)	(37,500,000)
Proceeds from term loan	100,000,000	40,000,000
Repayment towards term loan	(60,000,001)	(21,176,469)
Proceeds from short-term borrowings (net)	134,514,661	77,133,411
Interest and other borrowing costs paid	(145,029,610)	(72,158,647)
Net cash flow generated from financing activities	2,825,543,634	136,298,295
Net (Decrease) / Increase in cash and cash equivalents	1,370,769,239	72,936,874
Cash and cash equivalents at the beginning of the year (Refer note below)	73,155,362	218,488
Cash and cash equivalents at the end of the year (Refer note below)	1,443,924,601	73,155,362

Notes to standalone statement of cash flows

The above standalone statement of cash flows has been prepared under the Indirect Method set out in Accounting Standard 3 on cash flow statement (AS-3) prescribed by the Central Government, in accordance with the Companies (Accounting Standard) Rules, 2014.

Components of cash and cash equivalents:

Cash on hand	65,828	10,903
Balances with banks		
- in current accounts	41,998,037	73,144,459
- in deposits with original maturity of less than three months	1,401,860,736	-
Total cash & cash equivalent for cash flow	1,443,924,601	73,155,362
Other bank balances	45,000,000	12,500,000
Total cash and bank balance (Refer note 16)	1,488,924,601	85,655,362

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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Date: 2021.10.25 23:39:15
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Cusrow Noshir Pardiwalla

Partner

Membership No: 117091

VIVEK
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Date: 2021.10.25
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Vivek Gambhir

Chief Executive Officer

Mumbai
25 October 2021

For and on behalf of the Board of Directors of

Imagine Marketing Private Limited

CIN: U52300MH2013PTC249758

AMAN
GUPTA

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Date: 2021.10.25
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Aman Gupta

Director

DIN: 02249682

SUSHANT
SUSHIL
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Date: 2021.10.25
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Sushant Dalmia

Chief Financial Officer

Mumbai
25 October 2021

SAMEER
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MEHTA

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Date: 2021.10.25 19:01:06 +05'30'

Sameer Mehta

Director

DIN: 02945481

DHARA
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Date: 2021.10.25
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Dhara Joshi

Company Secretary

Imagine Marketing Private Limited

Notes to the standalone financial statements

for the year ended 31 March 2021

(Currency: Indian Rupees)

1. Background

Imagine Marketing Private Limited (“Company”) was incorporated on 1 November 2013 under the erstwhile Companies Act, 1956. The Company is engaged in the business of trading of headphones, earphones, wearables, speakers and related accessories such as chargers and cables.

2. Significant accounting policies

2.1 Basis of preparation of standalone financial statements

The standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (‘Indian GAAP’) and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013, (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended from time to time and other relevant provisions of the Companies Act, 2013, to the extent applicable.

The accounting policies set out below have been applied consistently in the periods presented in these standalone financial statements.

2.2 Use of estimates

The preparation of standalone financial statements in conformity with Generally Accepted Accounting principles (‘GAAP’) requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the standalone financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Estimates of Uncertainties relating to the Global Health Pandemic from COVID-19:

The COVID-19 pandemic is a global humanitarian and health crisis. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. The pandemic has impacted, and may further impact, all of the Company's stakeholders – employees, clients, investors and communities in which it operates.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of monetary assets, inventory, receivables, advances, property plant and equipment, etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as its current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Imagine Marketing Private Limited

Notes to the standalone financial statements (*continued*)

for the year ended 31 March 2021

(Currency: Indian Rupees)

2. Significant accounting policies (*continued*)

2.3 Current/non-current classification:

Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within twelve months after the balance sheet date; or
- d. it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current assets.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the entity's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within twelve months after the balance sheet date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date. Terms of liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current liabilities.

All other liabilities are classified as non-current.

Operating cycle:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out above which are in accordance with the Schedule III to the Act.

Based on the nature of products and the time between the acquisition of assets and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.4 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprise of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Imagine Marketing Private Limited

Notes to the standalone financial statements (*continued*)

for the year ended 31 March 2021

(Currency: Indian Rupees)

2. Significant accounting policies (*continued*)

2.4 Property, plant and equipment and depreciation (*continued*)

Acquisitions and disposals are accounted for at the date of completion of transactions.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation is provided on Written Down Value Method ('WDV'), pro-rata to the period of use of assets, in the manner specified in Schedule II to the Companies Act, 2013, based on the useful life of assets as prescribed under the Companies Act, 2013. The useful life and residual values are periodically reviewed by management and changes are made prospectively

Assets individually costing up to Rs 5,000 are fully depreciated in the year of purchase.

Losses arising from retirement and gains or losses arising from disposal of the 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.

Advance paid for acquisition / construction of property plant and equipment which are not ready for their intended use at each balance sheet date are disclosed under loans and advances as capital advances.

2.5 Intangible assets and amortisation

Intangible Assets are stated at acquisition cost less accumulated amortization/ impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Estimated useful lives of the intangible assets are as follows:

Brand – 10 years

Losses arising from the retirement of, and gains or losses arising from disposal of intangible assets which are carried at cost are immediately recognised in the Statement of Profit and Loss.

2.6 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

Imagine Marketing Private Limited

Notes to the standalone financial statements (*continued*)

for the year ended 31 March 2021

(Currency: Indian Rupees)

2. Significant accounting policies (*continued*)

2.7 Revenue Recognition

Revenue from sale of goods:

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to buyers upon delivery to customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount of revenue is recognized net of taxes and discounts. The expected sales return provision is created based on previous 12 months sales return trend, the amount of expected sales return provision is netted of from revenue.

Revenue from sales of goods on consignment basis is recognized when goods are sold by our customers to end customers.

Other income:

Interest income is recognized on time proportion basis. Other miscellaneous income are accounted as and when the transactions occur.

Other revenue (including in respect of insurance or other claims or refund, etc.) is accounted for when the right to receive the payment is established.

2.8 Inventories

Inventories which comprise of traded goods are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Cost of inventories comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.9 Investments

Investments that are readily realizable and intended not to be held for more than one year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Long-term investments are stated at cost. Provision is made to recognize a decline, other than temporary in value of long-term investments and is determined separately for each individual investment. Current investments are stated at lower of cost and fair value, computed separately in respect of each category of investment.

Investment in Associate Company is accounted for using the Cost method and tested for impairment.

Imagine Marketing Private Limited

Notes to the standalone financial statements (*continued*)

for the year ended 31 March 2021

(Currency: Indian Rupees)

2. Significant accounting policies (*continued*)

2.10 Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.

(ii) Post-employment benefits

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation which is a defined contribution plan. 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 benefits plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified independent actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in the Statement of profit and loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences:

The employee can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Compensated absences are determined on the basis of valuations, as at balance sheet date, carried out by an independent actuary using Projected Unit Credit method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of profit and loss.

Imagine Marketing Private Limited

Notes to the standalone financial statements (*continued*)

for the year ended 31 March 2021

(Currency: Indian Rupees)

2. Significant accounting policies (*continued*)

(iii) Other employment benefits

Employee stock option schemes:

The compensation cost of stock options granted to employees is measured by the Intrinsic Value method. The intrinsic value, which is the excess of the market price of the underlying equity shares as of the date of the grant over the exercise price of the option, is recognized and amortized on straight line basis over the vesting period.

2.11 Foreign currency transactions

Initial recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition:

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the Statement of profit and loss. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated transactions are translated at exchange rates existing on the date of transaction.

2.12 Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

2.13 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Capitalisation of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs mainly includes loan processing charges which are debited to statement of profit and loss as and when incurred.

Imagine Marketing Private Limited

Notes to the standalone financial statements (*continued*)

for the year ended 31 March 2021

(Currency: Indian Rupees)

2. Significant accounting policies (*continued*)

2.14 Provision for warranty

The Company recognises provision for warranties in respect of the products that it sells. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. A provision is recognised for expected warranty claims on products sold during the year based on the past trend for actual warranty claims.

2.15 Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are not recognised in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and the related income are recognised in the period in which the change occurs.

2.16 Income taxes

Income tax expense comprises current income tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current income tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. The Company has availed the option of paying income tax as per tax rate under Section 115BAA of the Income Tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however, where there is unabsorbed depreciation under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Imagine Marketing Private Limited

Notes to the standalone financial statements (*continued*)

for the year ended 31 March 2021

(Currency: Indian Rupees)

2. Significant accounting policies (*continued*)

2.17 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit/(loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed using the weighted average number of equity shares outstanding during the year adjusted for the effects of dilutive potential equity shares, except where the results would be anti-dilutive.

2.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

2.19 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segment is the segment for which separate financial information is available and for which operating profit / loss amounts are evaluated by the executive management in deciding how to allocate resources and in assessing performance.

As the Company's business activity falls within a single business segment viz. 'Trading of mobile Accessories' and the sales being in the domestic market, the standalone financial statement are reflective of the information required by Accounting Standard 17 "Segment Reporting", notified under Companies (Accounting Standard) Rules, 2014.

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees)

	31 March 2021	31 March 2020
3 Share capital		
Authorised share capital		
1,45,09,400 (Previous year: 60,000) Equity shares of Rs 10 each	145,094,000	600,000
30,000 (Previous year: 10,000) Preference shares of Rs 10 each	300,000	100,000
20,000 (Previous year: Nil) Preference shares of Rs 6,000 each	120,000,000	-
Issued, subscribed and paid-up		
Equity share capital		
45,066 (Previous year: 50,000) equity shares of Rs 10 each, fully paid up	450,660	500,000
Preference share capital		
5,109 (Previous year: 5,109) 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each	51,090	51,090
15,507 (Previous year: Nil) 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each	93,042,000	-
	<u>93,543,750</u>	<u>551,090</u>

a Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	31 March 2021		31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs 10 each				
At the commencement of the year	50,000	500,000	50,000	500,000
Shares issued during the year	-	-	-	-
Shares bought back during the year (Refer note 3 (g))	4,934	49,340	-	-
At the end of the year	<u>45,066</u>	<u>450,660</u>	<u>50,000</u>	<u>500,000</u>
Preference shares of Rs 10 each				
At the commencement of the year	5,109	51,090	5,109	51,090
Shares issued during the year	-	-	-	-
At the end of the year	<u>5,109</u>	<u>51,090</u>	<u>5,109</u>	<u>51,090</u>
Preference shares of Rs 6,000 each				
At the commencement of the year	-	-	-	-
Shares issued during the year	15,507	93,042,000	-	-
At the end of the year	<u>15,507</u>	<u>93,042,000</u>	<u>-</u>	<u>-</u>

b Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held and after payment to the secured and unsecured loan.

c Rights and terms of conversion to preference shares

The Company has two classes of preference shares i.e. 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each ('Series A CCPS') and 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each ('Series B CCPS').

Series A CCPS comprises Series A CCPS and Series A1 CCPS, both convertible at a ratio of 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred non - cumulative dividend of 0.01% per annum and of the par value of Rs 10 each in the capital of the Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 1 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date or (ii) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees)

3 Share capital (continued)

c Rights and terms of conversion to preference shares (continued)

Series B CCPS are cumulative participating compulsorily and fully convertible preference shares having a face value of Rs. 6,000 each, convertible at a ratio of 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred cumulative dividend of 0.01% per annum and of the par value of Rs 6,000 each in the capital of the Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 1 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date; or (ii) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

d Particulars of shareholders holding more than 5% shares of Company

Name of the shareholder	31 March 2021		31 March 2020	
	No. of shares	%	No. of shares	%
Equity shares of Rs 10 each fully paid up held by				
Mr. Sameer Mehta	19,185	42.57%	25,000	50%
Mr. Aman Gupta	19,185	42.57%	25,000	50%
South Lake Investment Limited	6,696	14.86%	-	-
Preference shares of Rs 10 each fully paid up held by				
Milestone Trusteeship Services Private Limited (Trustee of Fireside Ventures Investment Fund)	2,550	49.91%	5,109	100%
South Lake Investment Limited	2,559	50.09%	-	-
Preference shares of Rs 6,000 each fully paid up held by				
South Lake Investment Limited	15,507	100.00%	-	-

e Shared reserved for issue under options and contracts:

Particulars	31 March 2021		31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Under Employee Stock Option Plan 2019:				
744 equity shares (Previous year: 256 equity shares) of Rs 10 each, at an exercise price of Rs 60,533 per share	744	7,440	256	2,560
Under Employee Stock Option Plan 2021:				
2,749 equity shares (Previous year: Nil) of Rs 10 each, at an exercise price of Rs 283,749 per share	2,749	27,490	-	-
For 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each				
5,109 equity shares (Previous year: 5,109 equity shares) of Rs 10 each	5,109	51,090	5,109	51,090
For 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each				
15,507 equity shares (Previous year: Nil) of Rs 10 each	15,507	155,070	-	-
	<u>24,109</u>	<u>241,090</u>	<u>5,365</u>	<u>53,650</u>

Terms attached to the Compulsorily Convertible Preference Shares are described in note 3 (c).

Terms attached to the Employee Stock Options granted to the employees are described in note 33 regarding Employee share based payments.

f Aggregate number and class of shares bought back for the period of five years immediately preceding the reporting date:

During the five year period ended 31 March 2021 (31 March 2020), 4,934 (Previous year: Nil) equity shares were bought back by the Company.

g During the year, the Company has bought back 4,934 equity shares of Rs 10 each, fully paid up at a price of Rs. 283,138.31 per equity share for an amount of Rs.1,135,502,418 from Mr. Sameer Mehta (2,467 equity shares) and Mr. Aman Gupta (2,467 equity shares).

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees)

	31 March 2021	31 March 2020
4 Reserves and surplus		
Securities premium account		
At the commencement of the year	209,949,339	209,949,339
Add : Securities premium on preference shares issued	4,307,053,743	-
Less: Securities premium utilised for buy back of equity shares	(1,135,453,078)	-
Less: Securities premium transferred to capital redemption account on buy back of equity shares (Refer note i below)	(49,340)	-
At the end of the year	<u>3,381,500,664</u>	<u>209,949,339</u>
Debenture Redemption Reserve		
At the commencement of the year	11,250,000	-
Add: Transferred from Surplus (Profit and loss balance)	-	11,250,000
Less: Transferred to Surplus (Profit and loss balance) (Refer note ii below)	(11,250,000)	-
At the end of the year	<u>-</u>	<u>11,250,000</u>
Capital Redemption Reserve		
At the commencement of the year	-	-
Add: Transferred from securities premium account on buy back of equity shares	49,340	-
At the end of the year	<u>49,340</u>	<u>-</u>
Employee stock option outstanding account		
At the commencement of the year	1,295,909	-
Add: Charge for the year (Refer note 23)	5,651,407	1,295,909
At the end of the year	<u>6,947,316</u>	<u>1,295,909</u>
Surplus (Profit and loss balance)		
At the commencement of the year	654,958,206	170,980,839
Add: Profit for the year	779,274,556	495,227,367
Less: Transferred to debenture redemption reserve	-	(11,250,000)
Add: Transferred from debenture redemption reserve	11,250,000	-
Less: Buy back distribution tax	(264,515,149)	-
At the end of the year	<u>1,180,967,613</u>	<u>654,958,206</u>
Total reserves and surplus	<u><u>4,569,464,933</u></u>	<u><u>877,453,454</u></u>

Note:

- i During the year an amount of Rs 49,340, being the face value of the shares bought back during the year, was transferred from Securities Premium Account to Capital Redemption Reserve upon buyback in accordance with Section 69 of the Companies Act, 2013.
- ii During the year, the Company has paid off all the outstanding debenture and accordingly, the debenture redemption reserves has been transferred to Surplus (Profit and loss balance).

5 Long Term Borrowings

Secured

14.50% Non-convertible debentures of Rs 100,000 each	-	112,500,000
Term loan from other parties	58,823,530	18,823,531
Less: Current maturities of long-term borrowings	(58,823,530)	(131,323,531)
	<u>-</u>	<u>-</u>

Note:

- i Debentures were obtained by the Company from BAC Acquisition Pvt Ltd on 21 June 2019 and carried an interest rate 14.50% per annum (Previous Year: 14.50%) & redemption premium of Rs.5,250,000 which was paid off in December 2020, against the pledge of 14,480 Equity share (7,240 owned by Mr. Sameer Ashok Mehta and 7,240 owned by Mr. Aman Gupta) having face value of Rs 10 per share. Debentures were repayable in 12 monthly installment amounting of principal repayment of Rs 1,25,00,000 per month from January 2020 to December 2020 plus the interest for number of days of the month and a redemption premium of Rs 5,250,000 at the end of the tenure. During the year, all the outstanding debenture were fully repaid and pledge has been released.
- ii Secured loan has been obtained by the Company from Innoven Capital India Pvt Ltd towards Term Loan and carries an interest rate 14.75% per annum (Previous year: 14.80% per annum), against the pledge of 7,500 Equity share (3,750 owned by Mr. Sameer Ashok Mehta and 3,750 owned by Mr. Aman Gupta) having face value of Rs 10 per share. Loan is repayable in 17 monthly installment amounting of principal repayment of Rs 5,882,353 per month from September 2020 plus the interest for number of days of the month. The Company has also given first pari passu charge on "boAt" brand and on current assets which shall include current and future fixed and non current assets to Innoven Capital India Pvt Ltd.

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees)

	31 March 2021	31 March 2020
6 Long-term provisions		
Provision for employee benefits:		
- Gratuity (Refer note 32 (b))	2,021,890	793,328
	<u>2,021,890</u>	<u>793,328</u>
7 Short-term borrowings		
Secured:		
Cash credit from banks (refer note i & ii below)	161,778,842	11,202,198
Loan repayable on demand		
- from bank (refer note iii & iv below)	119,725,667	100,000,000
- from other parties (refer note v below)	75,000,000	86,045,037
Unsecured:		
Loan repayable on demand		
- from other parties (refer note vi below)	-	17,500,000
Loans from directors and shareholders (refer note vii below)	-	7,242,613
	<u>356,504,509</u>	<u>221,989,848</u>

Note:

- i Cash Credit (CC) facility from Citi bank has been availed for meeting the working capital requirements of the Company and carries an interest rate at 9.50% (Previous year: 9.75%) per annum, computed on monthly basis on the actual amount utilised to be paid on last date of each month against the pledge of 2,500 Equity share (Previous year: 2,500) (1,250 owned by Mr. Sameer Ashok Mehta and 1,250 owned by Mr. Aman Gupta) having face value of Rs 10 per share. The bank is entitled to change the rate of interest at any time or time to time subject to market condition and notify the condition to borrower. The bank shall charge extra 4% (Previous year: 4%) per annum of interest above to the rate agreed in case of default in repayment and 2% (Previous year: 2%) per annum, prepayment charges subject to discretion of Bank. Bank CC is subject to annually renewable and repayable on demand.
- The Borrowing from Citi Bank is secured against hypothecation on current and future stocks and book debts of company. The bank has pledge on the debt mutual fund amounting to Rs 24,000,000 (Previous year: Rs 24,000,000) in name of Company. There is personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICIC Bank, HDFC Bank, Innoven Capital and RBL.
- ii Cash Credit (CC) facility from ICICI bank has been availed for meeting the working capital requirements of the Company and carries an interest rate at 9.25% (Previous year: Nil) per annum, computed on monthly basis on the actual amount utilized to be paid on last date of each month against the pledge of 1,250 Equity share (Previous year: Nil) (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) having face value of Rs 10 per share. The Borrowing from ICICI Bank is secured against hypothecation on current and future stocks and book debts of the Company. There is personal guarantee of Directors - Mr. Sameer Ashok Mehta and Mr. Aman Gupta. The borrowing from ICICI Bank are secured against exclusive charge on fixed deposit of Rs 10,000,000. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICIC Bank, HDFC Bank, Innoven Capital and RBL.
- iii Secured working capital demand loan (sublimit of cash credit facility) has been obtained by the Company from RBL bank during financial year, against fixed deposit of Rs 25,000,000 as security and pledge of 3,750 Equity share (1,875 owned by Mr. Sameer Ashok Mehta and 1,875 owned by Mr. Aman Gupta) having face value of Rs 10 per share. The interest rate are applicable as per disbursement date and the bank reserves the right to charge additional interest at the rate of 2% on occurrence of such events as specified in the agreement. The Company has given RBL First Passu Charge on the entire current and moveable fixed assets of the Company, both present and future (shared with Citi Bank and Innoven capital). Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICIC Bank, HDFC Bank, Innoven Capital and RBL. There is a personal guarantee of Mr. Sameer Mehta and Mr. Aman Gupta of 4 undated cheques (UDCs) of Rs 5 crores each drawn on Citi Bank.
- iv Secured loan has been obtained by the Company from HDFC bank towards working capital on 1 March 2021 which carries an interest rate 8.50% per annum, against the pledge 1,250 of Equity share (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) having face value of Rs 10 per share. The Company has given First pari passu charge on entire receivables and on entire inventory of the Company, present and future, to HDFC bank, RBL, Citi Bank and Innoven capital. Also, fixed deposit charge of Rs 10,000,000 lien marked to HDFC Bank. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICIC Bank, HDFC Bank, Innoven Capital and RBL.
- v Secured loan has been obtained by the Company from Innoven Capital India Pvt Ltd towards working capital and carried an interest rate 14.75% (Previous year: 14.80%) per annum, against a pledge of 7,500 Equity share (3,750 owned by Mr. Sameer Ashok Mehta and 3,750 owned by Mr. Aman Gupta) having face value of Rs 10 per share. The working capital taken is repayable on demand in full and interest on monthly basis for the number of days in the month. The company has repaid the entire loan subsequently on 26th April 2021. The Company has also given first pari passu charge on current assets which shall include current and future fixed and non current assets to Innoven Capital India Pvt Ltd. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICIC Bank, HDFC Bank, Innoven Capital and RBL.
- The Company has given right to Innoven Capital India Pvt Ltd to purchase preference shares equal to Rs 20,000,000 divided by price per share of last equity round. The right can be exercised at any time over a period of eight years from the date of issuance. Anti-dilution and liquidation preference rights provided to the same class of shareholders will apply. The right granted shall survive till the termination of the loan agreement.
- vi The Company had other unsecured Loan amounting to Rs 17,500,000 in previous year obtained from other corporates in the form of Inter Corporate Deposits (ICD's) and loan bearing a interest rate ranging 12%. The loan interest and principal amount was repayable on demand on 2 months prior notice. During the year, the Company repaid the entire loan and there are no dues outstanding as at year end.
- vii Unsecured loan also included Loan from Directors of Rs 2,500,000 (Rs 1,250,000 each for Mr. Sameer Mehta and Mr. Aman Gupta) bearing 0% interest rate and Rs 4,742,613 from Sameer Mehta bearing 10% interest rate. All the unsecured loan were repaid during the year.

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees)

	31 March 2021	31 March 2020
8 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (Refer note 35)	25,351,502	3,387,352
- Total outstanding dues of creditors other than micro enterprises and small enterprises	961,543,335	284,579,078
	<u>986,894,837</u>	<u>287,966,430</u>
9 Other current liabilities		
Current maturities of long term borrowings (Refer note 5)	58,823,530	131,323,531
Salaries and bonus payable	14,735,822	5,587,386
Accrued expenses	218,932,581	55,579,855
Interest accrued but not due on borrowings	-	2,200,516
Redemption premium accrued but not due on debenture	-	2,362,500
Statutory liabilities (refer note below)	15,611,168	18,396,099
Advance from customers	60,280,829	1,317,053
Capital creditors	16,000,000	-
Liability towards unspent corporate social responsibility obligation (Refer note 38)	7,162,052	-
	<u>391,545,982</u>	<u>216,766,940</u>
Statutory liabilities includes:		
- Provident fund	869,548	328,771
- Labour welfare fund	250	37
- Profession tax	18,600	6,800
- Employee state insurance corporation	11,323	6,883
- Goods and services tax	4,278,389	12,905,256
- Tax deducted at source	9,579,896	5,148,352
- Tax collected at source	853,162	-
	<u>15,611,168</u>	<u>18,396,099</u>
10 Short-term provisions		
Provision for employee benefits:		
- Gratuity (Refer note 32 (b))	29,729	8,722
- Compensated absence (Refer note 32 (c))	5,622,273	1,091,938
Provision for taxation (net of advance taxes Rs.244,706,064 [Previous year: Rs. 105,130,890])	95,453,999	94,837,467
Provision for warranty	181,940,836	86,000,000
Provision for expected sales return	20,952,079	89,753,254
	<u>303,998,916</u>	<u>271,691,381</u>

Movement in other provision as per AS 29 :

Particulars	Provision for Warranty		Provision for expected Sales Return	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Opening Provision	86,000,000	-	89,753,254	-
Add : Provision for the year	181,940,836	273,471,523	20,952,079	819,211,710
Less : Reversal / Utilised during the year	86,000,000	187,471,523	89,753,254	729,458,456
Closing Provision	<u>181,940,836</u>	<u>86,000,000</u>	<u>20,952,079</u>	<u>89,753,254</u>

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees)

11 Property, plant and equipment

	Computers	Furniture and fixtures	Office equipment	Plant & Machinery	Total tangible assets	Brand	Total intangible assets
Gross block (at cost)							
As at 1 April 2019	2,790,014	632,532	856,945	-	4,279,491	-	-
Additions	2,415,423	1,172,867	6,295,323	-	9,883,613	-	-
Deletions	-	-	-	-	-	-	-
As at 31 March 2020	5,205,437	1,805,399	7,152,268	-	14,163,104	-	-
Gross block (at cost)							
As at 1 April 2020	5,205,437	1,805,399	7,152,268	-	14,163,104	-	-
Additions	6,417,594	417,624	6,587,075	2,974,020	16,396,313	51,500,000	51,500,000
Deletions	-	-	-	-	-	-	-
As at 31 March 2021	11,623,031	2,223,023	13,739,343	2,974,020	30,559,417	51,500,000	51,500,000
Accumulated depreciation / amortisation							
As at 1 April 2019	1,363,646	162,733	434,184	-	1,960,563	-	-
Charge for the year	1,484,163	320,432	1,375,504	-	3,180,099	-	-
Deletions	-	-	-	-	-	-	-
As at 31 March 2020	2,847,809	483,165	1,809,688	-	5,140,662	-	-
Accumulated depreciation / amortisation							
As at 1 April 2020	2,847,809	483,165	1,809,688	-	5,140,662	-	-
Charge for the year	3,220,148	376,561	3,083,458	1,277,861	7,958,028	2,582,055	2,582,055
Deletions	-	-	-	-	-	-	-
As at 31 March 2021	6,067,957	859,726	4,893,146	1,277,861	13,098,690	2,582,055	2,582,055
Net Block							
As at 31 March 2021	5,555,074	1,363,297	8,846,197	1,696,159	17,460,727	48,917,945	48,917,945
As at 31 March 2020	2,357,628	1,322,234	5,342,580	-	9,022,442	-	-

Note:

- i The Company has created a charge on its property, plant and equipment (fixed assets) for its borrowings - Refer footnotes to note 5 and note 7 to the standalone financial statements
- ii During the year, the Company has purchased "ReadGear" brand from Redwood Interactive, a partnership firm in which a Key Management Personnel of the Company (Mr. Sameer Mehta - Director) is having significant influence, for a total consideration of Rs. 50,000,000 (Refer note 31 for details of related party transactions). Stamp duty expense of Rs. 1,500,000 has been capitalised in the cost of brand. The useful life of the said brand is estimated at 10 years from the date from when the brand is available for use i.e. the date of purchase.
- iii Depreciation and amortisation expense:

	31 March 2021	31 March 2020
Depreciation on tangible assets	7,958,028	3,180,099
Amortisation on intangible assets	2,582,055	-
	10,540,083	3,180,099

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees)

	31 March 2021	31 March 2020
12 Non-current investments		
Investment in Equity shares - Unquoted (Associate company) <i>(Valued at cost less provision for other than temporary diminution, trade investments)</i>		
3,703 (Previous year: 3,703) Equity shares of Sirena Labs Private Limited (Associate company) having face value Rs 10 each, fully paid up	50,000,017	50,000,017
Provision for impairment (Refer note i below)	(50,000,017)	-
	<u>-</u>	<u>50,000,017</u>
Investment in mutual funds - quoted <i>(Valued at cost, Non-Trade investments)</i>		
948,870.13 units (Previous year: 948,870.13) L&T Resurgent India Corporate Bond - Growth	12,000,000	12,000,000
882,463.47 units (Previous year: 882,463.47) Nippon India Strategic Debt fund - Growth (Mutual funds are provided as lien against Citibank CC facility)	12,000,000	12,000,000
	<u>24,000,000</u>	<u>24,000,000</u>
	<u>24,000,000</u>	<u>74,000,017</u>
Aggregate amount of quoted investments	24,000,000	24,000,000
Net Asset Value of quoted investments	24,456,014	23,265,962
Aggregate amount of unquoted investments.	50,000,017	50,000,017
Aggregate provision for diminution in value of investments	50,000,017	-

Note:

- i The Company has assessed the recoverability of the investment made in the equity shares of Sirena Labs Private Limited. Since the probability of recovery of the value of investment is considered to be remote, the management has recognised a full provision for impairment as at 31 March 2021.

13 Long-term loans and advances

(Unsecured, considered good unless stated otherwise)

Security deposits

To parties other than related parties

19,599,811

15,850,493

Advance income tax (net of provision for tax Rs.199,968,357 [Previous year Rs.59,860,572])

36,363

8,290,917

Prepaid expenses

26,996

-

19,663,170

24,141,410

14 Inventories

(Valued at the lower of cost and net realisable value)

Stock-in-trade (including goods in transit Rs 279,669,911 (Previous year: Rs 167,432,695))

3,321,289,553

807,921,873

3,321,289,553

807,921,873

Note:

- i The Company has recognised a provision for slow and non-moving inventory of Rs 168,300,000 (Previous year: Rs. 45,952,472)

ii Break-up of stock-in-trade

Wired earphone

286,464,822

136,200,922

Wired headphone

46,175,860

12,466,754

Wireless earphone

1,630,352,399

131,853,563

Wireless headphone

359,944,804

222,960,927

Wireless speakers

678,324,442

269,099,749

Wearables

159,000,774

-

Others (includes cables, charges, etc.)

161,026,452

35,339,958

3,321,289,553

807,921,873

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

as at 31 March 2021

(Currency: Indian Rupees)

	31 March 2021	31 March 2020
15 Trade receivables		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Receivable outstanding for period exceeding six months from the date they became due for payment		
<i>Considered good</i>		
From related parties	3,823,200	-
From other than related parties	6,281,885	218,260
	<u>10,105,085</u>	<u>218,260</u>
<i>Considered doubtful</i>		
From related parties	2,640,050	-
From other than related parties	8,849,813	14,241,221
	<u>11,489,863</u>	<u>14,241,221</u>
Less: Provision for doubtful debts		
From related parties	(2,640,050)	-
From other than related parties	(8,849,813)	(14,241,221)
	<u>(11,489,863)</u>	<u>(14,241,221)</u>
	<u>10,105,085</u>	<u>218,260</u>
Other Receivable		
<i>Considered good</i>		
From related parties	-	4,558,916
From other than related parties	767,326,806	547,968,363
	<u>767,326,806</u>	<u>552,527,279</u>
<i>Considered doubtful</i>		
From related parties	-	-
From other than related parties	-	49,418,779
	<u>-</u>	<u>49,418,779</u>
Less: Provision for doubtful debts		
From related parties	-	-
From other than related parties	-	(49,418,779)
	<u>-</u>	<u>(49,418,779)</u>
	<u>767,326,806</u>	<u>552,527,279</u>
	<u>777,431,891</u>	<u>552,745,539</u>
Note: There are no debts due by private companies in which director is a director. Refer note 31 for receivable form related parties.		
16 Cash and bank balances		
<i>Cash and cash equivalents</i>		
Cash on hand	65,828	10,903
Balances with banks		
- in current accounts	41,998,037	73,144,459
- in deposits with original maturity of less than three months	1,401,860,736	-
	<u>1,443,924,601</u>	<u>73,155,362</u>
<i>Other Bank Balances:</i>		
Balances with bank in fixed deposit		
- with original maturity of more than three months but less than twelve months	45,000,000	12,500,000
	<u>45,000,000</u>	<u>12,500,000</u>
	<u>1,488,924,601</u>	<u>85,655,362</u>
<i>Details of lien against fixed deposits:</i>		
Security lien towards RBL cash credit facility	25,000,000	12,500,000
Security lien towards ICICI cash credit facility	10,000,000	-
Security lien towards HDFC working capital demand loan	10,000,000	-
	<u>45,000,000</u>	<u>12,500,000</u>

Imagine Marketing Private Limited

Notes to the standalone financial statements *(Continued)*

as at 31 March 2021

(Currency: Indian Rupees)

	31 March 2021	31 March 2020
17 Short-term loans and advances		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Advance to suppliers	532,820,982	206,439,823
Provision for doubtful advances	<u>(28,630,752)</u>	<u>-</u>
	504,190,230	206,439,823
Balances with Government authorities		
- Goods and Services Tax credit receivable	437,092,777	78,292,998
- Custom Duty	34,627,624	14,715,041
- Sales Tax/ Value Added Tax	56,908	56,908
Loans and advances to employees	587,714	932,984
Prepaid expenses	4,875,190	3,889,088
Security deposits	2,477,500	450,000
	<u>983,907,943</u>	<u>304,776,842</u>
18 Other Current Assets		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Interest receivable on fixed deposit	3,568,690	26,632
Interest receivable on trade advance	1,768,904	1,768,904
Provision for interest receivable on trade advance considered doubtful	<u>(1,768,904)</u>	<u>-</u>
	<u>3,568,690</u>	<u>1,795,536</u>

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

	31 March 2021	31 March 2020
19 Revenue from operations		
Sale of products	15,116,899,635	7,004,383,791
	<u>15,116,899,635</u>	<u>7,004,383,791</u>
Break-up of revenue from sale of products		
Wired earphone	1,512,304,874	1,190,700,336
Wired headphone	207,979,720	128,803,885
Wireless earphone	7,985,342,092	2,716,426,093
Wireless headphone	1,488,137,563	1,040,368,319
Wireless speakers	2,973,891,773	1,132,184,282
Wearables	564,526,962	-
Others (includes cables, charges, etc.)	384,716,651	795,900,876
	<u>15,116,899,635</u>	<u>7,004,383,791</u>
20 Other income		
Interest income		
- on fixed deposit	21,384,234	895,200
- on trade advances	-	1,768,904
- on income tax refund	644,699	-
Other non operating income		
- Net gain on account of foreign exchange fluctuation	131,991,586	28,669,948
- Liabilities no longer required written back	28,739	2,458,152
- Provision no longer required written back	36,927,025	-
- Other miscellaneous income (includes insurance claim, scrap income etc.)	4,822,852	3,122,110
	<u>195,799,135</u>	<u>36,914,314</u>

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

	31 March 2021	31 March 2020
21 Purchase of stock-in-trade		
Purchase of stock-in-trade	12,853,733,313	5,002,074,064
	<u>12,853,733,313</u>	<u>5,002,074,064</u>
Break-up of purchase of stock-in-trade		
Wired earphone	1,192,261,068	915,781,308
Wired headphone	196,136,657	781,428,189
Wireless earphone	6,683,035,401	916,858,456
Wireless headphone	1,256,980,943	101,780,305
Wireless speakers	2,507,758,422	1,590,843,394
Wearables	547,734,444	-
Others (includes cables, charges, etc.)	469,826,378	695,382,412
	<u>12,853,733,313</u>	<u>5,002,074,064</u>
22 (Increase) in inventories of stock-in-trade		
Opening inventory of stock-in-trade	807,921,873	331,255,653
Closing inventory of stock-in-trade	3,321,289,553	807,921,873
	<u>(2,513,367,680)</u>	<u>(476,666,220)</u>
23 Employee benefit expenses		
Salaries, bonus, stipend and other allowances	127,879,605	58,788,967
Contribution to provident and other funds (Refer note 32 (a))	3,619,529	1,673,644
Gratuity (Refer note 32 (b))	1,249,569	539,122
Compensated absences (Refer note 32 (c))	4,686,879	1,099,893
Expense on Employee Stock Option Plan (Refer note 33)	5,651,407	1,295,909
	<u>143,086,989</u>	<u>63,397,535</u>
24 Finance costs		
Interest expenses :		
- Interest on debentures	6,817,979	16,530,993
- Interest on borrowings from banks and others	127,098,612	44,687,465
- Interest on delayed payment of income tax	15,002,432	12,691,822
Other borrowing costs	6,550,003	11,260,334
	<u>155,469,026</u>	<u>85,170,614</u>
25 Other expenses		
Business promotion expenses	1,468,352,009	508,778,736
Selling and distribution expenses	937,895,970	607,412,912
Warranty expenses	527,165,213	273,471,523
Freight and transportation charges	217,476,756	125,292,008
Legal and professional fees	136,585,509	22,344,315
Payment to auditor (Refer note 27)	3,661,176	2,262,000
Contract labour charges	40,963,882	24,302,325
Rent (Refer note 34)	26,592,875	12,305,707
Rates and taxes	29,201,715	3,327,154
Repairs and maintenance	5,045,989	3,095,783
Corporate social responsibility (Refer note 38)	7,362,052	761,576
Provision for impairment of non-current investment	50,000,017	-
Provision for doubtful debts	-	63,660,000
Provision for doubtful advances	28,630,752	-
Provision for doubtful interest receivable on trade advance	1,768,904	-
Miscellaneous expenses	77,587,582	51,505,954
	<u>3,558,290,401</u>	<u>1,698,519,993</u>

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

26 Contingent liabilities and commitments

- (i) The Company has issued 15,507 (Previous year: Nil) 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each which carry a right to preferred cumulative dividend of 0.01% of the par value per annum. As at 31 March 2021, the arrears of preferred cumulative dividend not yet declared by the Company amounts to Rs 2,192 (Previous year: Nil).
- (ii) There are no other contingent liabilities and commitments as on 31 March 2021 (Previous Year: Nil)

27 Payment to auditors (excluding taxes)

	31 March 2021	31 March 2020
Statutory audit	2,500,000	2,217,000
Limited review	1,000,000	-
Certification	50,000	-
Out of pocket expenses	111,176	45,000
	3,661,176	2,262,000

28 Value of import calculated on CIF basis (on accrual basis)

	31 March 2021	31 March 2020
Purchase of traded goods (includes goods used for warranty for which cost clubbed under warranty expense)	13,158,651,068	5,166,158,081

29 Deferred tax asset (net)

	31 March 2021	31 March 2020
<i>Deferred tax asset:</i>		
Expense allowed on payment basis	1,931,519	733,220
Provision for doubtful debts and advances	12,208,339	16,023,221
Expense disallowed under Section 40(a)(ia) of Income Tax Act, 1961	6,131,019	-
Excess of net block of property, plant and equipment for tax purpose over net block as per books of accounts	-	397,009
	20,270,877	17,153,450
<i>Deferred tax liability:</i>		
Excess of net block as per books of accounts over net block of property, plant and equipment for tax purpose	(1,460,580)	-
	(1,460,580)	-
Deferred tax asset (net)	18,810,297	17,153,450

30 Earnings per share

	31 March 2021	31 March 2020
Basic and diluted Earning Per Share		
<i>Basic</i>		
Net profit after tax attributable to equity shareholders	(A) 779,274,556	495,227,367
Calculation of the weighted average number of shares		
Number of equity shares at the beginning of the year	50,000	50,000
Add: Shares issued during the year	-	-
Less: Shares bought back during the year	4,934	-
Number of equity shares outstanding at the end of the year	45,066	50,000
Weighted average number of shares outstanding during the year	(B) 49,513	50,000
Nominal value of equity shares	10	10
Basic earning per share (face value of Rs 10 per share)	(A)/(B) 15,739	9,905
<i>Diluted</i>		
Calculation of the weighted average number of shares		
Weighted average number of shares outstanding during the year	49,513	50,000
Add: Weighted average number of preference shares outstanding during the year, to be converted into equity shares	8,678	5,109
Add: Employee stock options outstanding	134	29
Weighted average number of shares outstanding during the year	(C) 58,325	55,138
Nominal value of equity shares	10	10
Diluted earning per share (face value of Rs 10 per share)	(A)/(C) 13,361	8,982

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

31 Related party disclosures

A Related parties with whom transactions have taken place during the year

Names of investors having substantial voting power of reporting enterprise:

Mr. Aman Gupta
 Mr. Sameer Mehta
 Milestones Trusteeship Services Private Limited (Trustee of Fireside Ventures Investment Fund)
 South Lake Investment Limited

Associate Company:

Sirena Labs Private Limited (with effect from 5 November 2019)

Other related parties where transactions have taken place during the year :

Entities in which Key Management Personnel are having significant influence

Redwood Interactive
 Kores India Limited

Entities in which Director of the Company are having significant influence

Fireside Investment Advisory LLP (Significant influence by Mr. Kanwaljit Singh - Director)

Key management personnel:

Mr. Aman Gupta - Director
 Mr. Sameer Mehta - Director
 Mr. Kanwaljit Singh - Director
 Mr. Anish Saraf - Director (with effect from 5 January 2021)
 Mr. Vikram Chogle - Director (with effect from 5 January 2021)
 Mr. Vivek Gambhir - Chief Executive Officer (with effect from 9 February 2021)

B Transactions with related parties during the year

Particulars	31 March 2021	31 March 2020
Sales of goods		
Kores India Limited	86,584	887,034
Fireside Investment Advisory LLP	294,000	228,814
Mr. Kanwaljit Singh	-	28,602
Sirena Labs Private Limited	102,500	3,863,488
Purchase of goods		
Kores India Limited	-	5,000
Sirena Labs Private Limited	5,436,720	3,357,720
Redwood Interactive	15,788,786	-
Purchase of Services		
Sirena Labs Private Limited	-	3,000,000
Contribution paid towards equity share capital		
Sirena Labs Private Limited	-	50,000,017
Advance given		
Sirena Labs Private Limited	-	40,000,000
Advance received back		
Sirena Labs Private Limited	6,500,000	20,000,000
Advance received		
Fireside Investment Advisory LLP	354,266	-
Advance paid back		
Fireside Investment Advisory LLP	354,266	-

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

31 Related party disclosures (continued)

B Transactions with related parties during the year (continued)

Particulars	31 March 2021	31 March 2020
Repayment of short-term borrowings (including interest)		
Mr. Aman Gupta	1,250,000	-
Mr. Sameer Mehta	7,452,526	-
Interest on short-term borrowings		
Mr. Sameer Mehta	379,409	451,577
Rent expenses		
Redwood Interactive	275,000	300,000
Purchase of brand (excluding stamp duty)		
Redwood Interactive	50,000,000	-
Reimbursement of expenses received		
Mr. Sameer Mehta	6,134	-
Sirena Labs Private Limited	175,000	-
Redwood Interactive	16,788	-
Reimbursement of expenses paid		
Mr. Aman Gupta	78,149,564	5,54,00,637.
Redwood Interactive	13,338	-
Issue of preference share capital		
South Lake Investment Limited	4,400,095,743	-
Payment made for buy back of equity shares		
Mr. Aman Gupta	567,751,209	-
Mr. Sameer Mehta	567,751,209	-
Remuneration to Key management personnel		
Mr. Aman Gupta	9,999,996	9,999,996
Mr. Sameer Mehta	9,999,996	9,999,996
Mr. Vivek Gambhir	3,437,352	-
Employee stock options		
Mr. Vivek Gambhir	2,749 options at exercise price of Rs 283,749 per share	-

C Closing balance with related parties

Particulars	31 March 2021	31 March 2020
Short-term borrowings (including interest)		
Mr. Aman Gupta	-	1,250,000
Mr. Sameer Mehta	-	7,073,117
Trade receivables		
Sirena Labs Private Limited	6,463,250	4,558,916
Provision for doubtful trade receivables	(2,640,050)	-
Trade payables		
Sirena Labs Private Limited	1,742,352	-
Redwood Interactive	33,525	-
Capital creditor		
Redwood Interactive	16,000,000	-

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

31 Related party disclosures (continued)

C Closing balance with related parties (continued)

Particulars	31 March 2021	31 March 2020
Advance from Customers		
Redwood Interactive	-	72,326
Trade advance receivable		
Sirena Labs Private Limited	13,500,000	20,000,000
Provision for doubtful trade advance	(13,500,000)	-
Interest receivable on trade advance		
Sirena Labs Private Limited	1,768,904	1,768,904
Provision for doubtful Interest receivable on trade advance	(1,768,904)	-
Reimbursement of expenses payable		
Mr. Aman Gupta	-	290,732
Remuneration payable to Key management personnel *		
Mr. Aman Gupta	158,387	579,291
Mr. Sameer Mehta	573,085	430,266
Mr. Vivek Gambhir	1,637,021	-

* **Note:** As the liabilities for employee benefit provisions are provided on actuarial basis for the Company as a whole, the amounts pertaining to key management personnel are not included.

During the year, the Company has recognised a provision for impairment against the investment in associate company - Refer note 12

D Details of guarantees of key management personnel and shares pledged:

- Personal guarantee of Mr. Sameer Mehta and Mr. Aman Gupta for the cash credit facility with Citi, ICICI and RBL banks.
- Pledge of 14,480 Equity shares (7,240 owned by Mr. Sameer Ashok Mehta and 7,240 owned by Mr. Aman Gupta) for debenture issued to BAC Acquisition Pvt Ltd. During the year, all the outstanding debenture were fully repaid and pledge has been removed.
- Pledge of 7,500 Equity shares (3,750 owned by Mr. Sameer Ashok Mehta and 3,750 owned by Mr. Aman Gupta) for secured loan obtained from Innoven Capital India Pvt Ltd towards Working Capital & Term Loan.
- Pledge of 2,500 Equity shares (1,250 owned by Mr. Sameer Ashok Mehta and 1,250 owned by Mr. Aman Gupta) for Cash Credit (CC) facility from Citi bank.
- Pledge of 1,250 Equity shares (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) for Cash Credit (CC) facility from ICICI bank.
- Pledge of 3,750 Equity shares (1,875 owned by Mr. Sameer Ashok Mehta and 1,875 owned by Mr. Aman Gupta) for secured working capital demand loan (sublimit of cash credit facility) from RBL Bank .
- Pledge of 1,250 Equity shares (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) for secured loan from HDFC bank.

32 Employee Benefit disclosures in accordance with Accounting Standard 15

(a) Defined Contribution Plans

Amount of Rs. 3,619,529 (Previous year: Rs. 1,673,644) towards contribution to provident fund, Labour Welfare Fund and employees' state insurance corporation is recognised as an expense and included in employee benefit expense.

(b) The Company's Gratuity benefit is unfunded and it is defined benefit plan.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service with maximum ceiling as per Company policies.

Amount recognised in balance sheet	31 March 2021	31 March 2020
Fair value of plan assets	-	-
Present value of obligations	2,051,619	802,050
(Liability) recognised in balance sheet	(2,051,619)	(802,050)

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

32 Employee Benefit disclosures in accordance with Accounting Standard 15 (continued)

(b) The Company's Gratuity benefit is unfunded and it is defined benefit plan. (continued)

Movement in present values of defined benefit obligations	31 March 2021	31 March 2020
Defined benefit obligation at 1 April	802,050	262,928
Current service cost	1,180,999	356,248
Past Service Cost (non-vested benefits)	-	-
Past Service Cost (vested benefits)	-	-
Interest cost	54,642	20,042
Actuarial losses / (gains)	13,928	162,832
Benefits paid	-	-
Defined benefit obligation at 31 March	2,051,619	802,050
Provision for gratuity (under Long-term provisions) (Refer note 6)	2,021,890	793,328
Provision for gratuity (under Short-term provision) (Refer note 10)	29,729	8,722
	2,051,619	802,050

Expenses recognised in the statement of profit and loss	31 March 2021	31 March 2020
Current service cost	1,180,999	356,248
Interest on obligation	54,642	20,042
Net actuarial (gain)/ loss recognised in the year	13,928	162,832
Total included in 'employee benefits'	1,249,569	539,122

Principal actuarial assumptions	31 March 2021	31 March 2020
Mortality	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Discount rate as at 31 March	6.80%	6.85%
Expected Rate of Return on Assets	-	-
Attrition Rate	10% p.a at younger ages reducing to 2.00% p.a at older ages	10% p.a at younger ages reducing to 2.00% p.a at older ages
Expected salary increase rate	7.00%	7.00%

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds, which is consistent with the estimated terms of the obligation.

Three year experience history	31 March 2021	31 March 2020	31 March 2019
Defined benefit obligation	2,051,619	802,050	262,928
(Deficit) / Surplus in the plan	(2,051,619)	(802,050)	(262,928)
Experience (gain) adjustment on plan liabilities	701	84,526	-
Actuarial loss/(gain) due to change in financial assumptions	13,227	78,679	-
Actuarial loss/ (gain) due to change in demographic assumption	-	(373)	-
Experience adjustments on plan assets	-	-	-
Net actuarial loss/ (gain) for the year	13,928	162,832	-

(c) Amount recognised as an expense in respect of compensated absences is Rs. 4,686,879 (Previous year: Rs 1,099,893).

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

33 Employee share based payments (ESOP)

As at 31 March 2021, the Company has followed share-based payment arrangements for employees:

Employees Stock Option Scheme 2019 ('2019 Plan')

The 2019 Plan had been formulated by the Board of Directors of the Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 15 November 2019 and subsequently amended on 25 March 2021. The 2019 Plan entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the 2019 Plan, holders of vested options are entitled to purchase an equity share for every option at an exercise price as stated in the grant letter.

Employees Stock Option Scheme 2021 ('2021 Plan')

The 2021 Plan has been formulated by the Board of Directors of the Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 25 March 2021. The 2021 Plan entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the 2021 Plan, holders of vested options are entitled to purchase on equity share for every option at an exercise price as stated in the grant letter.

Plan	Employee Entitled	Vesting Conditions	Contractual life of options
2019 Plan	Eligible Employees	Continued employment with Company	4 years
2021 Plan	Eligible Employees	Continued employment with Company	4 years

Share based payment expense:

Particulars	31 March 2021	31st March 2020
Employee Stock Option Scheme 2019	5,651,407	1,295,909
Employee Stock Option Scheme 2021 *	-	-
Total expense recognized in 'employee benefits'	5,651,407	1,295,909

* Exercise price at which ESOPs are issued under the 2021 Plan is higher than the fair value of the equity shares and hence there is no charge recorded in the statement of profit and loss.

The activity in the 2019 Plan is set out below:

Particulars	31 March 2021		31 March 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at 1st April	256	60,533	-	-
Granted	503	60,533	256	60,533
Forfeited	-	-	-	-
Expired	(15)	60,533	-	-
Exercised	-	-	-	-
Outstanding at 31st March	744	60,533	256	60,533
Exercisable at 31st March	60	60,533	-	-

The activity in the 2021 Plan is set out below:

Particulars	31 March 2021	
	Number of options	Weighted average exercise price
Outstanding at 1st April	-	-
Granted	2,749	283,749
Forfeited	-	-
Expired	-	-
Exercised	-	-
Outstanding at 31st March	2,749	283,749
Exercisable at 31st March	-	-

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

33 Employee share based payments (ESOP) (continued)

The options outstanding at 31st March 2021 have an exercise price and a weighted average contractual life as given below:

Particulars	Number of outstanding options	Exercise price	Weighted average remaining life in years as 31 March 2021	Weighted average remaining life in years as 31 March 2020
2019 Plan	744	60,533	8.92	9.13
2021 Plan	2,749	283,749	9.29	-

Disclosure of Earnings per share considering fair value accounting for ESOP:

Particulars	31 March 2021	31 March 2020
Profit for the year	779,274,556	495,227,367
Less : Additional employee compensation cost based on fair value	(22,911,789)	(2,340,666)
Profit for the year as per fair value method	756,362,767	492,886,701
Basic Earning Per Share (EPS)		
Weighted average number of equity shares	49,513	50,000
Basic EPS as reported (in Rs.) (Refer note 30)	15,739	9,905
Proforma Basic EPS (in Rs.)	15,276	9,858
Diluted Earning Per Share (EPS)		
Weighted average number of equity shares (including dilutive ESOP shares)	58,325	55,138
Diluted EPS as reported (in Rs.) (Refer note 30)	13,361	8,982
Proforma Diluted EPS (in Rs.)	12,968	8,939

The following assumptions were used for calculation of fair value of grants:

Particulars	31 March 2021	31 March 2020
Risk-free interest rate	5.96%	6.91%
Expected life of option (years)	7.00	7.00
Expected volatility	76.24%	71.25%
Dividend yield	0.00%	0.00%

34 Operating lease

Operating leases as lessee:

The Company has taken office and godown premises under non cancellable operating lease. The Company has given refundable security deposits in accordance with the agreed terms. Lease payments are recognized in the statement profit and loss under 'Rent' Rs 26,592,875 (Previous year: Rs. 12,305,707).

The future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	31 March 2021	31 March 2020
Not later than one year	31,358,950	17,339,336
Later than one year but not later than five years	76,981,015	48,663,752
Later than five years	-	-

Imagine Marketing Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2021

(Currency: Indian Rupees)

35 Due to micro and small enterprises

Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, information has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	31 March 2021	31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	25,351,502	3,387,352
- Interest	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

36 Unhedged foreign currency exposure

Particulars	31 March 2021		31 March 2020	
	Amount in foreign currency	Amount in Rs	Amount in foreign currency	Amount in Rs
Payable				
USD	5,096,063	372,573,154	141,839	10,732,218
	5,096,063	372,573,154	141,839	10,732,218

37 Segment reporting

As the Company's business activity falls within a single business segment viz. 'Trading of mobile Accessories' and the sales being in the domestic market, the standalone financial statement are reflective of the information required by Accounting Standard 17 "Segment Reporting", notified under Companies (Accounting Standard) Rules, 2014.

38 Corporate Social Responsibility (CSR)

The Company has spent Rs 200,000 (Previous year: Rs 761,576) towards corporate social responsibility as prescribed under section 135 of the Companies Act, 2013.

i Gross amount required to be spent by the Company during the year was Rs. 5,816,320 (Previous year Rs. 2,479,281).

ii Amounts spent during the year on:

Particulars	31 March 2021		31 March 2020	
	In cash	Yet to be paid in Cash	In cash	Yet to be paid in Cash
Construction / acquisition of any asset	-	-	-	-
On purposes other than (i) above	200,000	-	761,576	-
Total	200,000	-	761,576	-

iii The Company has recorded a provision of Rs. 7,162,052 (including deficit of FY 2019-20) (Previous year: Nil) for unspent corporate social responsibility expenses as at year end and has been subsequently deposited in Prime Minister Care Fund on 16 September 2021.

iv The Company has not spent any excess amount during the year.

v Company does not have any ongoing projects as at 31st March 2021.

